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SECRETARY OF STATE

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 1989

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN - 6 1990

Joan Anderson Haver
Secretary of State

#40350

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

ORGANIZATION
September 30, 1989

Managers:

Roger E. Lake - President
Warren Wallgren - Vice President
Robert Johnson - Secretary
David Nordhausen - Treasurer
Dean Hedlund - Manager

Term Expires

February 23, 1990
February 23, 1991
February 23, 1990
February 23, 1991
February 23, 1992

Administrator:

Clifton J. Aichinger

Appointed

To the Honorable Managers of the
 Ramsey-Washington Metro Watershed District
 2785 White Bear Avenue
 St. Paul, Minnesota 55109

We have completed our examination of the Annual Financial Report of the Ramsey-Washington Metro Watershed District (excluding the Battle Creek Project I and Fish Creek Project) for the year ended September 30, 1989, and have issued our report thereon. In conjunction with that examination, we present this management report on matters relating to the financial operations of the District. We offer this report as an additional analytical perspective for the District Managers in monitoring the financial position and operations of the accounts and funds of the District.

Cash and Investments

<u>Description</u>	<u>September 30.</u>		
	<u>1989</u>	<u>1988</u>	<u>1987</u>
Treasurer's Balance	\$ 502	\$ 456	\$ 417
Investments:			
Savings	<u>52,043</u>	<u>72,166</u>	<u>5,244</u>
Totals	<u>\$ 52,545</u>	<u>\$ 72,622</u>	<u>\$ 5,661</u>

Interest earnings on investments totaled \$6,553 for the year ended September 30, 1989 as compared to \$6,914 for the year ended September 30, 1988. In 1987, the District did not maintain adequate reserve balances to meet the cash outlay demands of current financial activity. Improving this situation was a priority of the District for 1988 and ensuing periods. We commend the District for the improvement in the overall cash position of the District. The Administrative Fund is, however, in a deficit position at September 30, 1989 (see later comments).

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Taxes Receivable

Taxes receivable at September 30, 1989 and 1988 consisted of the following:

	<u>September 30.</u>		<u>Increase</u>
	<u>1989</u>	<u>1988</u>	<u>(Decrease)</u>
Current:			
509/CIP	\$ 0	\$ 171,864	\$ (171,864)
All other funds	105,081	97,253	7,828
Delinquent	5,098	3,490	1,608
Due from County	<u>7,398</u>	<u>7,241</u>	<u>157</u>
Totals	<u>\$ 117,577</u>	<u>\$ 279,848</u>	<u>\$ (162,271)</u>

Current taxes receivable at September 30, 1989 represents the balance of unpaid property taxes levied in October, 1988 for collection the following calendar year (i.e., one-half in the current fiscal year of the District). The decrease in the current receivable is a result of a change in the method of funding the 509/CIP program. Prior to 1989, the Counties levied an ad valorem tax on all District property as a method for repayment of the advances. This levy is now within the County's levy limit, therefore, the County will issue bonds to repay the advances. The uncollected portion of current taxes have been classified as deferred revenue to finance the operations of the District for the ensuing fiscal year and are not part of the fund balance at the end of the current fiscal year. Generally accepted accounting principles related to revenue recognition requires revenue to be both measurable and available. Under this criteria, the District recognizes one-half of each of the calendar year tax levies.

Delinquent taxes receivable represent taxes uncollected by the County from individual property owners from 1983 through 1988. The delinquent balance of \$5,098 is less than 1% of the total taxes levied during that period. The current taxes receivable represents 49.1% of the total collectible 1989 levy. This percent indicates that the District is continuing to maintain a collection rate in excess of 97%.

Due from County consists of current and delinquent taxes collected by the County but not remitted to the District at September 30, 1989. This amount has been remitted along with additional collections to the District in December, 1989.

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Fund Balances

The fund balance of the District's funds were as follows at September 30, 1989 and 1988:

	<u>September 30.</u>		<u>Increase</u>
	<u>1989</u>	<u>1988</u>	<u>(Decrease)</u>
Administrative	\$ (12,435)	\$ (24,819)	\$ 12,384
Survey and Data			
Acquisition	32,517	24,978	7,539
Water Management			
Planning Fund	(3,566)	(8,438)	4,872
Waterway Maintenance			
and Repair Fund	17,210	22,574	(5,364)
509/CIP Fund	(69,119)	(125,643)	56,524
Totals	<u>\$ (35,393)</u>	<u>\$ (111,348)</u>	<u>\$ 75,955</u>

Administrative Fund

The fund balance of the Administrative Fund increased by \$12,384 during the period. This increase is detailed in Statement 3 and is summarized as follows:

Budgeted decrease in fund balance - the District adopted a budget which had expenditures greater than anticipated revenues	\$ (36,850)
Actual revenue exceeded anticipated revenue (due primarily to permit escrow fees and interest on investments)	23,683
Actual expenditures were under (over) budget:	
Engineering	\$ 9,874
Purple loosestrife inventory	10,000
All other - net	<u>5,677</u>
	<u>25,551</u>
Net increase in fund balance	<u>\$ 12,384</u>

With the above increase, the District's Administrative Fund had a deficit fund balance of \$12,435 at September 30, 1989.

The Administrative Fund expenditure budget totals \$196,750 for the year ended September 30, 1990. Tax revenue to be recognized for that period totals \$199,350, which represents 50% of each of the collectible 1989 and 1990 levies (the Administrative Fund levies were \$198,700 for 1989 and \$200,000 for 1990). The anticipated revenue (\$199,350) compared to budgeted expenditures for the year ended September 30, 1990 (\$196,750) indicates that the fund balance of the Administrative Fund is budgeted to increase during the 1990 fiscal year by \$2,600. This budgeted increase will result in a fund deficit of approximately \$9,500 at September 30, 1990. Effective January 1, 1989, all permits issued by the District include a \$500 permit fee. The District had anticipated \$30,000 of permit fee collections for the year ended September 30, 1989 and received \$14,500. Revenue from permit fees is not reflected in the District's scheduled budget increase.

Operating reserves are required for sound financial management of District affairs. Such reserves are required for the following:

1. Cash flow reserve. The District receives revenue from property taxes primarily in December and July. The District, however, incurs expenditures throughout the entire twelve month operating period. Timing differences in the receipt of property taxes and homestead credits related thereto, should be compensated for with adequate operating reserves.
2. Emergency and/or unanticipated expenditures. Operating budgets are estimates only. The District requires a surplus to finance unforeseen events. One method of measuring the amount of this type of surplus is to use a percent of the District's annual operating budget (i.e., 20% to 25% or more, depending upon the budget philosophy of the District).
3. Preliminary project funding. Feasibility studies of potential projects require financing. The District does receive such preliminary funding for certain projects upon County approval. Other minor projects may be more efficiently funded through available reserves.

The District has obtained increased levy authority (1988 Laws Chapter 702 s. 16) for its Administrative Fund (from \$125,000 to \$200,000 per year). We commend the District's efforts in this regard. We recommend that the District continue to use this increased authority to reduce the Administrative Fund deficit.

Battle Creek Project I

Battle Creek Project I was financed through a joint powers agreement between the District, Ramsey County and Washington County. Ramsey County performs all accounting procedures for the project (both the construction phase and the debt service phase).

On March 1, 1988, all outstanding bonds were called for early redemption. The remaining surplus (\$321,058) was transferred to Ramsey County's Fish Creek Project.

Fish Creek Project

Fish Creek Project was financed through a joint powers agreement between the District, Ramsey County and Washington County. Ramsey County performs all accounting procedures for the project.

Section 2 (r) of the joint powers agreement addresses the audit of the project as follows:

Ramsey County shall include the Project in its annual financial report, audited by the State Auditor, and shall furnish the District and Washington County with all necessary copies of that report. The District shall pay all costs for the audit of the Project.

The financial statements of this fund are therefore excluded from the Annual Financial Report of the District.

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Survey and Data Acquisition Fund

This fund was established in October, 1982 for the District's 1982/83 fiscal year. This fund accounts for revenues and expenditures for District surveys and data acquisition. The District approved and levied taxes in accordance with Minnesota Statutes in October, 1982 for \$50,000 for collection in 1983 and in October, 1987 for \$50,000 for collection in 1988. Financial activity to date for this fund has been as follows:

Revenue:		
Property taxes collected		\$ 97,780
Expenditures:		
1983 - Contract labor	\$ 1,618	
1984 - Contract labor	5,815	
- Other	2,015	
1985 - Other	325	
1986 - Engineering	32,747	
1987 - Engineering	6,395	
1989 - Engineering	<u>16,348</u>	<u>65,263</u>
Fund balance - September 30, 1989		<u>\$ 32,517</u>

This fund is allowed to certify a tax levy once every five years. The District has budgeted expenditures of \$16,700 for the year ended September 30, 1990.

Water Management Planning Fund

The fund was established to account for expenditures incurred in the preparation of an overall plan for projects and improvements in the District. The District levied taxes for the Water Management Planning Fund for collection in 1983 of \$60,000.

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Additionally, the District levied taxes as follows:

<u>Year</u>	<u>Amount</u>
1984/85	\$30,000
1985/86	15,000
1986/87	0
1987/88	10,175
1988/89	0
1989/90	40,000

Financial activity to date of this fund has been as follows:

Revenue:

Property taxes collected

\$ 111,589

Expenditures:

1983 - Engineering	\$ 21,518	
- Contract labor	854	
1984 - Engineering	43,616	
- Contract labor	3,533	
- Other	311	
1985 - Engineering	26,791	
- Contract labor	1,410	
- Other	325	
1986 - Engineering	1,081	
- Contract labor	1,760	
1987 - Engineering	<u>13,956</u>	<u>115,155</u>

Fund balance (deficit) - September 30, 1989

\$ (3,566)

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If budgeted amounts are achieved, the fund balance as of September 30, 1990 will be as follows:

Fund balance (deficit) - September 30, 1989	\$ (3,566)
Add:	
50% of collectible 1990 levy	20,000
Deduct:	
1990 anticipated expenditures:	
Highwood wetland protection plan	(15,000)
Wetland evaluation study	<u>(25,000)</u>
Anticipated fund balance - September 30, 1990	<u>\$ (23,566)</u>

Waterway Maintenance and Repair Fund

The District has established this fund pursuant to special 1984 Statutory Authority. The fund was authorized to levy \$30,000 for collection in 1985 and \$15,000 for each subsequent year. The purpose of this fund is defined by statute as follows:

The water maintenance and repair fund may be used for any maintenance, repair, restoration, upkeep, and rehabilitation of any public ditch, drain, dams, sewer, river, stream, watercourse, and waterbody, natural or artificial, lying wholly or partly within the district. Works performed in accordance with the purposes of sections 3 to 5 may include, but are not limited to, stream and watercourse clean up and maintenance and stream and watercourse bank and bed repair and stabilization.

The District has levied the statutory limit in property taxes for collection in years 1985 through 1990. Additionally, the District received \$30,000 of surplus Battle Creek Project I monies in 1985 to complete construction.

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A summary of financial activity for the Water Maintenance and Repair Fund through September 30, 1989 is as follows:

Revenue:

Property taxes collected	\$ 81,904	
Battle Creek Project I monies (from County)	30,000	
Reimbursement (from County)	<u>20,000</u>	
Total		\$ 131,904

Expenditures:

1984 - Other	275	
1985 - Ditch maintenance	36,470	
1986 - Waterway maintenance	14,337	
1987 - Waterway maintenance	5,474	
1988 - Battle Creek maintenance and county ditch review	5,125	
- Waterway maintenance	12,792	
1989 - Waterway maintenance	40,221	<u>114,694</u>

Fund balance - September 30, 1989 \$ 17,210

The District has budgeted \$15,500 of expenditures for 1990.

509/CIP Authority

The District has budgeted \$200,750 for 1987 CIP projects, \$749,700 for 1988 CIP projects, \$112,500 for 1989 CIP projects and \$193,000 for 1990 CIP projects. The District is authorized to receive advances for project feasibility studies and construction. The District has received advances as follows:

	<u>1987 CIP Projects</u>	<u>1988 CIP Projects</u>
1987	\$ 50,000	
1988	270,000	\$ 13,297
1989		<u>70,703</u>
	<u>\$ 320,000</u>	<u>\$ 84,000</u>

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A summary of the financial activity of this fund is as follows:

Project	Original Budget	Expenditures in prior Years	Expenditures in 1989	Total Expenditures
1987 CIP Projects:				
Phalen Watershed Study	\$120,000	\$88,812	\$22,223	\$111,035
Fish Creek Slope	50,000	72,021		72,021
Tanner's Lake Wetland	160,000	140,831	2,796	143,627
Subtotal	<u>330,000</u>	<u>301,664</u>	<u>25,019</u>	<u>326,683</u>
1988 CIP Projects:				
County Ditch Hydrologic Study	25,000	3,955	32,783	36,738
Carver Ravine	55,000		6,034	6,034
Fish Creek Project	1,600,000	*	*	
Tanner's Lake Wetland	88,000		71,009	71,009
Subtotal	<u>1,768,000</u>	<u>3,955</u>	<u>109,826</u>	<u>113,781</u>
1989 CIP Projects:				
County Ditch Improvements	100,000			0
Subtotal	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
1990 CIP Projects:				
Well Closure Cost Sharing Program	50,000			0
Purple Loosestrife Control	10,000			0
County Ditch 16 Improvement	900,000			0
County Ditch 18 Basin	420,000			0
Battle Creek Project Maintenance	100,000			0
Subtotal	<u>1,480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

* Project bonded and accounted for through Ramsey County.

The District has requested Washington and Ramsey Counties to levy ad valorem taxes totaling \$320,000 for collection in 1988 to finance the 1987 CIP projects. The County will issue bonds to finance the 1988 and 1989 CIP projects.

The District has funded a portion of certain studies from the Survey and Data Acquisition Fund. Exhibit 4 presents total project costs including source of financing.

The District has completed the water management plan which is a pre-requisite to exercising the funding option available from Chapter 509. Projects under the authority are funded as follows:

- Project is submitted to counties for consideration.
- Public hearing process is carried out.
- County advances monies either from a bond issue or from reserve monies.
- Counties levy ad valorem property tax levies to recover advances and/or to fund debt service on advances.

The District has been awarded a \$34,000 federal matching grant from the Minnesota Pollution Control Agency for the diagnostic feasibility study of Tanners Lake. The District has budgeted \$68,000 of expenditures for this project in fiscal 1989. There are various eligibility requirements associated with this grant to assure reimbursement of project costs. We recommend that the District establish procedures to assure that all requirements are met. Additionally, the District should clarify its position regarding the audit requirements of this grant. Public law 98-502 (Single Audit Act of 1984) exempts recipients of federal funds in excess of \$25,000 but less than \$100,000 from Federal Single Audits as follows:

7502. Audit requirements; exemptions (a)(1)(B)

Each State and local government that receives a total amount of Federal financial assistance which is equal to or in excess of \$25,000 but less than \$100,000 in any fiscal year of such government shall -

(i) have an audit made for such fiscal year in accordance with the requirements of this chapter and the requirements of the regulations prescribed pursuant to section 7505 of this title; or

(ii) comply with any applicable requirements concerning financial or financial and compliance audits contained in Federal statutes and regulations governing programs under which such Federal financial assistance is provided to that government.

The absence of a program audit requirement of this grant may eliminate a Federal Compliance Audit

The District had incurred deficits in the fund which depleted the overall cash balance of the District. Advances were received to improve the cash situation. The District has prepared multi-year cash flow budgets to assist the District in managing the fund balances and cash balances of the CIP projects. Due to changes in state laws, counties are now required to include CIP levies in their debt levy limitation. This has resulted in the District having to project budgeted expenditures for 509/CIP projects two years in advance; and, a delay in county funding.

As activity of the fund increases, the need for timely, detailed accounting reports also increases. We recommend that the District periodically review the interim financial data available to be certain that adequate financial data is available to manage the financial position of the 509/CIP Fund.

Internal Accounting Controls

As part of our examination, we made a study and evaluation of the system of internal accounting control of the Ramsey-Washington Metro Watershed District to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for the expression of an opinion on the District's financial statements. Our study was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified.

The Ramsey-Washington Metro Watershed District is responsible for establishing and maintaining a system of internal accounting control. The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the executing and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements.

Also, projection of any evaluation of the system to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Ramsey-Washington Metro Watershed District taken as a whole. However, our study and evaluation disclosed that substantially all accounting procedures are performed by one person (the District Administrator). Ideal conditions call for segregation of duties to establish a system of internal testing

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of procedures performed. Certain other safeguards are established to compensate for this situation (such as Board approval of all disbursements, Board review of interim financial data compared to budget, Treasurer signing of all checks, etc.). These conditions are common to organizations of this size. Any modification of internal controls in these areas must be viewed from a cost/benefit perspective.

This condition was considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the September 30, 1989 financial statements, and this report does not affect our report on the financial statements dated January 22, 1990.

This report is intended solely for the use of the Ramsey-Washington Metro Watershed District and should not be used for any other purpose.

Respectfully submitted,

VOTO, TAUTGES, REDPATH & CO., LTD.
Certified Public Accountants

January 29, 1990

**FINANCIAL
SECTION**

VOTO, TAUTGES, REDPATH & CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS



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• Phone (612) 426-3263

INDEPENDENT AUDITOR'S REPORT

To the Honorable Managers of the
Ramsey-Washington Metro Watershed District
2785 White Bear Avenue, Suite 210
Maplewood, Minnesota 55109

ROBERT J. VOTO, CPA
ROBERT G. TAUTGES, CPA
JAMES S. REDPATH, CPA

D. KENNETH GEORGE, CPA
DAVID J. MOL, CPA

We have audited the general purpose financial statements of the RAMSEY-WASHINGTON METRO WATERSHED DISTRICT as of and for the year ended September 30, 1989. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial activity related to Battle Creek Project I Special Assessment Fund because this fund is to be audited by the State of Minnesota Auditor's Office in accordance with a joint powers agreement dated September 3, 1981. We did not audit the financial activity related to Fish Creek Project Fund because this fund is to be audited by the State of Minnesota Auditor's Office in accordance with a joint powers agreement dated August 2, 1988. The financial activity of the Battle Creek Project I Fund and the Fish Creek Project Fund are reported in the Annual Financial Report of Ramsey County.

In our opinion, except for the effects of such adjustments, if any, as might have been determined had we been able to audit the financial activity related to Battle Creek Project I Special Assessment Fund and the Fish Creek Project Fund, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the RAMSEY-WASHINGTON METRO WATERSHED DISTRICT at September 30, 1989, and results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and the exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

January 22, 1990

Voto, Tautges, Redpath & Co. LTD

VOTO, TAUTGES, REDPATH & CO., LTD.
Certified Public Accountants

GENERAL PURPOSE
FINANCIAL
STATEMENTS

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 1

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1989

Assets	Governmental Fund Types			Account Group	Totals (Memorandum Only)	
	Administrative	Special Revenue	Capital Project	General	September 30,	
				Fixed Assets	1989	1988
Cash and investments	\$8,263	\$51,846			\$60,109	\$93,820
Taxes receivable:						
Current	97,705	7,376			105,081	269,117
Delinquent	3,993	1,105			5,098	3,490
Due from County	6,569	679	\$150		7,398	7,241
Federal grant receivable			34,000		34,000	
Fixed assets				\$3,954	3,954	2,278
Total Assets	\$116,530	\$61,006	\$34,150	\$3,954	\$215,640	\$375,946
Liabilities and Fund Equity						
Liabilities:						
Cash overdraft		\$3,594	\$3,970		\$7,564	\$21,198
Accounts payable	\$11,714	2,770	15,299		29,783	17,914
Salaries payable	673				673	
Advance from County			84,000		84,000	173,297
Developers escrow	14,880				14,880	
Deferred revenue	101,698	8,481			110,179	272,607
Total liabilities	128,965	14,845	103,269	\$0	247,079	485,016
Fund Equity:						
Invested in general fixed assets				3,954	3,954	2,278
Fund balance (deficit):						
Unreserved:						
Designated		49,727			49,727	47,552
Undesignated	(12,435)	(3,566)	(69,119)		(85,120)	(158,900)
Total fund equity	(12,435)	46,161	(69,119)	3,954	(31,439)	(109,070)
Total liabilities and fund equity	\$116,530	\$61,006	\$34,150	\$3,954	\$215,640	\$375,946

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**
 For The Year Ended September 30, 1989

Statement 2

	Governmental Fund Types			Totals	
	Administrative	Special Revenue	Capital Project	(Memorandum Only)	
				1989	1988
Revenue:					
General property taxes:					
Current and delinquent	\$114,358	\$31,979	\$145,081	\$291,418	\$255,158
Fiscal disparities	18,241	4,148	2,252	24,641	18,259
Other					1
Total general property taxes	<u>132,599</u>	<u>36,127</u>	<u>147,333</u>	<u>316,059</u>	<u>273,418</u>
Intergovernmental:					
Homestead and Small Business credit	28,921	7,489	24,104	60,514	69,524
Mobile home homestead credit	818			818	524
Federal EPA grant			34,000	34,000	
Total intergovernmental	<u>29,739</u>	<u>7,489</u>	<u>58,104</u>	<u>95,332</u>	<u>70,048</u>
Interest on investments	6,553			6,553	6,914
Permit escrow fees	14,500			14,500	
Refunds and reimbursements	1,263	20,000		21,263	18,699
Other	879			879	30
Total revenue	<u>185,533</u>	<u>63,616</u>	<u>205,437</u>	<u>454,586</u>	<u>369,109</u>
Expenditures:					
Current:					
General government	173,149	56,569		229,718	190,283
Construction			148,913	148,913	204,699
Total expenditures	<u>173,149</u>	<u>56,569</u>	<u>148,913</u>	<u>378,631</u>	<u>394,982</u>
Revenue over (under) expenditures	12,384	7,047	56,524	75,955	(25,873)
Fund balance (deficit) - October 1	(24,819)	39,114	(125,643)	(111,348)	(85,475)
Fund balance (deficit) - September 30	<u>(\$12,435)</u>	<u>\$46,161</u>	<u>(\$69,119)</u>	<u>(\$35,393)</u>	<u>(\$111,348)</u>

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ADMINISTRATIVE, SPECIAL REVENUE, AND CAPITAL PROJECT FUNDS
 For The Year Ended September 30, 1989

	Administrative			Special Revenue		
	Budget	Actual	Over (under) Budget	Budget	Actual	Over (under) Budget
Revenue:						
General property taxes	\$132,111	\$132,599	\$488	\$37,598	\$36,127	(\$1,471)
Intergovernmental	29,739	29,739		7,489	7,489	
Interest on investments		6,553	6,553			
Permit escrow fees		14,500	14,500			
Refunds and reimbursements		2,142	2,142		20,000	20,000
Total revenue	<u>161,850</u>	<u>185,533</u>	<u>23,683</u>	<u>45,087</u>	<u>63,616</u>	<u>18,529</u>
Expenditures:						
Current:						
General government	198,700	173,149	(25,551)	32,200	56,569	24,369
Construction						
Total expenditures	<u>198,700</u>	<u>173,149</u>	<u>(25,551)</u>	<u>32,200</u>	<u>56,569</u>	<u>24,369</u>
Revenue over (under) expenditures	<u>(\$36,850)</u>	12,384	<u>\$49,234</u>	<u>\$12,887</u>	7,047	<u>(\$5,840)</u>
Fund balance (deficit) - October 1		<u>(24,819)</u>			<u>39,114</u>	
Fund balance (deficit) - September 30		<u>(\$12,435)</u>			<u>\$46,161</u>	

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 3

Capital Project			1989 Totals			1988 Actual Memorandum Only
Budget	Actual	Over (under) Budget	Budget	Actual	Over (under) Budget	
\$147,871	\$147,333	(\$538)	\$317,580	\$316,059	(\$1,521)	\$273,418
24,104	58,104	34,000	61,332	95,332	34,000	70,048
				6,553	6,553	6,914
				14,500	14,500	
				22,142	22,142	18,729
<u>171,975</u>	<u>205,437</u>	<u>33,462</u>	<u>378,912</u>	<u>454,586</u>	<u>75,674</u>	<u>369,109</u>
			230,900	229,718	(1,182)	190,283
<u>136,266</u>	<u>148,913</u>	<u>12,647</u>	<u>136,266</u>	<u>148,913</u>	<u>12,647</u>	<u>204,699</u>
<u>136,266</u>	<u>148,913</u>	<u>12,647</u>	<u>367,166</u>	<u>378,631</u>	<u>11,465</u>	<u>394,982</u>
<u>\$35,709</u>	56,524	<u>\$20,815</u>	<u>\$11,746</u>	75,955	<u>\$64,209</u>	(25,873)
	(125,643)			(111,348)		(85,475)
	<u>(\$69,119)</u>			<u>(\$35,393)</u>		<u>(\$111,348)</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
September 30, 1989Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Ramsey-Washington Metro Watershed District conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant accounting policies.

FINANCIAL REPORTING ENTITY

The Ramsey-Washington Metro Watershed District was created in 1975 by the Minnesota Water Resources Board as provided in Minnesota Statutes Chapter 112. The District is operated by a five member Board of Managers appointed by the Ramsey and Washington County Boards of Commissioners for three year terms. The District has implemented Governmental Accounting Standards (GASB) Codification Section 2100, Defining the Governmental Reporting Entity. In accordance with Section 2100, for financial reporting purposes the District's financial statements include all funds, account groups, boards and commissions over which the District's Board exercises oversight responsibility except as follows. The Battle Creek and Fish Creek Projects of the Watershed District will provide both corrective and preventive measures aimed at controlling erosion and flooding and providing efficient drainage within the area. In accordance with the provisions of Minnesota Statutes Chapters 106, 112 and 475, both Ramsey and Washington counties issued bonds for their respective share of the improvements of the projects. The bonds will be paid from special assessments on benefited property. The financial transactions of this fund meet the entity criteria for inclusion in the financial statements contained herein. The financial activity of these funds has been excluded from the financial statements contained herein because of a clause in the joint Powers Agreement which established funding of the projects (i.e., the State Auditor is responsible for audit of the Battle Creek Project I Fund and the Fish Creek Project Fund).

Oversight responsibility includes appointment of governing bodies, budget authority, approval of tax levies, and responsibility for funding deficits. There are no additional units of government which meet the criteria of GASB codification Section 2100 for inclusion in the Annual Financial Report of the Ramsey-Washington Metro Watershed District.

FUNDS AND ACCOUNT GROUPS

The accounting system of the District is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds and account groups are employed by the District.

Governmental Funds:

Administrative Fund is the general operating fund of the District. It is used to account for financial resources to be used for general administrative expenses and for the construction and maintenance of projects of common benefit to the District.

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Survey and Data Acquisition Fund is established when no other funds are available to the District to pay for necessary surveys and acquiring data. The fund is financed by an ad valorem levy which can be levied once every five years and cannot exceed 0.02418 percent of taxable market value.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS
September 30, 1989

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Water Management Fund is established for the preparation of an overall plan for projects and improvements. The fund collects an ad valorem tax levy.
- Waterway Maintenance and Repair Fund is established for the maintenance and repair of any water course or water body lying wholly or partly within the District. The fund is financed by an ad valorem levy which cannot exceed \$30,000 in 1985 and cannot exceed \$15,000 in subsequent years. This fund was established pursuant to Minnesota Statutes 502.13 Section 3-5 of the 1984 legislative session.

Capital Project Fund is established to account for financial resources to be used for the acquisition or construction of major capital facilities.

- 509/CIP Fund is established to account for the capital improvement program as a part of the Watershed Management Plan. The fund is financed by an ad valorem levy. This fund was established pursuant to Minnesota Statutes, Chapter 473.

Account Groups:

The governmental fund types are designed to account for the financial flow of a particular fund; therefore, they generally include only current assets and current liabilities on their balance sheets. The District maintains one account group to account for noncurrent assets as follows:

General Fixed Assets - The District maintains a separate account group which contains the fixed assets used in the governmental fund type operations. They are assets of the District as a whole and not of individual funds.

BASIS OF ACCOUNTING

The modified accrual basis of accounting is followed by the District for its governmental funds (Administrative, Special Revenue, Capital Project). Under this method of accounting, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Also, under this method, expenditures are recognized in the accounting period when the liability is incurred, except for Disbursements for inventory type items and prepaid expenses which are considered expenditures at the time of purchase.

Major revenue sources susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services and interest on investments.

Major revenue sources not susceptible to accrual include licenses and permits, fees, and miscellaneous revenues. Such revenues are recorded as revenue when received because they are not measurable until collected.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS

September 30, 1989

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY DATA

The Board of Managers adopts an annual budget for the general government operations of the District on an annual basis. During the budget year, supplemental appropriations and deletions are or may be authorized by the Board. The amounts shown in the financial statements as "Budgeted" represent the original budgeted amounts plus all revisions made during the year and/or for the year. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

The Board of Managers annually adopts a tax levy for collection during the calendar year. The District's records are maintained on a fiscal year ending September 30. The revenue budget consists of one-half of each calendar year's tax levy which overlaps the District's fiscal year. One-half of the tax levies collectible in 1988 and 1989 calendar year are presented as budgeted revenue for the fiscal year ending September 30, 1989.

The District monitors budget performances on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process.

The District prepares revenue and expenditure budgets for all the District's funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Note 2 - DETAIL NOTES ON ALL FUND AND ACCOUNT GROUPS

CASH AND INVESTMENTS

Deposits

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the Board of Managers.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% in the case of mortgage notes pledged). However, on at least two occasions during the year, the District's deposits exceeded that which FDIC (Federal Deposit Insurance Corporation) would cover and no additional collateral was provided.

Authorized collateral includes the legal investments described below, as well as certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District treasurer or in a financial institution other than that furnishing the collateral.

At September 30, 1989, the carrying amount of the District's deposits was \$52,545, all of which was covered by federal depository insurance.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS
September 30, 1989

Note 2 - DETAIL NOTES ON ALL FUND AND ACCOUNT GROUPS (continued)

Investments

Minnesota Statutes authorize the District to invest in the following:

- a. Direct obligations or obligations guaranteed by the United States or its agencies.
- b. Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- c. General obligations of the State of Minnesota or any of its municipalities.
- d. Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e. Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f. Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depository.

The District did not have any investments as of September 30, 1989.

PROPERTY TAX REVENUE RECOGNITION

Property taxes are payable (by property owners) on May 15 and October 15 for each calendar year. These taxes are collected by the County Auditor and remitted to the District approximately each subsequent July 15 and December 15. Additionally, delinquent collections (November through December) are remitted to the District each January. The District has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

The Board annually adopts a tax levy and certifies it to the County in October for collection in the following years. For the years ended September 30, 1989 and 1988, the tax levies certified for collection became a lien on January 1 and were recorded as a receivable for the ensuing fiscal year. The deferred portion represents the approximate taxes that will be collected in October by the County Auditor and remitted to the District in December.

Revenue from property taxes is recognized (by the District) when received in cash, except for amounts collected by and due from the County Auditor at year end.

FIXED ASSETS

General fixed asset purchases are recorded as expenditures of the various funds at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets Account Group, except for certain improvements (drainage systems) which are not capitalized. No depreciation has been provided for general fixed assets. The District's only fixed asset addition in 1989 was a personal computer package totaling \$1,676.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS

September 30, 1989

Note 2 - DETAIL NOTES ON ALL FUND AND ACCOUNT GROUPS (continued)

INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. None of the District's funds maintain significant amounts of inventories of materials and supplies.

DEFERRED REVENUE

Deferred revenue as of September 30, 1989 consists of the following:

Current property taxes receivable	\$ 105,081
Delinquent property taxes receivable	<u>5,098</u>
	<u>\$ 110,179</u>

Note 3 - "MEMORANDUM ONLY" PRESENTATIONS

Presented in these financial statements are certain amounts labeled "memorandum only". The reader is cautioned that this information has certain limitations as follows:

1. The "Total" columns of the various combined statements present a combining of unlike purpose funds and cannot be construed to be indicative of the overall financial position, overall results of operations or overall changes in financial position of the District.
2. Prior year "Total" columns likewise may combine unlike purpose funds (as in 1 above) and additionally do not present detail components by fund group (as is presented for current year totals) and therefore, are incomplete presentations of prior year statements of financial position, results of operations and changes in financial position of the various funds of the District as established by generally accepted accounting principles.
3. Statements of Revenue, Expenditures and Changes in Fund Balance compared to budget present prior year actual amounts. These amounts are incomplete presentations in that prior year budget amounts are not included in conformance with generally accepted accounting principles.

Note 4 - JOINT POWERS AGREEMENT

BATTLE CREEK PROJECT I

The District has entered into a joint powers agreement with Ramsey and Washington counties for the issuance of bonds by the counties to finance the improvements to Battle Creek Project I. The bonds will be paid from special assessments levied on benefiting properties. Ramsey County is acting as an agent for the District and providing financial administration for the project through its Office of Budgeting and Accounting. Ramsey County maintains all the necessary project financial records and other required project information. All project expenditures are approved by the District prior to payment by the County. In accordance with the joint powers agreement the Battle Creek Project I Special Assessment Fund will be audited by the State Auditor and accordingly has been excluded from the financial statements contained herein. In conjunction with that project, the District has incurred liabilities in the form of bonds issued through Ramsey and Washington counties totaling \$6,780,000 (see Note 5). The District has pledged special assessments and its taxing authority as security for these bonds.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS
September 30, 1989

Note 4 - JOINT POWERS AGREEMENT (continued)

FISH CREEK PROJECT

The District has entered into a joint powers agreement with Ramsey and Washington counties for the issuance of bonds by the counties to finance the improvements to Fish Creek Project. The bonds will be paid from special assessments levied on benefiting properties. Ramsey County is acting as an agent for the District and providing financial administration for the project through its Office of Budgeting and Accounting. Ramsey County maintains all the necessary project financial records and other required project information. All project expenditures are approved by the District prior to payment by the County. In accordance with the joint powers agreement the Fish Creek Project Fund will be audited by the State Auditor and accordingly has been excluded from the financial statements contained herein.

Note 5 - LONG-TERM DEBT

Ramsey and Washington counties, on behalf of the Ramsey-Washington Metro Watershed District, issued \$5,290,000 and \$1,490,000, respectively, in general obligation bonds in support of the Battle Creek Project I. Both bond issues have been advance refunded by the counties (by the \$3,870,000 Ramsey County Metro Watershed District Refunding Bonds of 1983 and the \$600,000 Washington County Metro Watershed District Refunding Bonds of 1983). These bonds are backed by the full faith and credit of the counties, but are payable from special assessments levied against benefited properties. The general credit of the counties is obligated only to the extent the liens foreclosed against properties involved in special assessment districts are insufficient to retire outstanding bonds. The District has also pledged (in a separate action) the taxing authority of the District to fund future revenue shortfalls (if any). The \$3,870,000 Ramsey County Metro Watershed District Refunding Bonds of 1983 were called for early payment on March 1, 1988. The \$600,000 Washington County Metro Watershed District Refunding Bonds of 1983 ~~are scheduled to be called for early payment on February 1, 1989.~~
were

The principal balance of the refunding bonds as of September 30, 1989 and 1988 is as follows:

	September 30,	
	1989	1988
Ramsey County	\$ 0	\$ 0
Washington County	0	300,000
Total	\$ 0	\$ 300,000

Note 6 - CONTINGENCIES

The District's attorney has indicated that there are no pending litigations in which the District is involved that would have a material effect upon the District's financial statements except as follows.

The Metropolitan Waste Control Commission (MWCC) has informed the District that the MWCC may hold the District responsible for approximately \$60,000 of damages to an interceptor sewer which the MWCC may claim was caused by the District's Battle Creek Project I Fund. No legal action has been made by the MWCC to effect collection. The District contends that there is no basis for the claim.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

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NOTES TO FINANCIAL STATEMENTS
September 30, 1989

Note 7 - DESIGNATIONS OF FUND EQUITY

The fund balances of the Waterway Maintenance and Repair Fund and the Survey and Data Acquisition Fund have been designated for their restricted statutory purpose. At September 30, 1989 and 1988, the Watershed District had designations of operating fund balances as follows:

	For the Year Ended September 30,	
	1989	1988
Survey and Data Acquisition	\$ 32,517	\$ 24,978
Repairs and Maintenance	<u>17,210</u>	<u>22,574</u>
	<u>\$ 49,727</u>	<u>\$ 47,552</u>

Note 8 - DEFICIT FUND BALANCES

The following funds had deficit balances at September 30, 1989:

<u>Fund</u>	<u>Amount</u>
Administrative Fund	\$ 12,435
Special Revenue Fund:	
Water Management Planning	3,566
Capital Project Fund:	
509/CIP	69,119

The deficit in the Special Revenue Fund and Capital Project Fund will be eliminated by future tax levies.

The deficit in the Administrative Fund will be eliminated by future tax levies and permit fees.

Note 9 - ADVANCE FROM COUNTY

In 1987 and 1988, the District received advance loans from Ramsey and Washington counties in the amount of \$333,297 to be used for preliminary expenses of its 509/CIP program, pursuant to Minnesota Statutes 112.43. These advances will be paid back through an ad valorem tax levy during 1988 and 1989.

	<u>Ramsey</u>	<u>Washington</u>	<u>Total</u>
Received in 1987		\$ 50,000	\$ 50,000
Received in 1988	\$ 61,641	221,656	283,297
Received in 1989	<u>70,703</u>	<u>0</u>	<u>70,703</u>
Total	<u>\$ 132,341</u>	<u>\$ 271,656</u>	404,000
Less: 1987 CIP (levied in 1987, collectible in 1988)			<u>(320,000)</u>
Total			<u>\$ 84,000</u>

COMBINING, INDIVIDUAL FUND
AND
ACCOUNT GROUP
FINANCIAL STATEMENTS

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

ADMINISTRATIVE FUND
BALANCE SHEET
September 30, 1989

Statement 4

Assets	Totals	
	September 30, 1989	1988 Memorandum Only
Cash and investments		
Taxes receivable:		
Current	\$8,263	
Delinquent		
Due from County	97,705	\$60,729
	3,993	2,882
	6,569	3,728
Total assets	<u>\$116,530</u>	<u>\$67,339</u>
Liabilities and Fund Balance	Totals	
	September 30, 1989	1988 Memorandum Only
Liabilities:		
Cash overdraft		\$12,486
Accounts payable	\$11,714	16,061
Salaries payable	673	
Developers escrow	14,880	
Deferred revenue	101,698	63,611
Total liabilities	<u>128,965</u>	<u>92,158</u>
Fund Balance (deficit):		
Unreserved:		
Undesignated	(12,435)	(24,819)
Total fund balance	<u>(12,435)</u>	<u>(24,819)</u>
Total liabilities and fund balance	<u>\$116,530</u>	<u>\$67,339</u>

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 5

ADMINISTRATIVE FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended September 30, 1989

	1989		Over (under) Budget	1988 Actual Memorandum Only
	Budget	Actual		
Revenue:				
General property taxes:				
Current and delinquent		\$114,358	\$114,358	\$85,531
Fiscal disparities		18,241	18,241	12,954
Other			0	1
Total general property taxes	\$132,111	132,599	\$488	98,486
Intergovernmental:				
Homestead and Small Business credit	28,921	28,921	0	25,529
Mobile home homestead credit	818	818	0	524
Total intergovernmental	29,739	29,739	0	26,053
Interest on investments		6,553	6,553	6,914
Permit escrow fees		14,500	14,500	
Refunds and reimbursements		1,263	1,263	
Miscellaneous		879	879	30
Total revenue	161,850	185,533	23,683	131,483
Expenditures:				
Engineering:				
Administration	40,500	38,707	(1,793)	
Permit inspection and enforcement	17,500	704	(16,796)	
Engineer review	21,200	24,946	3,746	
Permit review	17,500	22,469	4,969	
subtotal	96,700	86,826	(9,874)	99,713
Legal and audit	15,000	11,716	(3,284)	15,640
Administrator salary	34,260	26,250	(8,010)	
Manager's per diem and expenses	5,200	4,557	(643)	4,239
Rent	3,600	6,100	2,500	3,600
Contract labor	14,940	15,586	646	32,927
Office supplies and postage	1,700	3,603	1,903	1,305
Office equipment		1,676	1,676	
Secretarial fees	1,100	1,020	(80)	935
Dues	600	1,650	1,050	570
Insurance	5,000	5,197	197	5,023
Miscellaneous	800	2,380	1,580	637
Educational programming	5,000	171	(4,829)	115
Accounting service	1,800	300	(1,500)	1,200
Printing	3,000	3,396	396	2,124
Health insurance		800	800	
Payroll taxes		1,921	1,921	
Water quality monitoring				16,738
Purple looسترife inventory	10,000		(10,000)	392
Total expenditures	198,700	173,149	(25,551)	185,158
Revenue over (under) expenditures	(\$36,850)	12,384	\$49,234	(53,675)
Fund balance (deficit) - October 1		(24,819)		28,856
Fund balance (deficit) - September 30		(\$12,435)		(\$24,819)

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 6

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 1989

	Survey and Data Acquisition Fund	Water Management Planning Fund	Waterway Maintenance and Repair Fund	Totals	
				September 30, 1989	1988
Assets					Memorandum Only
Cash and investments	\$34,262		\$17,584	\$51,846	\$45,933
Taxes receivable:					
Current			7,376	7,376	36,524
Delinquent	344	\$319	442	1,105	608
Due from County	140	28	511	679	2,070
Total Assets	<u>\$34,746</u>	<u>\$347</u>	<u>\$25,913</u>	<u>\$61,006</u>	<u>\$85,135</u>
Liabilities and Fund Equity					
Liabilities:					
Cash overdraft		\$3,594		\$3,594	\$8,712
Accounts payable	\$1,885		\$885	2,770	177
Deferred revenue	344	319	7,818	8,481	37,132
Total liabilities	<u>2,229</u>	<u>3,913</u>	<u>8,703</u>	<u>14,845</u>	<u>46,021</u>
Fund Equity:					
Fund balance (deficit):					
Unreserved:					
Designated	32,517		17,210	49,727	47,552
Undesignated		(3,566)		(3,566)	(8,438)
Total fund equity	<u>32,517</u>	<u>(3,566)</u>	<u>17,210</u>	<u>46,161</u>	<u>39,114</u>
Total liabilities and fund equity	<u>\$34,746</u>	<u>\$347</u>	<u>\$25,913</u>	<u>\$61,006</u>	<u>\$85,135</u>

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 7

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
For The Year Ended September 30, 1989

	Survey and Data Acquisition Fund	Water Management Planning Fund	Waterway Maintenance and Repair Fund	Totals September 30,	
				1989	1988 Memorandum Only
Revenue:					
General property taxes:					
Current and delinquent	\$17,747	\$3,620	\$10,612	\$31,979	\$32,821
Fiscal disparities	2,104	431	1,613	4,148	3,539
Total general property taxes	19,851	4,051	12,225	36,127	36,360
Intergovernmental:					
Homestead and Small Business credit	4,036	821	2,632	7,489	9,315
Mobile home homestead credit				0	
Total intergovernmental	4,036	821	2,632	7,489	9,315
Reimbursements			20,000	20,000	
Total revenue	23,887	4,872	34,857	63,616	45,675
Expenditures:					
Current:					
Engineering/Waterway maintenance	16,348		40,221	56,569	17,917
Total expenditures	16,348	0	40,221	56,569	17,917
Revenue over (under) expenditures	7,539	4,872	(5,364)	7,047	27,758
Fund balance (deficit) - October 1	24,978	(8,438)	22,574	39,114	11,356
Fund balance (deficit) - September 30	\$32,517	(\$3,566)	\$17,210	\$46,161	\$39,114

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 8

SURVEY AND DATA ACQUISITION FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended September 30, 1989

	1989		
	Budget	Actual	Over (under) Budget
			1988 Actual Memorandum Only
Revenue:			
General property taxes:			
Current and delinquent		\$17,747	\$18,734
Fiscal disparities		2,104	1,649
Total general property taxes	\$20,964	19,851	20,383
Intergovernmental:			
Homestead and Small Business credit	4,036	4,036	5,196
Total revenue	25,000	23,887	25,579
Expenditures:			
Engineering	16,700	16,348	(352)
Total expenditures	16,700	16,348	0
Revenue over (under) expenditures	\$8,300	7,539	25,579
Fund balance (deficit) - October 1		24,978	(601)
Fund balance - September 30		\$32,517	\$24,978

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 9

WATER MANAGEMENT PLANNING FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended September 30, 1989

	1989		1988 Actual Memorandum Only
	Budget	Actual	
Revenue:			
General property taxes:			
Current and delinquent		\$3,620	\$3,826
Fiscal disparities		431	336
Total general property taxes	\$4,266	4,051	4,162
Intergovernmental:			
Homestead and Small Business credit	821	821	1,057
Total intergovernmental	821	821	1,057
Total revenue	5,087	4,872	5,219
Expenditures:			
Water management plan			
Total expenditures	0	0	0
Revenue over (under) expenditures	\$5,087	4,872	5,219
Fund balance (deficit) - October 1		(8,438)	(13,657)
Fund balance (deficit) - September 30		(\$3,566)	(\$8,438)

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 10

WATERWAY MAINTENANCE AND REPAIR FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended September 30, 1989

	1989			1988
	Budget	Actual	Over (under) Budget	Actual Memorandum Only
Revenue:				
General property taxes:				
Current and delinquent		\$10,612		\$10,261
Fiscal disparities		1,613		1,554
Total general property taxes	\$12,368	12,225	(\$143)	11,815
Intergovernmental:				
Homestead and Small Business credit	2,632	2,632	0	3,062
Reimbursements		20,000	20,000	
Total revenue	15,000	34,857	19,857	14,877
Expenditures:				
Waterway maintenance	15,500	40,221	24,721	17,917
Total expenditures	15,500	40,221	24,721	17,917
Revenue over (under) expenditures	(\$500)	(5,364)	(\$4,864)	(3,040)
Fund balance - October 1		22,574		25,614
Fund balance - September 30		\$17,210		\$22,574

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 11

CAPITAL PROJECT FUND
509/CIP FUND
BALANCE SHEET
September 30, 1989

	Totals	
	September 30,	
	1989	1988
Assets		
Cash and investments		\$47,887
Taxes receivable:		171,864
Current	\$150	1,443
Due from County	34,000	
Federal grant receivable		
Total assets	<u>\$34,150</u>	<u>\$221,194</u>
Liabilities and Fund Balance		
Liabilities:		
Cash overdraft	\$3,970	\$1,676
Accounts payable	15,299	173,297
Advance from County	84,000	171,864
Deferred revenue		346,837
Total liabilities	<u>103,269</u>	<u></u>
Fund Balance:		
Unreserved:		
Undesignated	(69,119)	(125,643)
Total fund balance	<u>(69,119)</u>	<u>(125,643)</u>
Total liabilities and fund balance	<u>\$34,150</u>	<u>\$221,194</u>

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 12

CAPITAL PROJECT FUND
509/CIP FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended September 30, 1989

	1989		
	Budget	Actual	Over (under) Budget
			1988 Actual Memorandum Only
Revenue:			
General property taxes:			
Current and delinquent		\$145,081	\$136,806
Fiscal disparities		2,252	1,766
Total general property taxes	\$147,871	147,333	138,572
Intergovernmental:			
Homestead and Small Business credit	24,104	24,104	34,680
Federal EPA grant		34,000	34,000
Total intergovernmental	24,104	58,104	34,680
Refunds and reimbursements			18,699
Total revenue	171,975	205,437	191,951
Expenditures:			
Phalen watershed study	17,221	22,223	24,029
Fish Creek Slope study			51,919
Tanner's Lake wetland		2,796	100,029
Carver Ravine	30,000	6,034	(23,966)
County ditch hydro study	21,045	32,783	3,955
Tanner's Lake D/F study	68,000	71,009	3,009
Interest expense		14,068	14,068
Total expenditures	136,266	148,913	191,907
Revenue over (under) expenditures	\$35,709	56,524	44
Fund balance (deficit) - October 1		(125,643)	(125,687)
Fund balance (deficit) - September 30		(\$69,119)	(\$125,643)

The accompanying notes are an integral part of these financial statements.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Statement 13

STATEMENT OF GENERAL FIXED ASSETS
September 30, 1989

	Balance October 1, 1988	Additions	Deletions	Balance September 30, 1989
Office equipment	<u>\$2,278</u>	<u>\$1,676</u>	<u>\$0</u>	<u>\$3,954</u>

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY
FINANCIAL
INFORMATION

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Exhibit 1

SCHEDULE OF EXPENDITURES - ALL FUNDS
For The Year Ended September 30, 1989

	Adminis- trative Fund	Survey and Data Acquisition Fund	Water Management Planning Fund	Waterway Maintenance and Repair Fund	509/CIP Fund	Totals September 30,	
						1989	1988 Memorandum Only
Current:							
General government:							
Engineering	\$86,826			\$40,221		\$127,047	\$104,838
Legal and audit	11,716					11,716	15,640
Administrator salary	26,250					26,250	
Manager's per diem and expenses	4,557					4,557	4,239
Rent	6,100					6,100	3,600
Contract labor	15,586					15,586	32,927
Office supplies and postage	3,603					3,603	1,305
Office equipment	1,676					1,676	
Secretarial fees	1,020					1,020	935
Dues	1,650					1,650	570
Insurance	5,197					5,197	5,023
Miscellaneous	2,380					2,380	637
Water quality monitoring		\$16,348				16,348	16,738
Educational programming	171					171	115
Accounting service	300					300	1,200
Printing	3,396					3,396	2,124
Health insurance	800					800	
Payroll taxes	1,921					1,921	
Purple loosertrife						0	392
Total current	173,149	16,348	\$0	40,221	\$0	229,718	190,283
Construction					148,913	148,913	204,699
Total expenditures	<u>\$173,149</u>	<u>\$16,348</u>	<u>\$0</u>	<u>\$40,221</u>	<u>\$148,913</u>	<u>\$378,631</u>	<u>\$394,982</u>

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

Exhibit 2

OFFICIAL'S POSITION BONDS
September 30, 1989

Managers:

Roger E. Lake - President	\$1,000
Warren Wallgren - Vice President	1,000
Robert Johnson - Secretary	1,000
David Nordhausen - Treasurer	2,000
Dean Hedlund - Manager	1,000

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES

Exhibit 3

	<u>1989</u>	<u>1988</u> Tax Capacity values	<u>1987</u> Assessed values	<u>1986</u> Assessed values
Taxable valuations:				
Washington County	*	\$20,424,240	\$145,418,070	\$131,519,006
Ramsey County	*	101,087,203	771,365,279	739,032,049
Total		<u>\$121,511,443</u>	<u>\$916,783,349</u>	<u>\$870,551,055</u>

	1989 1990	1988 1989	1987 1988	1986 1987
Tax levies extended:				
Extended in year				
Collectible in year				
	<u>Levy</u>	<u>Levy</u>	<u>Levy</u>	<u>Levy</u>
	<u>Tax Capacity Rate</u>	<u>Tax Capacity Rate</u>	<u>Mill Rate</u>	<u>Mill Rate</u>
Administrative Fund	\$200,000	\$198,700	\$125,000	\$125,000
Survey and Data	*	.162	.142	.142
Acquisition Fund			50,000	.057
Water Management			10,175	.012
Planning Fund	40,000			
Waterway Maintenance and				
Repair Fund	15,000	15,000	15,000	15,000
Subtotal	255,000	213,700	200,175	140,000
509/CIP (1)	*	.175	.229	.159
Total	<u>\$255,000</u>	<u>\$213,700</u>	<u>\$520,175</u>	<u>\$140,000</u>
	*	.175	.229	.159

(1) Levy approved by counties on District properties to reimburse project advances pursuant to MS Section 473.883, Subdivision 6.

* Information not yet available.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT

SCHEDULE OF PROJECT COSTS
September 30, 1989

	1987 CIP Projects			1988 CIP Projects		
	Phalen Watershed Study	Fish Creek Slope	Tanner's Lake Wetland Water Quality Facility	County Ditch Hydrologic Study	Carver Ravine (1)	Fish Creek Project (2)
Expenditures:						
1986	\$18,866	\$4,997	\$3,700			
1987	71,178	20,102	40,802			
1988	24,029	51,919	100,029	\$3,955		
1989	22,223		2,796	32,783	\$6,034	
Total	<u>\$136,296</u>	<u>\$77,018 *</u>	<u>\$147,327</u>	<u>\$36,738</u>	<u>\$6,034</u>	<u>\$0</u>
Funding:						
Survey and Data Acquisition Fund	\$25,261	\$4,997	\$3,700			
509/CIP Fund	111,035	72,021	143,627	36,738	\$6,034	
Total funding	136,296	77,018	147,327	36,738	6,034	\$0
Total project budget	<u>120,000</u>	<u>50,000</u>	<u>160,000</u>	<u>25,000</u>	<u>55,000</u>	<u>1,600,000</u>
Over (under) budget to date	16,296	27,018	(12,673)	11,738	(48,966)	(1,600,000)
1990 budget	<u>10,000</u>					
Balance over (under) budget	<u>\$26,296</u>	<u>\$27,018</u>	<u>(\$12,673)</u>	<u>\$11,738</u>	<u>(\$48,966)</u>	<u>(\$1,600,000)</u>

* Additional preliminary costs were incurred in 1984 and 1985 in the Administrative Fund for Fish Creek Slope.

(1) \$25,000 of the costs associated with this project to be funded by the City of Woodbury.

(2) Accounting maintained by Ramsey County through a joint powers agreement.

(3) \$34,000 of the costs associated with this project to be funded by a Federal grant from the Minnesota Pollution Control Agency.

1989 CIP Projects		1990 CIP Projects					
Tanner's Lake D/F Study (3)	County Ditch Improvements	Well Closing Cost Share Program	Purple Loosestrife Control	County Ditch 16 Improvement	County Ditch 18 Basin	Battle Creek Project Maintenance	Total
							\$27,563
							132,082
							179,932
<u>\$71,009</u>							<u>134,845</u>
<u>\$71,009</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$474,422</u>
							\$33,958
<u>\$71,009</u>							<u>440,464</u>
71,009	\$0	\$0	\$0	\$0	\$0	\$0	474,422
88,000	100,000	50,000	10,000	900,000	420,000	100,000	3,678,000
(16,991)	(100,000)	(50,000)	(10,000)	(900,000)	(420,000)	(100,000)	(3,203,578)
28,000		50,000	10,000	85,000	35,000	100,000	318,000
<u>\$11,009</u>	<u>(\$100,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$815,000)</u>	<u>(\$385,000)</u>	<u>\$0</u>	<u>(\$2,885,578)</u>

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN - 6 1990

Joan Anderson Brewer

Secretary of State

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