COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: May 23, 2016
AGENDA NUMBER: 12
ITEM: Fund Organization Chart and Basis of Accounting for Budgeting

AGENDA: Discussion

ACTION REQUESTED
Review and Discuss Fund structure and accounting

BACKGROUND
The financial reporting and budgeting systems of the District are organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Coon Creek Watershed District currently manages 15 funds. All funds use the following basis of accounting which is consistent with the accounting methods used for financial reporting:

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District Budget

Governmental Funds

General Fund

Special Revenue Funds

Capital Project Funds

Administrative Fund (103D)

O&M Fund

Survey & Data Acquisition Fund

Metro Water Management Fund

Ditch Funds (10 Separate Funds)

Ditch 54 ($39,720)

Ditch 57 ($1,113)

Ditch 58 ($3,789.38)

Proprietary Funds

Fiduciary Fund

Escrow Fund (319 Accounts)
**Governmental Funds.** All governmental funds are maintained on a modified accrual basis

- **Revenues** are recognized in the accounting period in which they become available and measurable.

- **Expenditures** are recognized in the accounting period in which the fund liability is incurred, except for principal and interest payments on long-term debt and capital expenditures which are recognized as expenditures when due.

**Proprietary Funds.** Proprietary funds, which include the enterprise and internal service funds, are maintained on the accrual basis. **Revenues** are recognized in the accounting period in which they are earned and **Expenses** are recognized in the period in which the liability is incurred.

**Capital items** are depreciated over their useful life with the depreciation amounts included in the budgeted expenses.

**ISSUES/CONCERNS**

**District Accounting Policies**
The Coon Creek Watershed District has adopted the following accounting, auditing and financial reporting policies:

1. The Coon Creek Watershed District will establish and maintain a high standard of accounting practices. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).

2. At the end of each fiscal year, a Certified Public Accountant will include issuing a financial opinion will conduct an audit of the District records and a management and compliance report on internal controls.

3. The Coon Creek Watershed District will maintain a strong internal audit function.

4. The District will maintain a fixed asset system to identify and protect all District assets.

5. The Administration Program will prepare monthly financial reports for internal management purposes.

6. The District Board of Managers delegates the authority to designate fund balance, as required for prudent fiscal management, to the District Administrator.

**Fund Definitions**

**General Fund** - accounts for the revenues and expenditures necessary to carry out basic governmental activities of the District such as general government, public safety, public works, and other.

**Special Revenue Funds** - accounts for revenue sources that finance particular functions
and projects.

Debt Service Funds - accounts for the accumulation of resources for, and the payment of general long-term debt.

Capital Projects Funds - accounts for the acquisition or construction of major capital facilities financed mainly with governmental fund sources, general obligation debt, special assessments, and other.

Enterprise Funds - accounts for activities that consist of rendering services or providing goods to the public for which a fee or charge is collected.

Internal Service Funds - accounts for goods and services that are provided to other District departments, or to other governments, on a cost reimbursement basis.

PRIOR DECISIONS

OPTIONS

RECOMMENDATION
Review and Discuss