



**Title:** Review and Acceptance of the 2021 Annual Financial Audit and Fund Transfers

**Resolution number:** 22-027 and 22-028

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**Recommended actions:** Acceptance of the 2021 Financial Audit  
Authorization of 2021 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 2021 books and accounts. The 2021 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 28, 2022.

Consistent with past practice, staff has identified a few 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. In addition, as part of the 2022 budget adoption in September 2021, the Board authorized a transfer of the projected year-end fund balance of \$197,815 from Project Maintenance & Land Management (2003) to General Operations (1002). It is recommended that these funds stay in Project Maintenance & Land Management to cover the cost of litigation fees for the Preserve boardwalk. 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 2021 Financial Audit



**RESOLUTION**

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**Resolution number:** 22-027

**Title:** Acceptance of the 2021 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;
- 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;
- 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;
- WHEREAS, Redpath and Company, a certified public accountant, has prepared an audit of the District’s financial operations and condition for fiscal (calendar) year 2021, titled “Annual Financial Report - December 31, 2021”;
- WHEREAS, the audit has reported no internal control findings;
- WHEREAS, the audit was presented to the Board Executive Committee and the full Board of Managers on April 28, 2022; and

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby accepts the 2021 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 22-027 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 4/28/2022

\_\_\_\_\_  
Secretary Date: April 28, 2022



**RESOLUTION**

**Resolution number:** 22-028

**Title:** Authorization of 2021 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 2021; 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 a few transfers between sub-funds as summarized in the table below;

Fund Code	Fund Name	Transfers In	Transfers Out	Description
1002	General Operations		\$(332,724)	Transfer made to balance budget from other transfers
2001	Permit Administration	\$81,363		Transfer made to remove negative balance
2003	Project Maintenance & Land Management	\$197,815		Reversal of budgeted transfer to General Operations to retain funding for boardwalk litigation fees
3147	Arden Park Stream Restoration	\$53,546		Transfer made to zero out balance for fund closure
	<b>Totals</b>	<b>\$ 332,724</b>	<b>\$(332,724)</b>	

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 22-028 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 4/28/2022

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 Secretary Date: April 28, 2022