

REGION 5 DEVELOPMENT COMMISSION

Annual Report

JULY 1, 1998 - JUNE 30, 1999

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CHAIRPERSON'S REPORT

July 1, 1999

Fiscal Year 1999 has been an interesting year of change for the Region 5 Development Commission. We said goodbye to our long time Executive Director, Leyten Fontaine, who retired after 20 years with the Region. Renee Frethem also left the region Senior Program Specialist position after 4 years of service. Our sincere gratitude goes out to them for their dedicated service.

At the same time we welcomed Bob Hutton. Bob began as Executive Director with Region 5 on March 1, 1999. The leadership transition has progressed very smoothly as expected. Bob is enthusiastic and optimistic about the direction of the region and has accepted the challenge to move our organization into the next century.

The change led us to re-evaluate the needs of the local units of government the Commission serves. We believe that it is not only necessary to maintain those services which continue to be priorities, but also to identify and address any new needs of the region. Since we had not updated our strategic plan for several years, the Commission approved the initiative for a new strategic plan. The plan is scheduled for completion in the fall of 1999.

I am pleased to report that the Region 5 Development Commission continues to provide exceptional service, and that we are moving forward to facilitate collaborative efforts in planning and development for the region.

Sincerely,



Stan Sumey, Chairperson
Region 5 Development Commission

COMMISSION MEMBERSHIP

(As of June 30, 1998)

CASS COUNTY REPRESENTATIVES

Jim Demgen, East Gull Lake
Ardean Brasgalla, Cass Lake
Fred Martin, Akeley

Board of Commissioners
Municipalities
Town Boards

CROW WING COUNTY REPRESENTATIVES

Jim Hill, Brainerd
Donna Good, Pequot Lakes
Sharon Thurlow, Pequot Lakes

Board of Commissioners
Municipalities
Town Boards

MORRISON COUNTY REPRESENTATIVES

Paul Nieman, Jr., Little Falls
Duane Johnson, Swanville
James Wielinski, Little Falls

Board of Commissioners
Municipalities
Town Boards

TODD COUNTY REPRESENTATIVES

Stan Sumey, Staples
Glennnda Kotula, Staples
Alan Perish, Browerville

Board of Commissioners
Municipalities
Town Boards

WADENA COUNTY REPRESENTATIVES

Ralph Lorentz, Wadena
Bill Hodgden, Sebeka
William Kern, Verndale

Board of Commissioners
Municipalities
Town Boards

CITY OF BRAINERD REPRESENTATIVE

Gene Goedker, Brainerd

City of Brainerd

COUNCIL OF GOVERNMENTS

Robert Erdrich, Little Falls
Vacant, Cass Lake

Little Falls Area COG
Leech Lake Tribal Council

REGION 5 SCHOOL BOARDS

William Higgs, Wadena
Barbara Schmitt, Staples

School Board Representative
School Board Representative

SPECIAL INTEREST GROUPS

Ted Winkels, Verndale

Soil & Water Conservation
District

BOARD OF DIRECTORS

(As of June 30, 1998)

Stan Sumey, Chairperson
Ralph Lorentz, Vice-Chairperson
Sharon Thurlow, Secretary
Paul Nieman, Jr., Treasurer
Glenna Kotula, Director
Ardean Brasgalla, Director
Bob Erdrich, Director

STAFF

(As of June 30, 1998)

ADMINISTRATION

Robert Hutton, Executive Director
Nancy Stevens, Controller/Executive Assistant
Lori Verlennich, Office Manager

AREA AGENCY ON AGING

Barbara Card, Director
Sharon Notch, Senior Programs Specialist

ARTS

Mark Turner, Five Wings Arts Coordinator

COMMUNITY DEVELOPMENT

Jason Murray, Economic Development Planner
Roger Germann, Technical Planner
Betty Ann Gumm, Community Development Planner

ADVISORY COUNCILS/TASK FORCES

(As of June 30, 1998)

ECONOMIC DEVELOPMENT TASK FORCE

William Higgs, Wadena

REPRESENTING

Advisor

COUNTY

Region 5 DC

HEALTH CARE TASK FORCE

Mary Koep, Brainerd

Caren Winkels, Sebeka

Mel Euteneuer, Little Falls

Don Thiel, Staples

Donna Good, Pequot Lakes

Vacant

REPRESENTING

Consumer Rep.

Consumer Rep.

Consumer Rep.

Consumer Rep.

R5DC/Chairperson

Consumer Rep.

COUNTY

Crow Wing

Wadena

Morrison

Todd

Region 5

Cass

COUNCIL ON AGING

Sharon Thurlow, Pequot Lakes

Vacant

Nelda Nygard, Walker

Wayne Abell, Breezy Point

Carolyn Frisch, Brainerd

Betty Czech, Royalton

Marvin Swecker, Motley

Vonda Hedlund, Clarissa

Dorothy Berscheit, Grey Eagle

Rachel Schluttner, Verndale

William Larson, Wadena

Doris Jennissen, Long Prairie

Mary May, Long Prairie

Steve Reger, Little Falls

Lenny Wheeler, Brainerd

REPRESENTING

Chairperson

Seniors

Seniors

Seniors

Seniors

Seniors

Seniors

Seniors

Seniors

Seniors

Seniors

Public Health

Public Health-Alternate

Social Services

Nutrition

COUNTY

Region 5 DC

Cass County

Cass County

Crow Wing County

Crow Wing County

Morrison County

Morrison County

Todd County

Todd County

Wadena County

Wadena County

Region 5

Region 5

Region 5

Region 5

FIVE WINGS ARTS COUNCIL

William Kern, Wadena

Oliver DeGray, Hackensack

Sara Hanlon, Brainerd

Christine Nick, Pequot Lakes

Patrick Spradlin, Brainerd

Janice Bradshaw, Brainerd

Donna Jarvis, Cushing

DeAnna Gehant, Little Falls

Donn Harris, Eagle Bend

David Bengtson, Long Prairie

Vickie Paurus, Sebeka

Gail Leverson, Wadena

REPRESENTING

Chairperson

Performing Arts

Visual Arts

Music

Theatre

Music/Literary

Visual Arts

Visual Arts

Music

Literary Arts

Music/Drama

Visual Arts

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

Jim Wielisnki, Little Falls
Dave Enblom, Walker
Duane Blanck, Brainerd
Jeff Hulsether, Brainerd
Steve Backowski, Little Falls
Jerry Lochner, Little Falls
Duane Lorsung, Long Prairie
Russell Larson, Wadena
Steve Voss, Brainerd
Vacant
Howard Warnberg, Little Falls
Gene Young, Little Falls
Jan Roers, Wadena
Bob Erdrich, Ex Officio, Little Falls
Trevor Walter, Baxter

REPRESENTING

Chairman
Co. Hwy. Engineer
Co. Hwy. Engineer
Brainerd Engineer
Co. Hwy. Engineer
City Services Mgr.
Co. Hwy. Engineer
Co. Highway Engineer
Transportation
Airports
Railroads
Townships
Transit
ATP Rep.
City Engineer

COUNTY

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

COORDINATION

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 regular basis. The purpose of the meetings is to share information and provide input on Region-wide concerns. These services include meeting notices, minutes and forwarding of resolutions and other concerns to state agencies and the legislature.

INFORMATIONAL SERVICES

The 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 seniors, cultural activities and census data.

The information is available through various methods including a library, a computer modem linking Region 5 with state data banks, referrals and Bi-monthly newsletters published and distributed by Region 5.

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. Three primary roles for the Area Agency on Aging are linking people to

information; building community; and promoting prudent stewardship. The main strategy for linking people to information is the Senior Linkage Line. The Area Agency on Aging provides this service directly and is working with the Minnesota Board on Aging to establish statewide standards of practice in the delivery of information and assistance.

To guide its activities, the Region 5 Area Agency on Aging has prepared an Area Plan for 1997-1999. Based on the priorities established in this Plan, Table 1 shows the services which are projected for 1999.

TABLE 1 - SERVICES PROJECTED FOR 1999

| | <u>Number of Units</u> | | <u>Number of Unduplicated Participants</u> |
|-------------------------------------|----------------------------|----------------|--|
| Congregate Meals | 198,000 | meals | 7,000 |
| Home Delivered Meals | <u>138,000</u> | meals | <u>1,250</u> |
| | 336,000 | | 8,250 |
| Information & Assistance | 3,786 | hours | 4,194 |
| Homemaking | 8,603 | hours | 157 |
| Transportation | 8,612 | one-way trips | 4,306 |
| Legal Assistance/Ed | 1,417 | hours | 645 |
| Frail Elderly (Home Modification) | 78 | hours | 78 |
| Frail Elderly | 2,423 | contacts | 64 |
| Health Promotion | 884 | hours/sessions | 2,492 |
| Sebek Community Center (renovation) | N/A | | N/A |
| Mental Health Screening/Referral | 1,440 | hours | 300 |

The activities of the Region 5 Area Agency on Aging are guided by a fifteen member 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 contract/grant applications and conduct the Annual Conference on Aging.

The Region 5 Development Commission takes final action on major policy decisions, budget approvals, and contract/grant awards. The total project costs for the contract/grants awarded by the Region 5 Development Commission annually amount to approximately \$1.8 million. Table 2 identifies the type of funds used to finance a wide array of services:

TABLE 2
FUNDS DISTRIBUTED IN 1999

| SERVICE | <u>FEDERAL FUNDS</u> | <u>STATE FUNDS</u> | <u>COUNTY FUNDS/ IN-KIND</u> | <u>PRIVATE FUNDS/ IN-KIND</u> |
|--------------------------|---------------------------------|-------------------------------|---|--|
| Congregate Meals | 177,000 | 100,811 | 0 | 356,400 |
| Home Delivered Meals | <u>173,000</u> | <u>31,608</u> | <u>0</u> | <u>234,600</u> |
| Sub-Total | 350,000 | 132,419 | 0 | 591,000 |
| Homemaking | 72,170 | | 72,170 | |
| Transportation | 20,000 | 97,000 | 58,067 | 8,500 |
| Information & Assistance | 48,647 | | 22,215 | 1,500 |
| Senior Center Renovation | 4,000 | | | 2,040 |
| Legal Cases/Ed | 26,991 | | | 26,991 |
| Health Assessment | <u>8,081</u> | <u> </u> | <u>8,018</u> | <u> </u> |
| Sub-Total | 179,826 | 97,000 | 160,470 | 39,031 |
| Frail Elderly | 18,697 | | | 18,697 |
| Health Promotion | 13,363 | | 13,363 | |
| Mental Health | <u>4,191</u> | <u> </u> | <u> </u> | <u>1,048</u> |
| TOTAL | 566,077 | 229,419 | 318,267 | 688,807 |

Throughout the year several important projects and activities were either initiated or completed by the Region 5 Area Agency on Aging. The Region 5 AAA coordinated a follow-up Regional Community Forum and formed a Project 2030 Task Force to continue working on specific goals and outcomes. The overall goal of the Task Force is not to reinvent but reenergize existing strategies and partnerships wherever possible.

Senior Linkage calls in the first nine months of 1998 increased by 52% over the same time period of 1997. The Region 5 AAA assisted 450 individuals who were looking for services or assistance to help a senior remain independent. The highest topic areas were insurance, legals, housing, chore, prescription drugs, respite/caregiver, transportation, and home health/home care.

Quarterly, the Region 5 AAA draws together county coordinators on aging, RSVP directors, presidents of county councils on aging, service providers, MN Senior Federation, Green Thumb, etc. The purpose of these meetings is to share information, coordinate our activities, and form another necessary link between the AAA and the individual counties.

CULTURAL ACTIVITIES

Region 5's Five Wings Arts Program awarded \$129,650 in grant monies in FY99. This amount includes \$13,727 of McKnight Foundation funds for semi-professional arts organizations and \$2,343 for individual artist grants. Five Wings awarded \$110,080 of Minnesota State Arts Board grant funds for sponsorship activities and/or art development in Region 5 and a total of \$3,500 for the Rolling Plains Art Gallery project (7 sites). The organizations which received funds are listed in Tables 1 thru 4.

**TABLE 1
MINNESOTA STATE ARTS BOARD FUNDS**

| <u>AGENCY</u> | <u>COUNTY</u> | <u>\$ FUNDED</u> |
|------------------------------------|----------------------|-------------------------|
| Bertha-Hewitt HS | Todd | 3,180 |
| Brainerd Youth Orchestra | Crow Wing | 3,200 |
| Brainerd Youth Orchestra | Crow Wing | 3,200 |
| Browerville Days | Todd | 200 |
| Centennial Auditorium | Todd | 1,600 |
| Centennial Big Band | Todd | 2,250 |
| Centennial Big Band | Todd | 3,500 |
| CLC Theatre | Crow Wing | 2,800 |
| CLC Theatre | Crow Wing | 2,597 |
| Crosby Community Ed. | Crow Wing | 2,829 |
| Freshwater Ed District | Regional | 3,500 |
| Freshwater Ed. District | Regional | 3,405 |
| GRAA | Morrison | 1,164 |
| GRAA | Morrison | 1,500 |
| GRAA | Morrison | 1,460 |
| GRAA | Morrison | 1,550 |
| GRAA | Morrison | 750 |
| Heartland Symphony | Morrison/Crow Wing | 3,300 |
| Heartland Symphony | Morrison/Crow Wing | 3,200 |
| Hole in the Day Players | Morrison | 3,500 |
| Hole in the Day Players | Morrison | 2,000 |
| Hole in the Day Players | Morrison | 2,600 |
| Lamplighter Community Theatre | Todd | 2,985 |
| Lindbergh Fresco Project | Morrison | 3,500 |
| Little Falls Community Schools | Morrison | 500 |
| LP/GE Community Ed. | Todd | 3,095 |
| LP/GE HS | Todd | 1,150 |
| LP/GE HS | Todd | 675 |
| LP/GE HS | Todd | 600 |
| LP/GE HS | Todd | 590 |
| LP/GE Summer Recreation | Todd | 900 |
| Madhatters | Wadena | 3,185 |
| Menahga Community Ed. | Wadena | 2,150 |
| Mississippi Horizons Middle School | Crow Wing | 3,500 |
| Nisswa Elementary | Crow Wing | 1,062 |

| | | |
|---------------------------------|-----------|------------------|
| North Countrymen Barbershop | Crow Wing | 3,500 |
| Northern Lights Chorale | Wadena | 465 |
| Pequot Lakes CAPP | Crow Wing | 1,600 |
| Pequot Lakes Community Ed. | Crow Wing | 1,000 |
| Pequot Lakes Community Ed. | Crow Wing | 350 |
| Pequot Lakes Community Ed. | Crow Wing | 1,800 |
| Pequot Lakes Student Theatre | Crow Wing | 965 |
| Pierz Community Ed. | Morrison | 1,700 |
| St. Francis Music Center | Morrison | 3,500 |
| St. Francis Music Center | Morrison | 1,080 |
| St. Francis Music Center | Morrison | 788 |
| Sebeka Centennial Committee | Wadena | 3,471 |
| Sebeka Elementary | Wadena | 800 |
| Sebeka Fine Arts | Wadena | 2,400 |
| Sebeka Fine Arts | Wadena | 2,154 |
| Staples Men's Chorus | Todd | 930 |
| Wadena Area Concert Band | Wadena | 900 |
| Wadena Deer Creek Fine Arts | Wadena | 2,000 |
| Wadena Deer Creek Fine Arts | Wadena | 3,500 |
| Total MSAB Project Funds | | \$110,080 |

TABLE 2
ROLLING PLAINS ART GALLERY PROJECT

| <u>COMMUNITY</u> | <u>COUNTY</u> | <u>\$ FUNDED</u> |
|-----------------------------------|---------------|------------------|
| Cass Lake/Bena | Cass | 500 |
| Remer | Cass | 500 |
| Long prairie | Todd | 500 |
| Little Falls | Morrison | 500 |
| Staples | Todd | 500 |
| Pine River | Cass | 500 |
| Wadena | Wadena | 500 |
| Total Rolling Plains Funds | | \$3,500 |

TABLE 3
MCKNIGHT FOUNDATION GENERAL OPERATING/CAPITAL FUNDS

| <u>AGENCY</u> | <u>COUNTY</u> | <u>\$ FUNDED</u> |
|--|--------------------|------------------|
| GRAA | Morrison | 3,500 |
| Heartland Symphony | Morrison/Crow Wing | 3,227 |
| Northwoods Arts Council | Cass | 3,500 |
| Priairie Arts Council | Todd | 3,500 |
| Total Mcknight Organizational Funds | | \$ 13,727 |

TABLE 4
MCKNIGHT INDIVIDUAL ARTIST AWARDS

| <u>ARTIST</u> | <u>COUNTY</u> | <u>\$ FUNDED</u> |
|---|----------------------|-------------------------|
| Jeffrey Collins | Crow Wing | 480 |
| Lynda Converse | Todd | 478 |
| Charmaine Donovan | Crow Wing | 500 |
| Ann Luloff | Todd | 385 |
| Trudy Pax | Todd | 500 |
| Total Mcknight Individual Artist Funds | | \$ 2,343 |

OTHER CULTURAL PROGRAMMING

Artist/Mentor Program The Five Wings Arts Program continues to offer scholarships worth over \$900 each to rural high school students in grades 9, 10, and 11 who demonstrate high motivation to work in the arts. The program serves to supplement the arts education in our region's schools by providing a number of students with the opportunity to study their chosen art discipline with a regional practicing artist. The following students were awarded scholarships in FY99 and will finish their study in November, 1999:

| <u>Student</u> | <u>County</u> | <u>Student</u> | |
|-----------------------|----------------------|-----------------------|-----------|
| Melissa Breitenfeldt | Todd | David Schwen | Crow Wing |
| Christine Dallaire | Crow Wing | Naomi Sveom | Todd |
| Aimee Holden | Cass | Jackie Tellers | Wadena |
| Christine Kallevig | Wadena | Amber Vandenberghe | Crow Wing |
| Amy Metcalf | Cass | Jonathan Wichmann | Morrison |

Rolling Plains Art Gallery The Five Wings Arts Program collaborating with Regions 1, 2, 4 and the Plains Art Museum in FY99 to facilitate a traveling art gallery housed within a semi-trailer. The Rolling Plains Art Gallery visited 7 communities in Region 5 and was considered a great success. Five Wings will continue to work with everyone involved to keep this valuable program alive.

Technical Assistance The Five Wings Arts Program staff also provides technical assistance to individuals and groups on such matters as grant writing, availability of funds, arts resources, and other arts project assistance. In addition, Five Wings produces a newsletter which addresses arts concerns, opportunities, and activities throughout the region.

Website The Five Wings Arts Program staff also developed a website in FY99 to better serve its constituents by providing information via the internet. This form of accessibility and visibility has proven to be very valuable.

COMMUNITY DEVELOPMENT

Region 5 provides technical assistance in the areas of land use planning and grant writing.

There has been an increased interest in comprehensive planning. Comprehensive plans for Sibley, Wadena County and the City of Jenkins are in progress. Community surveys were completed on behalf of Sibley Township and the City of Jenkins.

Region 5 completed a housing study for the city of Pequot Lakes. This housing study includes a household survey and employer survey.

Region 5 is exploring the feasibility of a downpayment assistance program for low-income home buyers.

ECONOMIC DEVELOPMENT

The North Central Economic Development Administration, Inc., administrator of the Region 5 Business Loan Fund, approved twelve (12) loans totaling \$358,000 for local business development.

Businesses, individuals, development corporations, and local units of government in Region 5 were assisted to structure financial packaging and development strategies to foster business start-up and expansion activity.

The Annual Update on the Overall Economic Development Plan (OEDP) has been completed for the September 30, deadline.

Staff presented information on the Region 5 Business Loan Fund and the Region 5 Economic Development Program to several economic development organizations and local units of government.

Staff facilitated several Network 5 meetings. Network 5 is a group of economic development practitioners that provide services in Region 5.

Staff is exploring options to recapitalize the Revolving Loan Fund.

Staff assisted with applications for funding assistance through the Economic Development Administration (EDA) for a community project. The project total \$350,000.

Staff has worked on the creation of a housing program for the region. Housing needs have been identified as down payment assistance and single family housing.

REGIONAL TRANSPORTATION PROGRAM

Numerous activities took place during FY 1998 related to the Transportation Planning Work Program.

The 15 member Region 5 Transportation Council continued to monitor regional transportation issues and provide recommendations to the Commission. The Region 5 Transportation Council developed a Region 5 Area Transportation Improvement Program(FY 2002) as part of the 12 county Area Transportation Partnership process.

Region 5 is completing to work on a combination regional tourism inter-county route map to be combined with the development of a regional Scenic Byways Study. Local State Scenic routes will be identified and included on the tourism map.

Region 5 completed in 1998 Section 5310 transit vehicles monitoring contract. Region 5 completed onsite visits to all Region 5 grantees. A final report for CY98 was submitted to Mn/DOT Office of Transit. Region 5 provides technical assistance in the area of transit planning. As a result of the monitoring program, Cass and Crow Wing Counties are exploring the coordination of Section 5310 vehicles for public transportation, and implementation of county wide transit systems.. Region 5 continues to facilitate transportation provider meetings.

Region 5 provides information to local units of government on funding for tree planting projects. Region 5 assisted in the review of DNR grant applications for funding tree plantings.

In addition, monitoring and information was provided on wetlands regulations, solid waste management and water quality.

TECHNICAL PLANNING

Planning in the areas of transportation and land use, with transportation planning coordinated through the Transportation Council with an emphasis on township transportation issues, and with Land Use planning process to technical assistance and Community Surveys development. Interest in planning and zoning at the township level has created interest in calls for information and advice regarding technical processes used for decision-making on zoning needs.

The Township Road Recording Program assists townships in the proper recording of town road easements. A spin-off benefit to townships is the development of improved methods of governing based on Township Association guidelines. Specific projects are completed on a contract basis.

Region 5 Development Commission program efforts toward townships are enhanced by the ongoing working relationship with the Minnesota Association of Townships. Staff continues to offer consultation to other Regional Development Commissions regarding township issues and state-wide township programs.

Staff anticipates holding workshops dealing with Transportation Management. In view of the State-sponsored "Sustainable Development" basis for partnership for comprehensive planning, the relationship and potential for county-township-city partnership based on "community" are being monitored to determine assistance applicability to Region 5 local government.

Region 5 Development Commission
Estimated Fiscal Year 2000 Budget

05/25/99

Revenue Comparison
Current FY99 and Estimated FY99R1

| Revenues | Approved Budget | Proposed Budget | Difference |
|-------------------------------------|------------------|------------------|------------------|
| Technical Assistance | 9,000 | 9,000 | 0 |
| Local Levy | 175,000 | 185,000 | 10,000 |
| Interest & Miscellaneous Income | 13,500 | 13,500 | 0 |
| In-Kind | 1,400 | 1,400 | 0 |
| EDA Planning | 52,000 | 52,000 | 0 |
| MN State Arts Board | 60,469 | 64,027 | 3,558 |
| McKnight Foundation | 2,400 | 2,400 | 0 |
| MN Board on Aging Administration | 88,934 | 91,181 | 2,247 |
| North Central EDA, Inc. | 39,465 | 41,562 | 2,097 |
| MN Department of Transportation | 56,100 | 50,000 | (6,100) |
| Urban Mass Transit Administration | 4,385 | 0 | (4,385) |
| Region 5 I & A Grant (AAA) | 11,432 | 20,061 | 8,629 |
| Subtotal Program Revenues | 514,085 | 530,131 | 16,046 |
| Direct Granting Assistance | | | |
| Agency on Aging | 1,540,489 | 1,540,489 | 0 |
| Funding Arts | 128,782 | 111,120 | (17,662) |
| EDA Revolving Loan Fund | 188,500 | 0 | (188,500) |
| Beaver Damage Grants | 25,171 | 25,171 | |
| Subtotal Granting Assistance | 1,882,942 | 1,676,780 | (206,162) |
| TOTAL AGENCY REVENUES | 2,397,027 | 2,206,911 | (190,116) |

Region 5 Development Commission
Estimated Fiscal Year 2000

05/25

Expenditure Comparison
Current FY99 and Estimated FY99R1

| Expenditures | Approved Budget | Proposed Budget | Difference |
|--|------------------|------------------|------------------|
| Salaries ** | 190,978 | 196,945 | 5,967 |
| Fringe Benefits @ 26.7% | 55,022 | 57,487 | 2,465 |
| Subtotal Personnel | 246,000 | 254,432 | 8,432 |
| Compensatory Time | 7,900 | 6,617 | (1,283) |
| Commission Benefits | 1,506 | 1,505 | (1) |
| Consultants/Mentor/etc. | 5,000 | 12,500 | 7,500 |
| Staff Travel | 24,373 | 18,825 | (5,548) |
| Consultant Travel | 0 | 0 | 0 |
| Commission Travel | 8,750 | 8,750 | 0 |
| Commission Per Diem | 18,900 | 18,900 | 0 |
| Council Travel | 4,511 | 4,463 | (48) |
| Reproduction and Printing | 8,745 | 5,245 | (3,500) |
| Telephone | 1,250 | 600 | (650) |
| Rent | 5,877 | 5,929 | 52 |
| Staff Car Usage | 200 | 200 | 0 |
| Postage | 1,050 | 531 | (519) |
| Supplies | 1,325 | 1,225 | (100) |
| Insurance - Office | 3,644 | 3,644 | 0 |
| Equipment | 10,500 | 18,400 | 7,900 |
| Maintenance - Equipment | 645 | 645 | 0 |
| Books, Reports & Memberships | 4,813 | 4,813 | 0 |
| Workshops/Conferences | 4,000 | 4,000 | 0 |
| Miscellaneous Expense | 8,631 | 5,031 | (3,600) |
| Subtotal Direct Costs | 367,619 | 376,255 | 8,636 |
| In-Kind | 1,400 | 1,400 | 0 |
| Total Direct Costs | 369,019 | 377,655 | 8,636 |
| Indirect Costs @ 64.4773% | 157,643 | 164,688 | 7,045 |
| TOTAL PROGRAM COSTS | 526,662 | 542,343 | 15,681 |
| Direct Granting Assistance | | | |
| Area Agency on Aging | 1,540,489 | 1,540,489 | 0 |
| Five Wings Arts Program | 128,782 | 111,120 | (17,662) |
| EDA Revolving Loan Fund | 189,417 | 0 | (189,417) |
| Beaver Damage Grants | 25,171 | 25,171 | 0 |
| Subtotal Granting Assistance | 1,883,859 | 1,676,780 | (207,079) |
| TOTAL R5 AGENCY BUDGET | 2,410,521 | 2,219,123 | (191,398) |
| Excess Revenues Over (Under) Expenditures | (13,494) | (12,212) | 1,282 |
| Fund Balance Actual 7/1/98 & Proj. 7/1/99 | 224,976 | 211,482 | (13,494) |
| Fund Balance Proj. 6/30/99 & Proj. 6/30/00 | 211,482 | 199,270 | (12,212) |

Beinhorn & Company, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Commission Members
Region 5 Development Commission
Staples, Minnesota 56479

We have audited the accompanying general purpose financial statements of Region 5 Development Commission, Staples, MN 56479, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Government Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the Year 2000 Issue. Region 5 Development Commission has not included such disclosures. Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Further, we do not provide assurance that Region 5 Development Commission is or will be year 2000 ready, that Region 5 Development Commission's year 2000 remediation efforts will be successful in whole or in part, or that parties with which Region 5 Development Commission does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosure, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Region 5 Development Commission as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated July 9, 1999 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Region 5 Development Commission taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. The individual fund financial statements and schedules 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 Region 5 Development Commission. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Beinhorn + Company, Ltd.

July 9, 1999