

**STEELE
COUNTY
SOIL & WATER
CONSERVATION
DISTRICT
2009 FINANCIAL
REPORT**

STEELE COUNTY SOIL AND WATER CONSERVATION DISTRICT
OWATONNA, MINNESOTA

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Adjustments See Notes	Statement of Net Assets
<u>Assets</u>			
Cash and investments	\$211,305		\$211,305
Accounts receivable	1,965		1,965
Due from other governments	0		0
Prepaid items	508		508
Inventory Assets	1,322		1,322
Interest Receivable	892		892
Capital Assets:			
Equipment (net of accumulated depreciation)		30,221	30,221
Total Assets	<u>\$215,992</u>	<u>\$30,221</u>	<u>\$246,213</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$3,034		\$3,034
Salaries payable	6,075		6,075
Due to other governments	6,724		6,724
Deferred revenue	85,916		85,916
Long-term liabilities:			0
Due within one year		15,853	15,853
Due after one year (comp. absences)		-	0
Total Liabilities	<u>\$101,749</u>	<u>\$15,853</u>	<u>\$117,602</u>
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Reserved for prepaid items	\$0	\$0	\$0
Unreserved			
Designated for future projects	22,450	(22,450)	0
Undesignated	91,793	(91,793)	0
Total Fund Balance	<u>\$114,243</u>	<u>(\$114,243)</u>	<u>\$0</u>
Net Assets			
Invested in capital assets		\$30,221	\$30,221
Unrestricted		\$98,390	\$98,390
Total Net Assets		<u>\$128,611</u>	<u>\$128,611</u>

*ending net asset balance

**total assets-total liabilities- invested in capital assets

Notes are an integral part of the basic financial statements.

STEELE COUNTY SOIL AND WATER CONSERVATION DISTRICT
OWATONNA, MINNESOTA

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$216,010	\$0	\$216,010
Charges for services	62,128	0	62,128
Investment earnings	3,723	0	3,723
Miscellaneous	3,086	0	3,086
Total Revenues	\$284,946	\$0	\$284,946
Expenditures/Expenses			
Conservation			
Current	\$305,319	\$5,602	\$310,921
Capital outlay	625	(625)	0
Total Expenditures/Expenses	\$305,944	\$4,977	\$310,921
Excess of Revenues Over (Under)			
Expenditures/Expenses	(\$20,997)	(\$4,977)	(\$25,974)
Fund Balance/Net Assets January 1	135,240	19,345	\$154,585
Fund Balance/Net Assets December 31	\$114,243	\$14,368	\$128,611

2009	
Dep expenses	4159
Comp. Ab. Change	1443
	5602

Notes are an integral part of the basic financial statements.

STEELE COUNTY SOIL AND WATER CONSERVATION DISTRICT
OWATONNA, MINNESOTA

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Original <u>Budget</u>	Mid-Year & Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Neg)
Revenues				
Intergovernmental				
County	\$129,215	\$131,255	\$131,995	\$740
Local	0	0	0	0
Federal	7,125	0	0	0
State grant	77,709	120,322	84,015	(36,307)
Total intergovernmental	<u>\$214,049</u>	<u>\$251,577</u>	<u>\$216,010</u>	<u>(\$35,567)</u>
Charges for services	<u>\$59,161</u>	<u>\$64,940</u>	<u>\$62,128</u>	<u>(\$2,812)</u>
Miscellaneous				
Interest earnings	\$6,000	\$6,000	\$3,723	(\$2,277)
Other	11,612	5,861	3,086	(2,775)
Total miscellaneous	<u>\$17,612</u>	<u>\$11,861</u>	<u>\$6,809</u>	<u>(\$5,052)</u>
District Reserves		<u>\$21,121</u> *	<u>\$0</u>	<u>(21,121)</u>
Total Revenues	<u>\$290,822</u>	<u>\$349,499</u>	<u>\$284,947</u>	<u>(\$64,553)</u>
Expenditures				
District operations				
Personnel services	\$194,529	\$190,343	\$195,134	(\$4,791)
Other services and charges	35,900	41,850	42,683	(833)
Supplies	2,400	3,200	2,381	819
Capital outlay	3,500	625	625	0
Total district operations	<u>\$236,329</u>	<u>\$236,018</u>	<u>\$240,823</u>	<u>(\$4,805)</u>
Project expenditures				
District	\$40,194	\$43,182	\$42,292	\$890
State	14,299	14,299	22,426	(8,127)
Other Projects	0	56,000	402	55,598
Total project expenditures	<u>\$54,493</u>	<u>\$113,481</u>	<u>\$65,120</u>	<u>\$48,361</u>
Total Expenditures	<u>\$290,822</u>	<u>\$349,499</u>	<u>\$305,944</u>	<u>\$43,555</u>
Excess of Revenues Over (Under)				
Expenditures		<u>\$0</u>	<u>(\$20,997)</u>	<u>(\$20,997)</u>
Fund Balance - January 1	<u>\$135,240</u>	<u>\$135,240</u>	<u>\$135,240</u>	<u>\$0</u>
Fund Balance - December 31	<u>\$135,240</u>	<u>\$135,240</u>	<u>\$114,243</u>	<u>(\$20,997)</u>

* Used District Reserve Fund to allow books to balance.

**BREAKDOWN OF COUNTY REVENUE
2009**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u>119,715.00</u>
WATER PLAN MONEY	\$ <u>-0-</u>
WETLAND MONEY	\$ <u>9,500.00</u>
FEEDLOT MONEY	\$ <u>2,780.00</u>
ABANDONED WELL	\$ <u>-0-</u>
DNR SHORELAND	\$ <u>-0-</u>
OTHER (specify)	\$ <u>-0-</u>
 TOTAL	 \$ <u>131,995.00</u>

NOTE: The total should agree with amount reported as **County Revenue** in the "Budgetary Comparison Schedule."

List other "non-cash" county support (i.e. rent, health insurance, etc.) that does not show up anywhere on your annual report.

**DEFERRED REVENUE BREAKDOWN
2009**

Balance of BWSR Service Grants: \$ 0.00

Balance of unencumbered BWSR Cost-Share Grants:

Current fiscal year \$ 10,169.00

(T & A included in totals)

Previous fiscal year \$ 5,821.89

Balance of encumbered BWSR Cost-Share Grant (list each contract separately):

FY	Contract No.	Contract Amount	T & A Encumbered
c/s 08	7(08)	1,255.75	213.94
c/s 09	7(08)	244.25	61.06
			* 5,610.22
	Total	1,500.00	5,882.22
Buffer Grant			
08	BG-1	7,400.00	1,357.88
	BG-2	116.50	29.13
	BG-3	1,443.80	360.95
	BG-4	72.00	18.00
			* 1,741.92
	Total	9,032.30	3,507.88

* T&A left from paid contracts. T & A District Policy – Dispense to District Fund after Contract Close-out.

Total of all Cost-Share Encumbrances \$ 19,925.40

Balance of County WCA Funds \$ 0.00

Balance of County Water Plan Funds: \$ 0.00

Balance of other funds being deferred (list if any):

08 BWSR Flood Project monies \$ 50,000.00

_____ \$ _____

_____ \$ _____

Subtotal of other funds: \$ 50,000.00

TOTAL OF ALL DEFERRED REVENUE: **\$ 85,916.29**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Steele County Soil and Water Conservation District (District) conform to generally accepted accounting principles. These statements are prepared in accordance with Government Accounting Standards Board Rule 34, which changes the way both the statement of condition and the statement of revenues and expenses are reported.

A. Financial Reporting Entity

The district is organized under the provisions of Minnesota Statutes Chapter 103C and is governed by a Board of Supervisors composed of five members nominated by voters of the District and elected to four-year terms by the voters of the County.

The purpose of the District is to assist land occupiers in applying practices for the conservation of soil and water resources. These practices are intended to control wind and water erosion, pollution of lakes and streams, and damage to wetlands and wildlife habitats.

The Steele County Soil and Water Conservation District, in cooperation with the U.S. Department of Agriculture Natural Resources Conservation Service and other agencies, provides technical and financial assistance to individuals, groups, organizations, and governments in reducing costly waste of soil and water resulting from soil erosion, sedimentation, pollution, and improper land use.

Each fiscal year the District develops a work plan that is used as a guide in using resources effectively to provide maximum conservation of all lands within its boundaries. The work plan includes guidelines for employees and technicians to follow in order to achieve the District's objectives.

The District is not considered a part of Steele County because, even though the County provides a significant amount of the District's revenue in the form of an appropriation, it does not retain any control over the operations of the District.

Generally accepted accounting principles require that the financial reporting entity include the primary government and component units for which the primary government is financially accountable. Under these principles the District does not have any component units.

B. Basis of Presentation - Fund Accounting

The accounts of the Steele County Soil and Water Conservation District are organized on the basis of a fund and two account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

B. Basis of Presentation - Fund Accounting (Continued)

1. Governmental Funds: General Fund

The General Fund is used to account for all revenues and expenditures incurred in operating the District.

2. General Fixed Assets Account Group

This account group is used to record the District's general fixed assets, which include furniture and equipment.

3. General Long-Term Debt Account Group

This account group records earned but unpaid vacation and sick leave that has vested or is expected to vest.

C. Government-Wide Financial Statements

The government-wide financial statements (i.e. The Statement of Net Assets and the Statement of Activities) report information on all the nonfiduciary activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

The government reports the general fund as its only major governmental fund. The general fund accounts for all financial resources of the government.

The District's financial statements (general fund) are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, that is, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue sources susceptible to accrual include intergovernmental revenues, charges, and interest. Expenditures are recorded when the corresponding liabilities are incurred.

Intergovernmental revenues are reported in conformity with the legal and contractual requirements of the individual programs. Generally, grant revenues are recognized when the corresponding expenditures are incurred. If the District also receives an annual appropriation from the County, it is recognized as revenue when received, unless it is received prior to the period to which it applies. In that case, revenue recognition is then deferred until the appropriate period.

Investment earnings and revenues from the sale of trees are recognized when earned. Agricultural conservation fees and other revenue are recognized when they are received in cash because they usually are not measurable until then.

Project expenditures represent costs that are funded from federal, state, or district revenues. State project expenditures consist of grants to participants of the cost-Share Program and other state programs. District project expenditures are costs of materials and supplies in District projects.

In accordance with Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, revenues for non-exchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

D. Budget Information

The District adopts an estimated revenue and expenditure budget for the General Fund. Comparisons of estimated revenues and budgeted expenditures to actual are presented in the financial statements in accordance with generally accepted accounting principles. Amendments to the original budget require board approval. Appropriations lapse at year-end. The District does not use encumbrance accounting.

E. Assets, Liabilities, and Equity Accounts

1. Assets

Investments are stated at fair value, except for non-negotiable certificates of deposit, which are on a cost basis, and short-term money market investments, which are stated at amortized cost.

Beginning with statement year 2004, fixed assets (capital assets) are no longer reported on a gross basis. They are now reported on a net (depreciated) basis. General fixed assets are still valued at historical or estimated historical cost.

2. Liabilities

Long-term liabilities, such as compensated absences, are accounted for in the General Long-Term Debt Account Group.

3. Equity

Investment in general fixed assets represents the District's equity in general fixed assets.

Reserved fund balance indicates the portion of fund equity that has been legally segregated for specific purposes or is not appropriable for spending.

Unreserved, designated account indicates the portion of fund equity that the District has set aside for planned future expenditures.

Unreserved, undesignated fund balance account indicates the portion of fund balance that is available for budgeting and spending in future periods.

F. Explanation of Adjustments Column in Statements

1. Capital Assets: In the Statement of Net Assets and Governmental Fund Balance Sheet, an adjustment is made if the district has capital assets. This adjustment equals the net book balance of capitalized assets as of the report date, and reconciles to the amount report in Note IV.

2. Long-Term liabilities: In the Statement of Net Assets and Government Fund Balance Sheet, an adjustment is made to reflect the total of Compensated Absence liability the district has as of the report date. See Note 1-G below.

3. Depreciation and Change in Compensated Absences for the year: In the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance, the adjustment equals the total depreciation for the year reported, plus or minus the change in Compensated Absences between the reporting year and the previous year. This number is supported by figures in Note IV and in Note I-G below.

G. Vacation and Sick Leave

Under the District's personnel policies, employees are granted vacation leave in varying amounts based on their length of service. Vacation leave accrual varies from 0 to 17.33 hours per month. Sick leave accrual is 13 days per year. The limit on the accumulation of annual leave is 240 hours and the limit on sick leave is 480 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and up to 80 hours of accrued sick leave. On termination of employment by illness or death, employees are paid accrued vacation and up to 80 hours of accrued sick leave.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Fund Deficit

At December 31, 2009, the District's General Fund had a deficit fund balance of \$20,997.53. The deficit is not expected to be eliminated by future revenue sources.

B. Excess of Expenditures Over Budget

During 2009, actual expenditures, \$305,943.56, exceeded (be less than) budgeted expenditures, \$349,499, by \$43,555.44.

C. Uncollateralized deposits

During 2009, the District's deposits with financial institutions did not exceed insurance, surety bond, or collateral.

III. DEPOSITS AND INVESTMENTS

Minnesota Statutes 118A.02 and 118A.04 authorize the District to deposit its cash and to invest in certificates of deposit in financial institutions designated by the Board of Supervisors. At December 31, 2009, the District's deposits totaled \$211,305.14, of which \$191,305.14 were cash deposits and \$20,000.00 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2009, all the District's deposits were covered by insurance or collateralized with securities held by the District or its agent in the District's name.

IV. CHANGES IN CAPITAL ASSETS

Equipment

Balance January 1, 2009	<u>\$33,755.00</u>
Additions	<u>\$ 625.00</u>
Deletions	<u>\$ 0.00</u>
2009 depreciation	<u>\$ 4,159.00</u>
Balance December 31, 2009	<u>\$30,221.00</u>

Note: Beginning and Ending Balance are net of accumulated depreciation, which totaled \$11,483 as of December 31, 2009.

The District uses a threshold of \$500 for capitalizing assets purchased. Those physical assets under \$500 are expenses directly and not capitalized.

V. DEFERRED REVENUE

Deferred Revenue represents unearned advances from the Minnesota Board of Water and Soil Resources and Steele County for various programs. Revenues will be recognized when the related program expenditures are recorded.

Total Deferred Revenue as itemized on "Deferred Revenue Breakdown" is \$85,916.29.

VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2009 are:

Balance January 1, 2009	<u>\$14,410</u>
Net Changes in Compensated Absences	<u>\$ 1,443</u>
Balance December 31, 2009	<u>\$15,853</u>

VI – B. ADJUSTMENTS TO FINANCIAL STATEMENTS

See Note 1-F.

MANAGEMENT’S DISCUSSION AND ANALYSIS:

The Steele County SWCD’s Management’s Discussion and Analysis provides an overview of the SWCD’s financial activities for the fiscal year ended **12/31/09**. Since this information is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the Steele County SWCD’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Steele County SWCD as a whole and present a longer-term view of the Steele County SWCD’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the SWCD’s operations in more detail than the government-wide statements by providing information about the SWCD’s most significant funds. Since SWCD’s are single-purpose special purpose governments they are generally able to combine the government-wide and fund financial statements into single presentations. Steele County SWCD has elected to present in this format.

STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the Steele County SWCD’s finances is, “Is the SWCD, as a whole, better or worse off as a result of this year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the SWCD as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting system used by the most private-sector companies. All of the 2009’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the SWCD’s net assets and changes in them. You can think of the SWCD’s net assets – the difference between assets and liabilities – as one way to measure the SWCD’s financial health, or financial position. Over time, increases or decreases in the SWCD’s net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the SWCD presents Governmental activities. All of the SWCD’s basic services are reported here. Appropriations from the county and state finance most activities.

REPORTING THE STEELE COUNTY SWCD'S GENERAL FUND

Fund Financial Statements:

The fund financial statements provide detailed information about the general fund – not the SWCD as a whole. The SWCD presents only a general fund, which is a governmental fund. All of the Steele County SWCD's basic services are reported in the general fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The general fund statements provide a detailed short-term view of the SWCD's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the SWCD's program. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

THE STEELE COUNTY SWCD AS A WHOLE

The Steele County SWCD's combined net assets were higher, decreasing from \$154,560 to \$128,611 in 2009. This is a decrease of \$25,949.

	<u>2009</u>	<u>Difference</u>	<u>2008</u>
Net Assets	128,611	(25,949)	154,560
Fund Balance	<u>114,243</u>		<u>135,215</u>
Difference	<u>14,368</u>		<u>19,345</u>
Fixed Assets	30,221		33,755
Comp Absenc.	<u>15,853</u>	1,443	<u>14,410</u>
Difference	<u>(14,368)</u>		<u>(19,345)</u>
Net Diff (should be -0-)	<u>0</u>		<u>0</u>

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from a \$135,240 surplus on 12/31/08 to a \$114,243 surplus at the end of this year – 12/31/09.

There was a decrease of \$25,974 of Steele County SWCD's total revenues in 2009.

CAPITAL ASSET

Capital Assets

At the end of 2009, the Steele County SWCD had \$30,221 invested in a broad range of capital assets, including (2008 truck, Truax drill, Ranger, trailer for Ranger, and electronic equipment.)

The invested capital assets of the Steele County SWCD governmental activities decreased by 11.5% because of depreciation, even though we purchased a projector for \$625.

THE STEELE COUNTY SWCD'S FUNDS

As the Steele County SWCD completed 2009, its general fund (as presented in the balance sheet) had a combined fund balance of \$114,243 which is \$20,997 below last year's total of \$135,240.

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$216,010	\$0	\$216,010
Charges for services	62,128	0	62,128
Investment earnings	3,723	0	3,723
Miscellaneous	3,086	0	3,086
Total Revenues	<u>\$284,946</u>	<u>\$0</u>	<u>\$284,946</u>
Expenditures/Expenses			
Conservation			
Current	\$305,319	\$5,602	\$310,921
Capital outlay	625	(625)	0
Total Expenditures/Expenses	<u>\$305,944</u>	<u>\$4,977</u>	<u>\$310,921</u>
Excess of Revenues Over (Under)			
Expenditures/Expenses	<u>(\$20,997)</u>	<u>(\$4,977)</u>	<u>(\$25,974)</u>
Fund Balance/Net Assets January 1	<u>135,240</u>	<u>19,345</u>	<u>\$154,585</u>
Fund Balance/Net Assets December 31	<u>\$114,243</u>	<u>\$14,368</u>	<u>\$128,611</u>

DEBT ADMINISTRATION

State Grant monies were decreased \$36,307 with no special grants available. The Contribution Agreement monies were not available in 2009. We budgeted for \$7,125 for the Contribution Agreement money and they were not available.

Steele Co. SWCD employer's share of PERA increased from 6.5% in 2008 to 6.75% in 2009.

The total employee's individual health insurance in 2008 was \$1,427/mo and in 2009 was \$1,628/mo. For a total change of \$201/mo or \$2,404/yr more for health insurance.

Due to the down turn in the economy, our charges for services were greatly reduced. It is not expected to change for sometime.

VII. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. To cover these risks, the District has purchased commercial insurance. Property and casualty liabilities and workers' compensation are insured through Minnesota Counties Intergovernmental Trust. The District is covered for errors and omissions through Minnesota Counties Intergovernmental Trust.

The Minnesota Counties Intergovernmental Trust is a public entity risk pool currently operated as a common risk management and insurance program for its members.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

VIII. PENSION PLAN

A. Plan Description

The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA provides retirement benefits as well as disability to members, and benefits to survivors upon death of eligible members. PERA administers the Public Employees Retirement Fund (PERF.) The plan and its benefits are established and administered in accordance with Minnesota Statute Chapters 353 and 356. PERA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees Retirement Association, 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-1855.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. Coordinated Plan members were required to 6.0% of their annual covered salary in 2009. The District was required to contribute the following percentages of annual covered payroll: 6.75% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan will increase to 7.00% effective January 1, 2010. The District's employer share of contributions to PERA for the years ending December 31, 2009, 2008, and 2007 were \$9,412, \$8,742, and \$8,002 respectively, equal to the contractually required contributions for each year as set by Minnesota Statute.

IX. OPERATING LEASES

The District leases office space on a yearly basis. Under the current agreement, total costs for 2009 were \$9,537.