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REGION 5 DEVELOPMENT COMMISSION

611 Iowa Avenue
Staples, Minnesota 56479-2224

ANNUAL REPORT

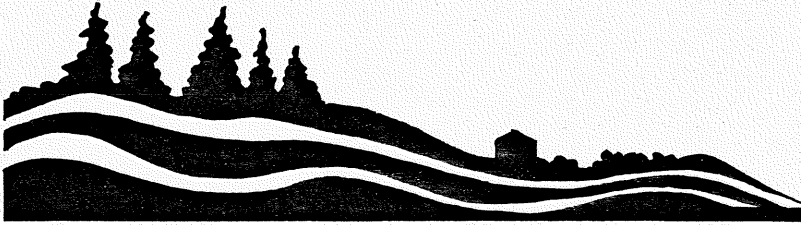
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Serving Local Communities in Cass, Crow Wing, Morrison, Todd, and Wadena Counties



REGION 5 DEVELOPMENT COMMISSION

611 Iowa Avenue
Staples, Minnesota 56479-2224

Leyten Fontaine, Executive Director

(218) 894-3233

CHAIRMAN'S REPORT

August 1, 1987

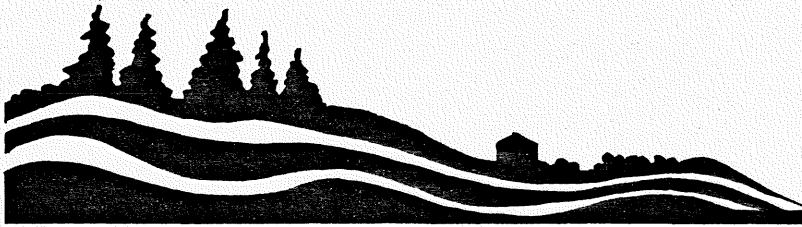
As the newly-elected Chairman of the Region 5 Development Commission and as a member of the Commission since 1981, I have been able to take an active part in setting the direction for this five-county development organization. The Region 5 Development Commission is an extension of local governmental units in Cass, Crow Wing, Morrison, Todd, and Wadena counties. As such, it has continued to respond to the needs expressed by our people.

This past year has seen some important changes in the work of the Commission, and a new direction is evolving which will have a long-term positive effect on our area. A new Executive Director was hired a year ago, work assignments and responsibilities among the staff have been streamlined, and a serious budget shortfall has been effectively dealt with. This was accomplished without cutting back on the services which local units of government expect, and without raising the local levy.

New initiatives have been started by the Commission, a new spirit of cooperation and confidence has begun to emerge, and we look forward to meeting the challenges which lie ahead during the coming year.

Sincerely,

Stan Sumey
Chairman
Region 5 Development Commission



REGION 5 DEVELOPMENT COMMISSION

611 Iowa Avenue
Staples, Minnesota 56479-2224

Leyten Fontaine, Executive Director

(218) 894-3233

EXECUTIVE DIRECTOR'S REPORT

August 1, 1987

The efforts of the Region 5 Development Commission this past year have been directed to a broad spectrum of local concerns. These have included solid waste planning, block grant writing, cultural activities, programs for older persons, transportation studies, community development activities, and township road recording.

Of particular interest in helping to relieve the economic distress of our area were the startup of three new projects: a revolving loan fund targeted for business development; a project to develop the telecommunications potential within Region 5; and an innovative import replacement program designed to expand markets for Region 5 goods and services. This latter program, called Minnesota Marketplace, will begin to have an effect on local business activity during the coming year. It is hoped that these new projects will enhance our efforts to assist local communities in developing a sustainable and diversified economy.

The staff members of the Commission wish to thank the local units of government in Region 5 for their cooperation and continued support. We also wish to express our appreciation to the locally-elected officials who set and direct our work activities and who provide valuable input as we continue to serve the communities in Region 5.

Sincerely,

Leyten Fontaine
Executive Director
Region 5 Development Commission

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COMMISSION MEMBERSHIP
(As of June 30, 1987)

Cass County Representatives

Kenneth Johnson, Staples
David Loch, Lake Shore
Fred Martin, Akeley

Board of Commissioners
Municipalities
Town Boards

Crow Wing County Representatives

Mary Koep, Brainerd
Donna Good, Pequot Lakes
Drexel White, Brainerd

Board of Commissioners
Municipalities
Town Boards

Morrison County Representatives

Howard Warnberg, Little Falls
Bernadette Stangl
Paul Nieman, Jr.

Board of Commissioners
Municipalities
Town Boards

Todd County Representatives

Stan Sumey, Browerville
Ron Bastian, Bertha
Ernest Kunerth, Long Prairie

Board of Commissioners
Municipalities
Town Boards

Wadena County Representatives

Dale Paulsen, Verndale
Gene Reger, Wadena
William Kern, Verndale

Board of Commissioners
Municipalities
Town Boards

City of Brainerd Representatives

Charles Widmark, Brainerd

City of Brainerd

Councils of Government

Bill Holmquist, Little Falls

Council of Governments

Region 5 School Boards

Richard Decker, Bertha
Ernie Silbernagel, Eagle Bend

School Board Representative
School Board Representative

Special Interest Groups

Martin Jennings, Bemidji
Robert Siegel, Little Falls

Leech Lake Reservation Bus. Com.
Soil and Water Conservation Dis.

BOARD OF DIRECTORS
(As of June 30, 1987)

Stan Sumey, Chairman
William Kern, Vice-Chairman
Mary Koep, Secretary
Howard Warnberg, Treasurer
Ernest Kunerth, Director
David Loch, Director
Robert Siegel, Director

STAFF
(As of June 30, 1987)

Administration

Leyten Fontaine, Executive Director
Nancy Stevens, Controller/Executive Assistance
Shelly Stevens, Office Manager
Jenny Lien, Secretary
Tracy Miller, Secretary

Area Agency on Aging

Barb Card, Program Manager
Virginia MacArthur, Assistant

Arts

Virginia MacArthur, Arts Coordinator

Community Development

Jamie Robertson, Community Development Director
Jim Parsons, Economic Development Planner
Dave Weirens, Physical Resource Planner
Roger Germann, Local Government Technician
Becky Sellnow, Business Developer

ADVISORY COUNCILS
(As of June 30, 1987)

COUNCIL ON AGING

Howard Warnberg, Little Falls
Isabelle Busby, Remer
Ken Schmidt, Walker
Bethel Peet, Staples
Pat Brennan, Pequot Lakes
Ross Kunkel, Fort Ripley
Wayne Larson, Brainerd
Jane Stewart, Pequot Lakes
Helen Meyer, Pierz
Maryjude Hoeffel, Little Falls
Bert Case, Staples
Josephine Terwey, Long Prairie
Jean Johnson, Staples
Helen Bindewald, Sebeka
Beryl Etter, Menahga

REPRESENTING

Chairman
Seniors
Seniors
Seniors
Seniors
Seniors
Social Services
Nutrition Project
Seniors
Public Health
Seniors
Seniors
Seniors
Seniors
Seniors

COUNTY

Region 5 RDC
Cass County
Cass County
Cass County
Crow Wing County
Crow Wing County
Crow Wing County
Crow Wing County
Morrison County
Morrison County
Todd County
Todd County
Todd County
Wadena County
Wadena County

COMMUNITY DEVELOPMENT COUNCIL

Bill Holmquist, Little Falls
Mike Naylor, Hackensack
John Wetrosky, Pine River
Bob Olsen, Brainerd
Joe Egge, Brainerd
Barb Grove, Crosby
Karla Peterson, Motley
Dennis Rothstein, Pierz
Carrol Peterson, Eagle Bend
Norman Krause, Staples
Steve Nelson, Wadena
Dale Macklanburg, Menahga

REPRESENTING

Chairman
Natural Resources
Retailers
Small Business
Tourism
Local Dev. Corps.
Local Units of Gov't.
Business
Small Business
Agriculture
Farm Business
Financial Institutions

COUNTY

Region 5 RDC
Cass County
Cass County
Crow Wing County
Crow Wing County
Crow Wing County
Morrison County
Morrison County
Todd County
Todd County
Wadena County
Wadena County

ADVISORY COUNCILS
(As of June 30, 1987)

FIVE WINGS ARTS COUNCIL

Fred Martin, Akeley
Roger Strandlie, Walker
Dale Canfield, Walker
Christine Nick, Pequot Lakes
Carol Russell, Brainerd
Darrell Stave, Brainerd
Richard Johnson, Little Falls
Ralph Wagnitz, Pierz
Donn Harris, Eagle Bend
Annette Sieling, Eagle Bend
Ethel Luukkonen, Sebeka
Kent Scheer, Wadena

REPRESENTING

Chairman
Music
Music
Music
Visual Arts
Visual Arts
Drama
Music
Music
Visual Art
Music
Visual Art

COUNTY

Region 5 DC
Cass County
Cass County
Crow Wing County
Crow Wing County
Crow Wing County
Morrison County
Morrison County
Todd County
Todd County
Wadena County
Wadena County

TRANSPORTATION COUNCIL

Dale Paulsen, Verndale
Jim Worcester, Walker
John Reidl, Brainerd
Duane Blanck, Brainerd
Ron Schweninger, Brainerd
Steve Backowski, Little Falls
Tom Mares, Little Falls
Duane Lorsung, Long Prairie
Wallace Thompson, Staples
Gene Mattern, Wadena
Don Hubert, Brainerd

REPRESENTING

Chairman
Co. Hwy. Engineer
Aeronautics
Co. Hwy. Engineer
Brainerd Engineer
Asst. Hwy. Engineer
Asst. Engineer
Co. Hwy. Engineer
Rail Transportation
Co. Hwy. Engineer
Planning Coordinator

COUNTY

Region 5 DC
Cass County
Crow Wing County
Crow Wing County
Crow Wing County
Morrison County
Morrison County
Todd County
Todd County
Wadena County
MN/DOT

COMMUNITY DEVELOPMENT

Community Development activities included:

Workshops: A workshop on farm business development for lenders and farmers illustrated value added and special marketing strategies for cheese production, wool for handspinning, game farms, maple syrup productions, vegetable production, christmas tree farming, and other business. A report of this seminar is being prepared for distribution and will be available on request in August.

Other seminars presented included financing strategies for public facility projects for small communities. A continuation of this topic is being planned for the summer of 1987.

Grant Applications: As an integral part of Region 5 assistance to small cities in financing capital improvements such as water and sanitary sewer systems, the Commission completed applications of the Community Development Block Grant Program for Pillager (Cass County) and Sebeka (Wadena County).

Community Organizations: The Commission assisted the Eagle Bend Development Corporation in its organization for community and economic development in the central Todd County area. A major project of this group is the construction of a new library facility in Eagle Bend to include the Eagle Bend Historical Society. The library is seen as an important element in the area's social and economic health. Another project which has grown out of this group is a farmer's market which operates on week-ends through the summer.

Telecommunications: A major area of interest is in the use of the Central Minnesota area's increasingly sophisticated telecommunications network for community development purposes. Region 5 developed a project in coordination with the Mid-state Educational Telecommunications Cooperative, the Freshwater-Woodland Cooperative, Minnesota Extension, AVTI's and Brainerd Community College, and the regional libraries to use the interactive television system to hold a series of seven town meetings among eighteen central Minnesota communities to develop a regional approach to development issues. The telecommunications network is crucial to community to community communication and to developing the necessary interdependence among local communities which can lead to successful development initiatives.

PROGRAMS FOR OLDER PERSONS

The Minnesota Board on Aging has designated the Region 5 Development Commission as the official Area Agency on Aging for Cass, Crow Wing, Morrison, Todd, and Wadena Counties. As such, the primary mission of the Region 5 Area Agency on Aging is to plan, coordinate, and advocate for the development of a comprehensive service delivery system to meet the short and long-term needs of older persons. The Area Agency on Aging's responsibility is to ensure that the genuine needs of older persons are being served in a cost effective and equitable manner.

To guide its activities, the Region 5 Area Agency on Aging has prepared a four-year plan, 1987-1990. Based on the priorities established in this plan, Table 1 shows the services which are projected for 1987.

TABLE 1

Services Provided in 1987

	<u>Number of Units</u>	<u>Number of Unduplicated Participants</u>
Congregate Meals	175,047 meals	4,811
Home Delivered Meals	<u>72,821 meals</u>	<u>757</u>
Sub-Total	247,868	5,568
Homemaker	9,811 hours	257
Home Health Aide	15,759 hours	204
Hospice	24 hours	10
Service Coordination	<u>6,091 hours</u>	<u>1,290</u>
Sub-Total	31,685	1,761
Ombudsman	1,785 hours	23
Legal Education	3,360 hours	1,513
Legal Services	1,430 hours	285
Multipurpose Centers	<u>(2 centers)</u>	<u>500</u>
Sub-Total	<u>6,575</u>	<u>2,321</u>
TOTAL	286,128	9,650

The activities of the Region 5 Area Agency on Aging are guided by a fifteen-member advisory Council on Aging. The Council on Aging is comprised of representatives for older persons and service providers. They develop policies and priorities, recommend action on grant applications and conduct the Annual Conference on Aging.

The Region 5 Development Commission takes final action on major policy decisions, budget approvals, and grant awards. The total project costs for the grants awarded by the Region 5 Development Commission annually amount to approximately \$1.3 million. Table 2 identifies the type of funds used to finance a wide array of services:

TABLE 2
Funds Distributed in 1987

Service	Fed. Funds	State Funds	County Funds/ In-Kind	Private Funds/ In-Kind
Congregate Meals	\$ 331,476	\$ 102,672	\$	\$ 275,527
Home Delivered	\$ 92,529	\$	\$ 5,026	\$ 65,535
Sub-Total	\$ 424,005	\$ 102,672	\$ 5,026	\$ 341,062
Homemaker	\$ 49,439	\$	\$ 49,439	\$
Home Health Aide	\$ 74,917	\$	\$ 74,917	\$
Hospice	\$ 2,007	\$	\$ 2,007	\$
Services Coord.	\$ 31,790	\$	\$ 42,665	\$
Sub- Total	\$ 158,153	\$	\$ 169,028	\$
Ombudsman	\$ 7,335	\$	\$	\$ 2,480
Legal Education	\$ 1,330	\$	\$	\$ 2,840
Legal Services	\$ 26,719	\$	\$	\$ 24,200
Sub-Total	\$ 35,384	\$	\$	\$ 29,520
Multi Purpose	\$ 18,858	\$	\$ 6,286	\$
TOTAL	\$ 636,400	\$ 102,672	\$ 180,340	\$ 370,582

Several important projects and activities were either initiated or completed during the year. The fifth annual conference, "Aging Ain't For Sissies" held in Pine River, was attended by a crowd of 175 persons. Topics covered included: Explore Minnesota; The Caregiver: Family Responsibility and Support; Joy of Living; Be a Heartsaver-Save a Life; Don't Be Afraid to Volunteer; and exercise conducted by a group of "Senior Stretchers". Funding was awarded to Nimrod Community Hall Association for a 30' X 50' addition for senior citizens.

Quarterly, the Region 5 Area Agency on Aging draws together the presidents of the County Councils on Aging, County Coordinators on Aging, and other appropriate providers. The purpose of these meetings is to share information, coordinate our activities, and form another necessary link between the Area Agency on Aging and the individual counties.

ECONOMIC DEVELOPMENT

The Economic Development staff wrote a \$575,000 EDA application for Motley's waste water treatment project in connection with the expansions of two major private employers.

The staff supported the work of the regional loan fund corporation, the regional loan fund corporation, the North Central Economic Development Association, Inc., which has begun making loans.

The staff worked with the City of Clarissa and the Clarissa Development Corporation to help local businesses access state programs.

Staff worked with businesses throughout the region in their efforts to obtain financing.

Sections on economic development of the Belle Prairie township comprehensive plan were written by the Economic Development staff.

The Economic Development staff conducted a workshop for local development corporations in Cass and Wadena counties.

On request of Caritas Farm/Rural Project (Catholic Charities), they set up a meeting in Eagle Bend dealing with income-generating ideas for farm families.

Minnesota Marketplace: Minnesota Marketplace is an economic development program designed to create jobs and retain dollars in the local economy. We do this by helping businesses find local suppliers for the goods and services they are currently or will be purchasing in the next year. This program has been in place since May 1, 1987 in Region 5.

We have conducted searches and requests for bids on 2 items and currently have identified 3 more items to search for in this regional area.

Primary funding for this program is the Blandin Foundation, with supplementary funding from the McKnight Foundation.

PHYSICAL RESOURCES

The Commission, through its Transportation Council (TC) has continued to monitor local, state, and federal transportation programs and legislation that has regional significance. It also acts as a liaison between the Minnesota Department of Transportation and the legislature on transportation issues in Region 5.

The Economic Impact Study of the Brainerd-Crow Wing County Airport has recently been compiled. The Study documented extensive employment, economic, and market access impacts. This study was funded by the Minnesota Department of Transportation.

Region 5 is also conducting the Road Jurisdiction Study within the five county area. The study is examining the appropriateness of road ownership and the potential impacts of jurisdictional transfer on the various levels of government. The Region 5 Road Jurisdiction study will be completed in July, 1987.

Region 5 has continued to place emphasis on providing transportation technical assistance. Projects in the last year have included: assisting townships with road recording and assisting townships in minimum maintenance road designation, and provided assistance to organizations applying for federal 16(b)(2) funds for the purchase of vehicles for transit services for the elderly and handicapped.

Region 5 has been assisting the Ski-Gull downhill ski area in the development of a comprehensive plan and development guide to assist the Ski-Gull Board of Directors in making planned improvements of the ski area. Assistance has also been provided for communities in applying for the Outdoor Recreation Grants program.

Local Government Assistance: Townships continue to receive assistance in re-recording their roadway easements through the Region 5 Road Recording Program. Region 5 updates fire department and township fire maps, and city and township street, zoning and other specialty maps. Fourteen townships have completed re-recording roadway easements and seven others are in various stages of completion. Several governmental units have had fire maps constructed or revised in the past year, and four have developed or revised zoning maps.

CULTURAL ACTIVITIES

The Region 5 Arts Program awarded \$22,760 in FY87. This included \$5,000 of McKnight Foundation funds for semi-professional arts organizations. Also awarded was \$15,569 of Minnesota State Arts Board grant funds for sponsorship or arts development in Region 5. The organizations which received these funds are listed in Tables 1 and 2.

TABLE 1
McKnight Foundation Funds Awarded

AGENCY	AMOUNT FUNDED
Heartland Symphony Orchestra	\$ 1,500
St. Francis Music Center	900
BCC Variety Show	1,600
Wadena Area Concert Band	500
Staples Area Men's Chorus	500
TOTAL	<u>\$ 5,000</u>

TABLE 2
Minnesota State Arts Board Funds

AGENCY	AMOUNT FUNDED
Swanville Com. Theatre	\$ 495
Heartland Symphony Orchestra	1,500
Royalton Com. Services	300
Little Falls Com. Services	600
Brainerd Com. Ed.	600
Wadena Concert Band	500
Prairie Arts Center	800
Long Prairie Com. Ed.	500
BAAA	800
Cross Lake Art Club	400
MN Finn. Hist. Soc.	1,260
Eagle Bend CAPP	775
St. Francis Music Center	900
Staples CAPP	200
Staples CAPP	300
Prairie Arts Center	675
St. Francis Music Center	700
Writer's Alliance	200
Hole in the Day Players	1,400
Bethlehem Lutheran Church	470
BCC	600
BCC Summer Theatre	900
BCC Variety Show	400
Faith Community Church	294
TOTAL	<u>\$ 15,569</u>

The Region 5 Arts Program staff provides technical assistance to individuals and groups on such matters as grants writing, availability of funds, resource lists, and other technical help with arts projects.

It also produces a monthly newsletter about arts activities of interest to people of the region.

COORDINATION

During Fiscal Year 1987, Region 5 has contracted with other agencies for the provision of basic administrative services. Those services include but are not limited to the following:

Cass-Todd-Wadena-Morrison Community Health Services: The Cass-Todd-Wadena-Morrison Community Health Services Board of Health has contracted with Region 5 for provision of administrative services including basic clerical services, meeting notices, minutes, financial reporting requirements. These services are provided on an ongoing basis.

Soil and Water Conservaiton Board: The Minnesota Department of Agriculture contracts with Region 5 to provide to the District Office of the Soil and Water Conservation Board basic clerical and telephone answering services. These services include miscellaneous typing, newsletter production and telephone service.

Block Grant Administration: During the FY87 the Cities of Browerville and Buckman contracted with Region 5 for administrative services related to the Small Cities Development GRants they received. The services include basic administration of the grant relating to environmental concerns, Davis-Bacon laws, fair housing, and equal opportunity requirements as well as financial services including accounting, requests for cash and payment of bills, quarterly reporting and assistance with audits.

Region 5 Legislative Meetings: The Counties of Cass, Crow Wing, Morrison, Todd and Wadena have enlisted the services of Region 5 to coordinate meetings between the five county boards and the area legislators on a bi-monthly basis. The purpose of the meetings are to share information and provide input on Regionwide concerns. These services include meeting notices, minutes and forwarding of resolutions and other concerns to state agencies and legislature.

INFORMATIONAL SERVICES

Region 5 Development Commission is a Regional Information Center for many types of information including but not limited to management and administration, community development, economic development, transportation health issues, programs for older persons, cultural activities, development disabilities programs and census data.

The information is available through various methods including a library, a computer modem linking Region 5 with the data-net service bank at the state level, referrals and two newsletters published and distributed on at least a bi-monthly basis by Region 5.

BUDGET SUMMARY

REVENUES

	FY87	FY88 PROPOSED BUDGET	DIFFERENCE
State Planning	\$ 41,753	\$ 41,753	\$ -0-
Technical Assistance	25,838	32,304	+ 6,466
Soil and Water	1,900	1,900	-0-
Local Levy	69,879	69,879	-0-
Interest Income	8,500	6,000	- 2,500
In-Kind	11,353	9,203	- 2,150
EDA	46,607	42,317	- 4,290
MSAB	14,236	15,709	+ 1,473
McKnight Foundation	5,750	17,600	+ 11,850
MN Board on Aging	66,608	76,953	+ 10,345
Developmental Disabilities	9,585	-0-	- 9,585
MN Dept. of Transportation	15,000	25,000	+ 10,000
Airport Study MN/DOT	6,855	-0-	- 6,855
Jurisdiction MN/DOT	7,369	3,020	- 4,349
Browerville Admin.	12,087	-0-	- 12,087
Buckman Admin.	3,498	1,810	- 1,688
Community Health Services	11,000	11,000	-0-
Blandin Foundation	-0-	28,750	+ 28,750
RLF Admin. (NCEDA)	18,643	17,515	- 1,128
Other Local Contracts	<u>-0-</u>	<u>11,417</u>	<u>+ 11,417</u>
Subtotal Program Revenues	\$ 376,461	\$ 412,130	\$ + 35,669
Direct Assistance			
Aging	825,563	825,000	- 563
D.D.	600	-0-	- 600
Arts	21,902	31,185	+ 8,283
EDA/RLF	-0-	350,000	+350,000
Sub-total Direct	<u>\$ 848,065</u>	<u>\$1,206,185</u>	<u>+357,120</u>
TOTAL AGENCY	<u>\$1,224,526</u>	<u>\$1,618,315</u>	<u>+393,789</u>

BUDGET SUMMARY

EXPENDITURES

	FY87	FY88 PROPOSED BUDGET	DIFFERENCE
SALARIES	\$ 131,536	\$ 148,472	\$ + 16,936
BENEFITS	29,804	33,350	+ 3,546
SUB-TOTAL PERSONNEL	\$ 161,340	\$ 181,822	+ 20,482
Consultant	-0-	700	+ 700
Audit	1,000	-0-	- 1,000
Staff Travel	15,300	18,950	+ 3,650
Staff Training	-0-	-0-	-0-
Committee Travel	4,700	4,200	- 500
Commission Travel	6,400	7,400	+ 1,000
Interest Expenses	265	800	+ 535
Commission Fringe	600	850	+ 250
Reproduction and Printing	1,000	2,100	+ 1,100
Per Diem	11,000	12,000	+ 1,000
Rent	5,350	6,294	+ 944
Staff Car Expense	1,100	3,000	+ 1,900
Books, Rep. and Memb.	1,281	2,856	+ 1,575
Insurance	1,100	1,200	+ 100
Miscellaneous	2,800	3,450	+ 650
Equipment	2,600	7,600	+ 5,000
Postage	605	1,150	+ 545
Supplies	800	1,300	+ 500
Workshops	1,900	1,900	-0-
Maintenance	1,400	1,400	-0-
Lease Equipment	1,200	1,200	-0-
Cost Pool	139,965	137,057	- 2,908
In-Kind	11,353	9,203	- 2,150
SUB-TOTAL PROGRAM	\$ 373,059	\$ 406,432	\$ + 33,373
DIRECT ASSISTANCE			
Aging	825,563	825,000	- 563
Developmental Disabilities	600	-0-	- 600
Arts	21,902	30,185	+ 8,283
EDA/RLF	-0-	350,000	+350,000
SUB-TOTAL DIRECT ASSISTANCE	\$ 848,065	\$1,205,185	\$ +357,120
TOTAL AGENCY BUDGET	\$1,221,124	\$1,611,617	\$ +390,493
Excess Rev. over Expenditures	3,402	5,698	+ 2,296
Fund Balance Carry-over	92,104	95,506	+ 3,402
Fund Balance 6/30/88	\$ 95,506	\$ 101,204	\$ + 5,698

PROJECT REVIEW SYSTEM
ANNUAL SUMMARY

County: CASS

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	6	\$ 915,138.50
FmHA	1	\$ 429,927.00
DEED	3	\$1,487,330.00
ACTION	1	\$ 32,000.00
OFFDP	1	\$ 45,184.00
MN Department of Health	2	\$ N/A

County: CROW WING

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	5	\$1,120,331.40
FmHA	2	\$9,067,500.00
DEED	2	\$ 336,680.00
MN Dept. of Jobs and Training	1	\$ 19,286.00
US EPA/MPCA	1	\$ 182,000.00
MN State Job Training Office	1	\$ 12,857.50

County: MORRISON

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	2	\$ 22,117.00
DEED	2	\$ 510,100.00
MN Dept. of Jobs and Training	1	\$ 8,000.00
US EPA/MPCA	1	\$ N/A
EDA/Department of Commerce	1	\$1,567,000.00
MN Department of Health	1	\$ N/A

County: TODD

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	2	\$ 695,000.00
DEED	2	\$ 20,000.00
Environmental Protection Agency	1	\$ 356,320.00
MN Department of Health	1	\$ N/A

County: WADENA

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	4	\$ 445,093.00
Farmers Home Administration	1	\$1,000,000.00
DEED	4	\$1,955,949.00
MN Housing Finance Agency	1	\$1,063,464.00
MN Department of Health (WIC)	1	\$ N/A
MN Department of Health (Family Plan)	1	\$ 5,000/Year

Area: REGION WIDE/MULTI-COUNTY

FUNDING AGENCY	# OF REVIEWS PROCESSED	TOTAL PROJECT COST
MN/DOT	1	\$ N/A
US Dept. of Labor	1	\$1,379,565.00
US Dept. of Commerce	1	\$ 50,000.00
Dept. of Health and Human Service	1	\$ 495,113.00
Dept. of Justice	1	\$ 790,125.00
Federal Aviation Admin.	1	\$ 405,000.00
ACTION	1	\$ 76,007.00
ACTION	2	\$1,885,699.00
Employment and Train. Admin.	2	\$5,775,651.00



ARNE H. CARLSON
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 400
555 PARK STREET
SAINT PAUL 55103

296-2551

January 22, 1987

AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Willmar Holmquist, Chairman
Region 5 Regional Development Commission
611 Iowa Avenue
Staples, Minnesota 56479

We have examined the general purpose financial statements of the Region 5 Regional Development Commission for the year ended June 30, 1986, and have issued our report thereon dated October 23, 1986. Our examination was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office, the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of Region 5 Regional Development Commission is responsible for compliance with laws and regulations. In connection with our examination, we selected and tested transactions and records from each major and nonmajor federal financial assistance program. The purpose of our testing of transactions and records from those federal financial assistance programs was to obtain reasonable assurance that Region 5 Regional Development Commission had, in all material respects, administered major programs, and executed the tested nonmajor program transactions, in compliance with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, non-compliance with which we believe could have a material effect on the allowability of program expenditures.

Our testing of transactions and records selected from major federal financial assistance programs disclosed no instances of noncompliance with those laws and regulations.

In our opinion for the year ended June 30, 1986, Region 5 Regional Development Commission administered each of its major federal financial assistance programs in compliance, in all material respects, with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, noncompliance with which we believe could have a material effect on the allowability of program expenditures.

The results of our testing of transactions and records selected from nonmajor federal financial assistance programs indicate that for the transactions and records tested the Commission complied with the laws and regulations referred to above. Our testing was more limited than would be necessary to express an opinion on whether Region 5 Regional Development Commission administered those programs in compliance in all material respects with those laws and regulations, noncompliance with which we believe could have a material effect on the allowability of program expenditures; however, with respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the Commission had not complied with laws and regulations.

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This letter is intended solely for the use of Region 5 Regional Development Commission, the cognizant audit agency--U.S. Department of Commerce, and other federal audit agencies; it should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



ARNE H. CARLSON
State Auditor