

Grant County Soil & Water Conservation District 2012 Financial Statements

For the year ended December 31st, 2012



Financial Statements
Notes to the Financial Statements
Breakdown of County Revenue
Breakdown of Deferred Revenue
Management Discussion & Analysis
(MD&A)

GRANT SOIL AND WATER CONSERVATION DISTRICT
ELBOW LAKE, MN 56531

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Adjustments See Notes	Statement of Net Assets
<u>Assets</u>			
Cash and investments	\$467,690		\$467,690
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			
Equipment (net of accumulated depreciation)		8,603	8,603
Total Assets	<u>\$467,690</u>	<u>\$8,603</u>	<u>\$476,293</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$0		\$0
Salaries payable			0
Deferred revenue	63,037		63,037
Long-term liabilities:			0
Due within one year		0	0
Due after one year		26,816	26,816
Total Liabilities	<u>\$63,037</u>	<u>\$26,816</u>	<u>\$89,853</u>
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Nonspendable (Prepays, Inventories)	\$0	\$0	\$0
Unrestricted			
Committed or Assigned	0	0	0
Unassigned	404,653	(404,653)	0
Total Fund Balance	<u>\$404,653</u>	<u>(\$404,653)</u>	<u>\$0</u>
Net Assets			
Invested in capital assets		\$8,603	\$8,603
Unassigned		377,837	377,837
Total Net Assets		<u>\$386,439</u>	<u>\$386,439</u>

GRANT SOIL AND 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, 2012

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$312,824	\$0	\$312,824
Charges for services	36,394	0	36,394
Investment earnings	845	0	845
Miscellaneous	11,302	0	11,302
Total Revenues	\$361,364	\$0	\$361,364
Expenditures/Expenses			
Conservation			
Current	\$280,416	\$11,232	\$291,649
Capital outlay	12,904	(12,904)	0
Total Expenditures/Expenses	\$293,320	(\$1,672)	\$291,649
Excess of Revenues Over (Under)			
Expenditures/Expenses	\$68,043	\$1,672	\$69,715
Fund Balance/Net Assets January 1	336,610	(19,885)	316,725
Fund Balance/Net Assets December 31	\$404,653	(\$18,213)	\$386,440

Notes are an integral part of the basic financial statements.

GRANT SOIL AND WATER CONSERVATION DISTRICT
ELBOW LAKE, MN 56531

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget <u>Positive (Neg)</u>
Revenues				
Intergovernmental				
County	\$108,249	\$108,249	\$108,247	(\$2)
Local	0	0	0	0
Federal	0	0	0	0
State grant	276,528	276,528	204,577	(71,951)
Total intergovernmental	\$384,777	\$384,777	\$312,824	(\$71,953)
Charges for services	\$13,000	\$13,000	\$36,394	\$23,394
Miscellaneous				
Interest earnings	\$3,000	\$3,000	\$845	(\$2,155)
Other	10,897	10,897	11,302	405
Total miscellaneous	\$13,897	\$13,897	\$12,146	(\$1,751)
Total Revenues	\$411,674	\$411,674	\$361,364	(\$50,310)
Expenditures				
District operations				
Personnel services	\$203,964	\$203,964	\$205,542	(\$1,578)
Other services and charges	15,750	15,750	21,535	(5,785)
Supplies	250	250	0	250
Capital outlay	5,000	5,000	12,904	(7,904)
Total district operations	\$224,964	\$224,964	\$239,981	(\$15,017)
Project expenditures				
District	\$9,000	\$9,000	\$18,509	(\$9,509)
State	12,036	12,036	34,830	(22,794)
Total project expenditures	\$21,036	\$21,036	\$53,339	(\$32,303)
Total Expenditures	\$246,000	\$246,000	\$293,320	(\$47,320)
Excess of Revenues Over (Under)				
Expenditures	\$165,674	\$165,674	\$68,043	(\$97,631)
Fund Balance - January 1	\$0	\$0	\$336,610	\$0
Fund Balance - December 31	\$165,674	\$165,674	\$404,653	(\$97,631)

GRANT SWCD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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. General Fixed Assets Account Group

This account group is used to record the District's general fixed 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.

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

Unrestrictive, committed or assigned account indicates the portion of fund equity that the District has set aside for planned future expenditures.

Unrestricted, unassigned 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 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 8 to 16 hours per month. Sick leave accrual is 12 days per year. The limit on the accumulation of annual leave is 240 hours and the limit on sick leave is 720 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and one half of accrued sick leave. On termination of employment by illness or death, employees are paid accrued vacation and one half of accrued sick leave.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures Over Budget

During 2012, actual expenditures of \$293,320.00 over-exceeded budgeted expenditures of \$246,000.00 by \$47,320.00

B. Uncollateralized deposits

During 2012, 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, 2012, the District's deposits totaled \$ 467,690.14 of which \$ 284,807.95 were cash deposits and \$ 182,882.19 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2012, 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 GENERAL FIXED ASSETS

Equipment:

Balance January 1, 2012	\$ 0.00
Additions	\$12,904.02
2012 Depreciation	\$ 4,301.34
Balance December 31, 2012	\$ 8,602.68

Note: The District uses a threshold of \$2,500.00 for capitalizing assets purchased. Those physical assets under \$2,500.00 are expenses directly and not capitalized.

V. DEFERRED REVENUE

Deferred Revenue represents unearned advances from the Minnesota Board of Water and Soil Resources and Grant 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 \$ 63,037.00

VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2012 are:

Balance January 1, 2012	\$ <u>19,885.60</u>
Net Changes in Compensated Absences	\$ <u>6,930.88</u>
Balance December 31, 2012	\$ <u>26,816.48</u>

VI - B. ADJUSTMENTS TO FINANCIAL STATEMENTS

See Note I-F.

VII. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; 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 a private company.

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. The plan and its benefits are established and administered in accordance with Minnesota Statute Chapter 353. 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, MN, 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. PERA Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2012. The District was required to contribute 7.25% of annual covered payroll. The District's employer share of contributions to PERA for the years ending December 31st, 2012, 2011, and 2010 were \$9,910.37, \$9,130.16 and \$7,977.73 respectively, equal to the contractually required contributions for each year as set by Minnesota Statute. Amounts reported include State PERA aid in the amount of \$557.00/year

IX. OPERATING LEASES

The District leases office space on a yearly basis. Under the current agreement, total costs for 2012 were \$ 6,120.95. This amount was paid directly to FSA in December of 2012.

BREAKDOWN OF COUNTY REVENUE 2012

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	<u>\$ 79,938.00</u>
WATER PLAN MONEY	<u>\$ 18,120.00</u>
WETLAND MONEY	<u>\$ 10,189.00</u>
FEEDLOT MONEY	<u>\$ 0.00</u>
ABANDONED WELL	<u>\$ 0.00</u>
DNR SHORELAND	<u>\$ 0.00</u>
OTHER (specify)	<u>\$ 0.00</u>
 TOTAL	 <u>\$ 108,247.00</u>

NOTE: The total should agree with the amount reported as **County Revenue** in the "Budgetary Comparison Statement." (Page 3)

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 2012

Balance of BWSR Service Grants: \$ 5,816.88

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$ 8,839.00

Previous fiscal year \$ 0.00

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

FY	Contract No.	Contract Amount	T & A Encumbered
13	2013-01	4,714.40	1,178.60
12	2013-01	285.60	71.40
12	2012-03	1,500.00	375.00
		\$ 6,500.00	\$ 1,625.00

Total of all Cost-Share Encumbrances \$ 8,125.00

Balance of County WCA Funds: \$ 10,189.00

Balance of County Water Plan Funds: \$ 18,062.00

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

Mustinka Watershed CWF \$ 12,005.06

Subtotal of other funds: \$ 12,005.06

TOTAL OF ALL DEFERRED REVENUE: **\$ 63,036.94**

NOTE: This total agrees with the amount reported as **Deferred Revenue** in the "Statement of Net Assets and Governmental Fund Balance Sheet." (Page 1)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

GRANT SWCD – 2012

OVERVIEW

The SWCD's discussion and analysis provides an overview of the SWCD's financial activities for the fiscal year ended December 31st, 2012. 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 SWCD's financial statements beginning on page 1 and the Notes to the Financial Statements beginning on page 4.

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, on pages 1 and 2, provide information about the activities of the SWCD as a whole and present a longer-term view of the SWCD's finances. Fund financial statements start on page 3. 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. Grant SWCD has elected to present in this format.

The Statement of Net Assets and the Statement of Activities

Our analysis of the SWCD as a whole begins on page 1. One of the most important questions asked about the SWCD's finances is, "Is the SWCD as a whole better or worse off as a result of the 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 used by the 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 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, along with the self-generated funds from the sale of trees and tree planting.

Reporting the SWCD's General Fund

Fund Financial Statements

Our analysis of the SWCD's general fund begins on page 4. The fund financial statements begin on page 3 and 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 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 programs. 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 SWCD AS A WHOLE

The SWCD's combined net assets were higher, increasing from \$316,725 in 2011 to \$386,439 in 2012 (\$69,714 increase). Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the SWCD's governmental and business-type activities.

Table 1 – Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2012</u>
Current and other assets	\$ 365,457	\$ 467,000
Capital assets	<u>0</u>	<u>8,603</u>
Total assets	\$ 365,457	\$ 476,293
Long-term debt outstanding	\$ 19,886.	\$ 26,816
Other liabilities (Deferred Revenue)	<u>28,847</u>	<u>63,037</u>
Total liabilities	\$ 48,732	\$ 89,853
Net assets		
Invested in capital assets, net of debt	\$ 0	\$ 8,603
Restricted		
Unrestricted	<u>\$ 316,725</u>	<u>\$ 377,147</u>
Total net assets	\$ 316,725	\$ 386,439

Net assets of the SWCD governmental activities increased to \$386,439 compared to \$316,725 in 2011 or 22 percent due largely in part from the Clean Water Fund (CWF) grant the District received. 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 \$316,725 at December 31st, 2011 to \$377,147 at the end of this year leaving a net gain of \$60,422.

TABLE 2 - Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2012</u>
Revenues		
Program revenues:		
Charges for services	\$ 11,219	\$ 36,394
Intergovernmental	285,272	312,824
General revenues:		
Interest earnings	1,310	845
Other revenue	<u>8,060</u>	<u>11,302</u>
Total revenues	\$ 305,861	\$ 361,364
Program expenses		
District Operations	\$ 207,637	\$ 239,981
Project Expenditures (District)	8,241	18,509
Project Expenditures (other)	<u>12,530</u>	<u>34,830</u>
Total expenses	\$ 228,408	\$ 293,320
Increase (decrease) in net assets	\$ 77,453	\$ 68,044

The SWCD's total revenues increased \$68,044. The total cost of District programs and services increased by \$64,912 or by 28.5% largely in part to the increase in the tree program for 2012 and the purchase of pictometry for the District. No new programs were added this year.

Governmental Activities

Revenues *excluding* the sale of trees and tree planting for the SWCD governmental activities increased by 10.3 percent (\$30,328) from 2011, and total expenses increased 24.5 percent (\$54,674). 2012 saw an increase in the tree program over the previous year.

THE SWCD's FUNDS

As the SWCD completed the year, its general fund, as presented in the balance sheet on page 3 reported a combined fund balance of \$404,653 which is above last year's total of \$336,610. Included in this year's total change in fund balance, is a surplus of \$68,043 in the SWCD's General Fund.

General Fund Budgetary Highlights

The Board made a motion at the October 25th, 2012 meeting to adopt the proposed budget. The County has given us a 3% increase for our monthly allocation for 2012. We received \$79,938 in 2012 and will receive \$82,336 in 2013, an increase of \$2,398.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2012, the SWCD had \$ 8,602.68.00 invested in capital assets. In 2012 the District purchased a 2006 Chevrolet Town & Country van, and also own a 1992 GMC pickup, a 1988 Chevrolet pickup, a tree planter and a 2001 Polaris ATV along with various office equipment which has all been depreciated off the schedule. (See Table 3 below).

Table 3 – Capital Assets at Year-end

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2012</u>
Vehicles	\$ 0.00	\$ 8,602.68
Equipment	<u>0.00</u>	<u>0.00</u>
	<u>\$ 0.00</u>	<u>\$ 8,602.68</u>

Fixed assets (capital assets) are no longer reported on a gross basis (this change took place in 2004); they are now reported on a net (depreciated) basis. Prior to 2012 everything that was on the inventory prior to 2004 has been depreciated out. With the approved depreciation schedule all items belonging to the District were fully depreciated at the end of 2008. More detailed information about the SWCD's capital assets is presented in the Notes to the Financial Statements, Section IV, (page 8).

Long-Term Liabilities

The SWCD's long-term obligations include accrued vacation pay and sick leave. More detailed information about the SWCD's long-term liabilities is presented in the Notes to the Financial Statements, Section I, subpart F (page 7) along with a breakdown of compensated absences payable, Section VI (page 8).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The SWCD's elected officials considered many factors when setting the fiscal-year 2013 budget and fees that will be charged for the business-type activities. These factors included the consumer price index, county levy and property valuations. There was no change to the SWCD fee structure.

CONTACTING THE SWCD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the SWCD's finances and to show the SWCD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mary Jo Knutson at the Grant SWCD office, 712 Industrial Park Blvd, Elbow Lake, MN 56531 or telephone at (218) 685-5395 or e-mail at MaryJo.Knutson@mn.nacdnet.net.

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