**(NAME)**

**FINANCIAL STATEMENTS**

# DECEMBER 31, 2018

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**(NAME)**

**DECEMBER 31, 2018**

The (NAME)’s discussion and analysis provides an overview of the District’s financial activities for the fiscal year ended December 31, 2018. 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 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 Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District’s finances. For governmental activities, financial statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District’s operations in more detail than the government-wide statements by providing information about the District’s general fund. Since Districts are single-purpose, special-purpose government units, the District combines the government-wide and fund financial statements into a single presentation.

**The Statement of Net Position and the Statement of Activities**

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

These two statements report the District’s net position and changes in them. You can think of the District’s net position — the difference between assets and liabilities — as one way to measure the District’s financial health, or financial position. Over time, increases or decreases in the District’s net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the state and local governmental funding, to assess the overall health of the District.

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

**Reporting the District’s General Fund**

Our analysis of the District’s general fund is part of this report. The fund financial statements provide detailed information about the general fund—not the District as a whole. The District presents only a general fund, which is a governmental fund. All of the District’s basic services are reported in the general fund, which focuses on how money flows into and out of the fund 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 District’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 District’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

**THE DISTRICT AS A WHOLE**

Our analysis focuses on the net position and change in net position of the District’s governmental activities.

Net Position:

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Net position of the District’s governmental activities increased/decreased by $???. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from $??? at December 31, 2017 to $??? at the December 31, 2018.

Change in Net Position:



The District’s total revenues increased/decreased by $???. The total cost of programs and services increased/decreased by $???.

 **THE DISTRICT’S FUNDS**

As the District completed the year, its general fund as presented in the balance sheet reported a combined fund balance of $???, which is above/below last year’s total of $???.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were $??? above/below the final budgeted amounts. The most significant negative variance of $??? occurred in State Project Expenditures. The most significant positive variance of $??? occurred in State Revenue.

##### **CAPITAL ASSETS & LONG-TERM LIABILITIES**

##### **Capital Assets**

At the end of 2018, the District had $??? invested in capital assets. This amount represents a net increase (including additions and deletions) of $??? from last year.

### **Long-Term Liabilities**

At the end of 2018, the District had $??? in accrued compensated absences and $??? in Net Pension Liability. This compares to $??? in 2017 for accrued compensated absences and $??? for Net Pension Liability.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the (NAME) at (ADDRESS), (CITY), MN (ZIP). The phone number is (PHONE #).