

**GRANT SOIL & WATER CONSERVATION DISTRICT
ELBOW LAKE, MN 56531**

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General Fund	Adjustments (See Notes)	Statement of Net Assets
<u>Assets</u>			
Cash and investments	\$347,923.43		\$347,923.43
Petty Cash	20.00		20.00
Due from other governments	0.00		0.00
Prepaid items	0.00		0.00
Capital Assets:			
Equipment (net of accumulated depreciation)	0.00	0.00	0.00
Total Assets	\$347,943.43	\$ 0.00	\$347,943.43
 <u>Liabilities</u>			
Current liabilities:	\$0.00		\$0.00
Accounts payable	0.00		0.00
Salaries payable	0.00		0.00
Deferred revenue	123,146.41		123,146.41
Long-term liabilities:			
Due within one year		0.00	0.00
Due after one year (compensated absences)	0.00	23,734.97	23,734.97
Total Liabilities	\$123,146.41	\$23,734.97	\$146,881.38
 <u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Reserved for prepaid items	\$0.00	\$0.00	\$0.00
Unreserved			
Designated for future projects	0.00	0.00	0.00
Undesignated	224,797.02	(224,797.02)	0.00
Total Fund Balance	\$224,797.02	(\$224,797.02)	\$0.00
 Net Assets			
Invested in capital assets		\$ 0.00	\$ 0.00
Unrestricted		201,062.05	201,062.05
Total Net Assets		\$201,062.05	\$201,062.05

Notes are an integral part of the basic financial statements.

**GRANT SOIL & WATER CONSERVATION DISTRICT
ELBOW LAKE, MN 56531**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General Fund	Adjustments See Notes	Statement of Net Activities
Revenues			
Intergovernmental	\$193,527.35	\$0.00	\$193,527.35
Charges for services	31,378.65	0.00	31,378.65
Investment earnings	4,921.28	0.00	4,921.28
Miscellaneous	<u>19,468.50</u>	<u>0.00</u>	<u>19,468.50</u>
Total Revenues	<u>\$249,295.78</u>	<u>\$0.00</u>	<u>\$249,295.78</u>
Expenditures			
Conservation			
Current	\$234,187.86	2,132.81	\$236,320.67
Capital outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>\$234,187.86</u>	<u>\$2,132.81</u>	<u>\$236,320.67</u>
Excess of Revenues Over (Under)			
Expenditures	\$15,107.92	(\$2,132.81)	\$ 12,975.11
Fund Balance/Net Assets January 1, 2008	<u>209,689.10</u>	<u>(21,602.16)</u>	<u>188,086.94</u>
Fund Balance/Net Assets December 31, 2008	<u>\$224,797.02</u>	<u>(\$23,734.97)</u>	<u>\$201,062.05</u>

Notes are an integral part of the basic financial statements.

**GRANT SOIL & WATER CONSERVATION DISTRICT
ELBOW LAKE, MN 56531**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2008**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Neg)</u>
<u>Revenues</u>			
Intergovernmental			
County	\$105,651.00	\$105,649.17	\$ 1.83
Federal	0.00	0.00	0.00
State grant	<u>74,755.00</u>	<u>87,878.18</u>	<u>13,123.18</u>
Total intergovernmental	<u>\$180,406.00</u>	<u>\$193,527.35</u>	<u>\$13,121.35</u>
Charges for services	<u>\$29,000.00</u>	<u>\$31,378.65</u>	<u>\$2,378.65</u>
Miscellaneous			
Interest earnings	\$8,500.00	\$4,921.28	(\$3,578.72)
Other	<u>35,056.00</u>	<u>19,468.50</u>	<u>(15,587.50)</u>
Total miscellaneous	<u>\$43,556.00</u>	<u>\$24,389.78</u>	<u>(\$19,166.22)</u>
Total Revenues	<u>\$252,962.00</u>	<u>\$249,295.78</u>	<u>(\$3,666.22)</u>
<u>Expenditures</u>			
District operations			
Personal services	\$183,000.00	\$181,743.96	\$1,256.04
Other services and charges	23,000.00	21,036.36	1,963.64
Supplies	250.00	0.00	250.00
Capital outlay	<u>8,000.00</u>	<u>0.00</u>	<u>8,000.00</u>
Total district operations	<u>\$214,250.00</u>	<u>\$202,780.32</u>	<u>\$11,469.68</u>
Project expenditures			
District	\$15,700.00	\$17,700.46	(\$4,000.46)
State	<u>17,188.00</u>	<u>13,707.08</u>	<u>3,480.92</u>
Total project expenditures	<u>\$32,888.00</u>	<u>\$31,407.54</u>	<u>\$1,480.46</u>
Total Expenditures	<u>\$247,138.00</u>	<u>\$234,187.86</u>	<u>\$12,950.14</u>
Excess of Revenues Over (Under)			
Expenditures	\$0.00	\$15,107.92	\$9,283.92
Fund Balance – January 1	<u> </u>	<u>\$247,892.17</u>	<u>0.00</u>
Fund Balance – December 31	<u>\$0.00</u>	<u>\$263,000.09</u>	<u>\$9,283.92</u>

Notes are an integral part of the basic financial statements.

GRANT SWCD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Grant 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 (GASB-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 Grant 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 Grant 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 Grant 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Capital Assets Account Group

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

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 non-fiduciary activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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 Non-exchange 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) were 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.