



FINANCIAL REPORT

2014

January 1, 2014- - - December 31, 2014

SOIL AND WATER CONSERVATION DISTRICT
Clay SWCD MOORHEAD, MINNESOTA

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Adjustments See Notes	Statement of Net Position
<u>Assets</u>			
Cash and investments	\$388,946		\$388,946
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			0
Equipment (net of accumulated depreciation)		68,302	68,302
Total Assets	<u>\$388,946</u>	<u>\$68,302</u>	<u>\$457,248</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$0		\$0
Salaries payable			0
Unearned revenue	16,834		16,834
Long-term liabilities:			0
Due within one year		47,440	47,440
Due after one year		0	0
Total Liabilities	<u>\$16,834</u>	<u>\$47,440</u>	<u>\$64,274</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	372,112	(372,112)	0
Total Fund Balance	<u>\$372,112</u>	<u>(\$372,112)</u>	<u>\$0</u>
Net Assets			
Invested in capital assets		\$68,302	\$68,302
Unassigned		324,672	324,672
Total Net Position		<u>\$392,974</u>	<u>\$392,974</u>

Notes are an integral part of the basic financial statements.

SOIL AND WATER CONSERVATION DISTRICT
Clay SWCD MOORHEAD, MINNESOTA

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$527,884	\$0	\$527,884
Charges for services	73,897	0	73,897
Investment earnings	60	0	60
Miscellaneous	9,300	0	9,300
Total Revenues	<u>\$611,141</u>	<u>\$0</u>	<u>\$611,141</u>
Expenditures/Expenses			
Conservation			
Current	\$663,317	\$15,256	\$678,573
Capital outlay		(42,509)	
Total Expenditures/Expenses	<u>\$663,317</u>	<u>(\$27,253)</u>	<u>\$678,573</u>
Excess of Revenues Over (Under)			
Expenditures/Expenses	(\$52,176)	\$27,253	(\$24,923)
Fund Balance/Net Position January 1	<u>424,288</u>	<u>(6,390)</u>	<u>417,898</u>
Fund Balance/Net Position December 31	<u><u>\$372,112</u></u>	<u><u>\$20,863</u></u>	<u><u>\$392,975</u></u>

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SOIL AND WATER CONSERVATION DISTRICT
Clay SWCD MOORHEAD, MINNESOTA

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Neg)
Revenues				
Intergovernmental				
County	\$269,286	\$269,286	\$268,221	(\$1,065)
Local	0	0	0	0
Federal	0	0	0	0
State grant	276,708	276,708	259,655	(17,053)
Total intergovernmental	<u>\$545,994</u>	<u>\$545,994</u>	<u>\$527,876</u>	<u>(\$18,118)</u>
Charges for services	<u>\$61,150</u>	<u>\$61,150</u>	<u>\$73,897</u>	<u>\$12,747</u>
Miscellaneous				
Interest earnings	\$214	\$214	\$60	(\$154)
Other	16,000	16,000	9,300	(6,700)
Total miscellaneous	<u>\$16,214</u>	<u>\$16,214</u>	<u>\$9,360</u>	<u>(\$6,854)</u>
Total Revenues	<u>\$623,358</u>	<u>\$623,358</u>	<u>\$611,133</u>	<u>(\$12,225)</u>
Expenditures				
District operations				
Personnel services	\$311,256	\$311,256	\$315,214	(\$3,958)
Other services and charges	52,066	52,066	52,394	(328)
Supplies	6,000	6,000	5,052	948
Capital outlay	28,000	28,000	42,509	(14,509)
Total district operations	<u>\$397,322</u>	<u>\$397,322</u>	<u>\$415,168</u>	<u>(\$17,846)</u>
Project expenditures				
District	\$19,200	\$19,200	\$23,267	(\$4,067)
State	231,836	231,836	224,882	6,954
Total project expenditures	<u>\$251,036</u>	<u>\$251,036</u>	<u>\$248,149</u>	<u>\$2,887</u>
Total Expenditures	<u>\$648,358</u>	<u>\$648,358</u>	<u>\$663,317</u>	<u>(\$14,960)</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(\$25,000)</u>	<u>(\$25,000)</u>	<u>(\$52,185)</u>	<u>(\$27,185)</u>
Fund Balance - January 1	<u>\$424,288</u>	<u>\$424,288</u>	<u>\$424,288</u>	<u>\$0</u>
Fund Balance - December 31	<u><u>\$399,288</u></u>	<u><u>\$399,288</u></u>	<u><u>\$372,104</u></u>	<u><u>(\$27,185)</u></u>

Notes are an integral part of the basic financial statements.

**BREAKDOWN OF COUNTY REVENUE
2014**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u>185,244.75</u>
WATER PLAN MONEY	\$ <u>24,329.00</u>
WETLAND MONEY	\$ <u>16,417.00</u>
FEEDLOT MONEY	\$ <u>17,200.00</u>
ABANDONED WELL	\$ <u>0.00</u>
DNR SHORELAND	\$ <u>0.00</u>
OTHER (specify)	
CAI	\$ <u>25,000.00</u>
TOTAL	\$ <u>268,220.75</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.

N/A

**UNEARNED REVENUE BREAKDOWN
2014**

Balance of BWSR Service Grants: \$ 0.00

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$ 11,573.00

Previous fiscal year \$ 0.00

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

FY	Contract No.	Contract Amount	T & A Encumbered
14	CS14-05	300.00	
14	CS14-09	300.00	
14	CS14-10	300.00	
14	CS14-20	300.00	
14	CS14-21	300.00	
14	CS14-22	300.00	
14	CS14-23	300.00	
14	CS14-24	300.00	
14	CS14-27	300.00	
14	CS14-28	300.00	
14	CS14-29	300.00	
14/15	CS15-01	761.00	
15	CS15-02&03	600.00	
15	CS15- 04&05	600.00	

Total of all Cost-Share Encumbrances \$ 5,261.00

Balance of County WCA Funds: \$ 0.00

Balance of County Water Plan Funds: \$ 0.00

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

_____ \$ _____

_____ \$ _____

_____ \$ _____

Subtotal of other funds: \$ _____

TOTAL OF ALL UNEARNED REVENUE: \$ 16,834.00

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the _____ Clay _____ 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 _____ Clay _____ 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 _____ Clay _____ 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 _____ Clay _____ 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 Position 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 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.

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 nonexchange 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.

Nonspendable 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 Position 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 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 960 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and up to 200 hours of accrued sick leave. On termination of employment by illness or death, employees are paid accrued vacation and up to 200 hours of accrued sick leave.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(Use only notes that are applicable to your district—if one does not apply, type “N/A” in those blanks, except item “C”)

A. General Fund Deficit

At December 31, 2014, the District's General Fund had a deficit fund balance of \$ NA . The deficit is expected to be eliminated by future revenue sources.

B. Excess of Expenditures Over Budget

During 2014, actual expenditures, \$ N/A , exceeded budgeted expenditures, \$ N/A , by \$ N/A .

C. Uncollateralized deposits

During 2014, the District's deposits with financial institutions did not exceed (exceeded at various times, 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, 2014, the District's deposits totaled \$ 388,946 , of which \$ 388,946 were cash deposits and \$ 388,946 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2014, 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, 2014	\$ <u>40,742.73</u>
Additions	\$ <u>42,508.64</u>
2014 depreciation	\$ <u>14,949.00</u>
Balance December 31, 2014	\$ <u>68,302.37</u>

Note: Beginning and Ending Balance are net of accumulated depreciation, which totaled \$ 68,302.37 as of December 31, 2014.

The District uses a threshold of \$ 5,00.00 for capitalizing assets purchased. Those physical assets under \$xx are expenses directly and not capitalized.

V. DEFERRED REVENUE

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

Total Unearned Revenues itemized on "Unearned Revenue Breakdown" is \$ 16,834.00.

VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2014 are:

Balance January 1, 2013	\$ <u>47,132.65</u>
Net Changes in Compensated Absences	\$ <u>307.40</u>
Balance December 31, 2014	\$ <u>47,440.05</u>

VI – B. ADJUSTMENTS TO FINANCIAL STATEMENTS

See Note 1-F.

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 MCIT. The District is covered for errors and omissions through MCIT.

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. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.0%, respectively, of their annual covered salary in 2014. The District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 7.00% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan increased to 7.25% effective January 1, 2011. The District's employer share of contributions to PERA for the years ending December 31, 2014, 2013, and 2012 were \$17,340.74, \$17,009.46, and \$14,530.66 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 2014 were \$14,164.56.

**UNEARNED REVENUE BREAKDOWN
2014**

Balance of BWSR Service Grants: \$ 0.00

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$ 11,573.00

Previous fiscal year \$ 0.00

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Balance of County WCA Funds: \$ 0.00

Balance of County Water Plan Funds: \$ 0.00

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

_____ \$ _____

_____ \$ _____

_____ \$ _____

Subtotal of other funds: \$

TOTAL OF ALL UNEARNED REVENUE:

\$ 16,834.00

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December 31, 2014

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1. Assets

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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.

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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 960 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and up to 200 hours of accrued sick leave. On termination of employment by illness or death, employees are paid accrued vacation and up to 200 hours of accrued sick leave.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(Use only notes that are applicable to your district—if one does not apply, type “N/A” in those blanks, except item “C”)

A. General Fund Deficit

At December 31, 2014, the District's General Fund had a deficit fund balance of \$ NA .
The deficit is expected to be eliminated by future revenue sources.

B. Excess of Expenditures Over Budget

During 2014, actual expenditures, \$ N/A , exceeded budgeted expenditures,
\$ N/A , by \$ N/A .

C. Uncollateralized deposits

During 2014, the District's deposits with financial institutions did not exceed (exceeded at various times, 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, 2014, the District's deposits totaled \$ 388,946 , of which \$ 388,946 were cash deposits and \$ 388,946 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2014, 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, 2014	\$ <u>40,742.73</u>
Additions	\$ <u>42,508.64</u>
2014 depreciation	\$ <u>14,949.00</u>
Balance December 31, 2014	\$ <u>68,302.37</u>

Note: Beginning and Ending Balance are net of accumulated depreciation, which totaled \$ 68,302.37 as of December 31, 2014.

The District uses a threshold of \$ 5,00.00 for capitalizing assets purchased. Those physical assets under \$xx are expenses directly and not capitalized.

V. DEFERRED REVENUE

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

Total Unearned Revenues as itemized on "Unearned Revenue Breakdown" is \$ 16,834.00 .

VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2014 are:

Balance January 1, 2013	\$ <u>47,132.65</u>
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Net Changes in Compensated Absences	\$ <u>307.40</u>
Balance December 31, 2014	\$ <u>47,440.05</u>

VI – B. ADJUSTMENTS TO FINANCIAL STATEMENTS

See Note 1-F.

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 MCIT. The District is covered for errors and omissions through MCIT.

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. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.0%, respectively, of their annual covered salary in 2014. The District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 7.00% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan increased to 7.25% effective January 1, 2011. The District's employer share of contributions to PERA for the years ending December 31, 2014, 2013, and 2012 were \$ 17,340.74, \$ 17,009.46, and \$ 14,530.66 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 2014 were \$ 14,164.56 .