



Title: Review and Acceptance of the 2022 Annual Financial Audit and Fund Transfers

Resolution number: 23-022 and 23-023

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Recommended actions: Acceptance of the 2022 Financial Audit
Authorization of 2022 End of Year Fund Transfers and Closures

Summary:

Pursuant to Minnesota Statutes §§6.756 and 103D.355, subdivision 1, requiring an annual audit, the Minnehaha Creek Watershed District (MCWD) contracted with a private certified public accountant, Redpath and Company, to complete an annual audit of 2022 books and accounts. The 2022 Annual Financial Report (Attachment 1) was presented by Redpath representatives to the MCWD Executive Committee and subsequently to the Board of Managers at their regularly scheduled meeting on April 27, 2023.

Consistent with past practice, staff has identified year-end transfers between sub-funds for the purposes of closing out sub-funds that are no longer needed or to remove negative balances within sub-funds. These transfers are summarized in the attached resolution. Staff has discussed these transfers with Redpath and Company, and they are reflected in the audit.

Following MCWD Board acceptance, and pursuant to Minnesota Rules 8410.0150, subpart 1.A, the audit will be filed with the state auditor's office and the Minnesota Board of Water and Soil Resources (BWSR). In compliance with financing obligations for the 325 Blake Road property, a copy of the audit will be transmitted to Wells Fargo. Copies will also be made available to Hennepin and Carver County.

Attachments:

1. MCWD 2022 Financial Audit



RESOLUTION

Resolution number: 23-022

Title: Acceptance of the 2022 MCWD Annual Financial Audit

- WHEREAS, pursuant to Minnesota Statutes §§6.756 and 103D.355, and Minnesota Rules 8410.0150, an annual financial audit by a certified public accountant must be completed of the books and accounts of the Minnehaha Creek Watershed District; and
- WHEREAS, in accordance with those statutes and rules, the annual audit must be submitted to the state auditor’s office and the Minnesota Board of Water and Soil Resources; and
- WHEREAS, the District’s financing obligations for the purchase of the 325 Blake Road property require that it transmit its annual audit to Wells Fargo; and
- WHEREAS, Redpath and Company, a certified public accountant, has prepared an audit of the District’s financial operations and condition for fiscal (calendar) year 2022, titled “Annual Financial Report - December 31, 2022”; and
- WHEREAS, the audit has reported one internal control finding related to a payment recorded incorrectly by the District’s accounting firm as a 2022 expenditure rather than 2023; and
- WHEREAS, the audit was presented to the Board Executive Committee and the full Board of Managers on April 27, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby accepts the 2022 Annual Financial Report, and directs the District Administrator to transmit it to the Minnesota State Auditor, the Minnesota Board of Water and Soil Resources, Wells Fargo and Hennepin and Carver County.

Resolution Number 23-022 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 4/27/2023

 Secretary Date: April 27, 2023



RESOLUTION

Resolution number: 23-023

Title: Authorization of 2022 End of Year Fund Transfers and Closures

WHEREAS, Redpath and Company, a certified public accountant, has prepared an audit of the District’s financial operations and condition for fiscal (calendar) year 2022; and

WHEREAS, the District has established a number of sub-funds within the Management Planning Fund for individual programs and projects; and

WHEREAS, staff is recommending transfers between sub-funds as summarized in the table below; and

Fund Code	Fund Name	Transfers In	Transfers Out	Description
1002	General Operations		\$(149,083)	Transfer made to balance budget from other transfers
2001	Permit Administration	\$147,824		Transfer made to remove negative balance
3156	Wassermann Internal Load Management		\$(10,792)	Transfer made to zero out balance for fund closure
3145	325 Blake Road	\$10,792		Transfer in from closed project fund 3156
5007	Six Mile Halsted Bay Carp Management	\$1,259		Transfer made to remove negative balance
	Totals	\$ 159,875	\$(159,875)	

WHEREAS, staff has discussed these transfers with Redpath and Company, and they are reflected in the audit.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby accepts the proposed transfers and fund closures within the Management Planning Fund.

Resolution Number 23-023 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 4/27/2023

 Secretary Date: April 27, 2023