When they’re not in the field planning conservation practices with landowners, soil and water conservation staff across Minnesota tend to the vital behind-the-scenes work required to keep their districts running efficiently and effectively.

Minnesota Board of Water and Soil Resources (BWSR) staff led a training at the 11th annual BWSR Academy to help conservation professionals interpret and present financial statements, one key to office efficiency.

Organizations demonstrate fiscal responsibility and increase transparency through annual financial statement reporting. District managers and board supervisors use financial statements to determine whether their district’s overall financial position has improved or deteriorated. The statements also help staff plan for the future, observe trends in revenues and expenditures, and prevent and mitigate financial fraud by identifying anomalies and inconsistencies.

BWSR Chief Financial Officer Jeremy Olson provided insights on interpreting the data reported in financial statements during a “Foreign Language of Financial Statements” training session at BWSR Academy in October.

Participants received templates to guide them through the process of creating spreadsheets using financial statement data.

“Financial statements can be used to answer questions such as: Do we have money for a new tractor, can we afford a new staff person, or how are we doing on the budget?” BWSR Board Conservationist Tara Ostendorf said.

The training was divided into three sections. Olson led a segment about interpreting financial data. Ostendorf offered tips and tricks for presenting data to a board of supervisors. Mark Kerr, special investigations director for the Minnesota Office of the State Auditor, presented an overview of fraudulent activity indicators.

Kerr covered common fraudulent activities, and discussed internal strategies for preventing and mitigating fraud. Instances of fraud tend to have three components: motive/incentive, rationalization, and opportunity. Internal controls reduce opportunity and can be implemented in an organization of any size.

District staff responsible for overseeing annual financial statements are required to adhere to the Generally Accepted Accounting Principles (GAAP), a standardized reporting system that enables comparability to review the district’s performance from year to year. Managers are responsible for fairly presenting financial statements according to GAAP, which includes internal controls’ design, implementation and maintenance.

“Keeping financial statements up to date benefits an organization both internally and through their work with outside partners,” Olson said. “They provide a clear financial picture for your own staff and for the partners and contractors local governments work with to accomplish conservation and water quality improvement projects.”