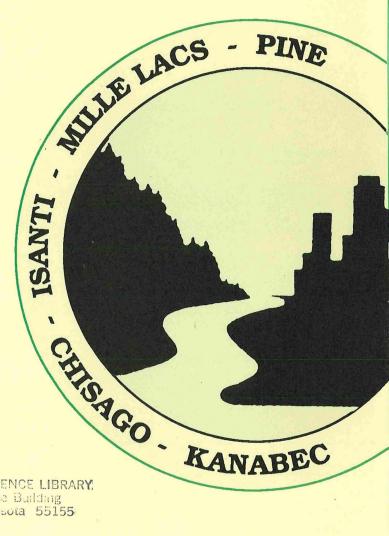


ANNUAL REPORT

East Central
Regional Development Commission

Fiscal Year 1992

July 1, 1991 to June 30, 1992



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Serving Local Government in East Central Minnesota



East Central

Regional Development Commission

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(612) 679-4065 Fax (612) 679-4120

LAURENCE COLLIN Chairman of the Board

Chisago County Jon Alvin Dick Anderson Tom Delaney Gene W. Olson

Isanti County
Al Baxter
Clell Bone
Laurence Collin
Glenn Johnson

Kanabec County Stan Cooper Dick Johnson Dick Nehring Lucille Schultz

Mille Lacs County Carolyn Braun Dick Jackson Art McMullen Steve VanHooser

Pine County
Everette Koecher
Blaine Jensen
Linda Pfeifer
Wayne White

School Board Clark Johnson Majal Johnson

ROGER J. AMES Executive Director

> Provider of technical planning assistance to units of government in East Central Minnesota

August 1992

State Legislators Local Elected Officials Other Interested Parties Region 7E

It is with pleasure that I submit the Annual Report for the East Central Regional Development Commission for our Fiscal Year ended June 30, 1992. This report is printed and distributed in fulfillment of provisions of the Regional Development Act of 1969, as amended.

The past year has been a year of challenge for the Commission. We, like most units of government in East Central Minnesota, have had to provide our services under increasing budget constraints. I am happy to report that the Commission and it's staff have been successful in continuing to provide basic services provided through the Commission to our local units of government and citizens of Region 7E.

I encourage you to review the annual report. It provides information on services provided during the year. All of these services and programs will be continued during the upcoming year. The services and resources made available through the Commission's Community/Economic Development and Human Services Sections are important to the region.

I think as you review the report you will agree that your Commission is a valuable resource to the region. We are striving to emphasize services most needed by the region and which can be provided by the Commission. Commission members and staff welcome any comments or suggestions you might have.

Thank you.

Sincerely,

Laurence Collin

Chairman of the Board

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COMMISSION MEMBERSHIP (As of June 30, 1992)

Chisago County Representatives

Tom Delaney
Dick Anderson
Gene Olson
Jon Alvin

County Commissioners Municipalities Townships Public Interest

Isanti County Representatives

Glenn Johnson Clell Bone Al Baxter Laurence Collin Clark Johnson County Commissioners Municipalities Townships Public Interest School Board (southern)

Kanabec County Representatives

Stan Cooper
Dick Johnson
Pete Hendershot
Dick Nehring
Majal Johnson

County Commissioners
Municipalities
Townships
Public Interest
School Board (northern)

Mille Lacs County Representatives

Dick Jackson Steve VanHooser Art McMullen Carolyn Braun County Commissioners Municipalities Townships Public Interest

Pine County Representatives

Everette Koecher Wayne Oak Blaine Jensen Wayne White County Commissioners Municipalities Townships Public Interest

Officers

Laurence Collin, Chairman Clark Johnson, Vice Chairman Glenn Johnson, Secretary/Treasurer

STAFF (As of June 30, 1992)

Administration

Roger J. Ames, Executive Director Mary Schwartz, Office Manager/Information Officer Dorothy Jones, Finance Officer Dee Prax, Secretary/Receptionist

Human Services

Arts Division:
Bob Bollenbeck, Program Manager

<u>Guardian Ad Litem Program:</u>

Joan Kohlmeyer, Program Manager

Aging: Herman Bakker, Program Manager

Community Development

Bob Bollenbeck, Transportation Planner John Sullivan, Economic Development Planner

ADVISORY COMMITTEES (As of June 30, 1992)

Personnel & Budget Subcommittee

Al Baxter, Mille Lacs County
Laurence Collin, Isanti County
Tom Delaney, Chisago County
Clark Johnson, Isanti County
Glenn Johnson, Chisago County
Majal Johnson, Kanabec County
Everette Koecher, Pine County
Art McMullen, Mille Lacs County

Area Agency on Aging

Mary Andersen, Isanti County Belle Anderson, Pine County Bob Anderson, Chisago County Clifford Anderson, Chisago Co. Sarah Bentley, Isanti County Stan Cooper, Kanabec County Glenn Danelski, Pine County Gene Helfinstine, Mille Lacs Co. Dick Jackson, Mille Lacs County Ellsworth Johnson, Isanti County Marian Jorgenson, Mille Lacs Co. Rhonda Kolberg, Kanabec County Les Larson, Pine County Elaine Lucht, Isanti County Art McMullen, Mille Lacs County Roger Sellman, Chisago County Erv Skaar, Isanti County Sid Sonnichsen, Mille Lacs Co. Beth Steen, Mille Lacs County Pat Viskoe, Chisago County Fred Wahlstrom, Kanabec County

East Central Arts Council

Jeff Audette, Chisago County
Beverly Ceaglske, Isanti County
Diane Handlos, Chisago County
June Nichols, Pine County
Katherine J. Statz, Mille Lacs County
Joan Sullivan, Pine County
Suzi Tveit, Kanabec County
Sybil Wickstrom, Mille Lacs County
Pat Ziesmer, Kanabec County

Regional Economic Develop. Adv. Comm.

Al Baxter, Mille Lacs County Laurence Collin, Isanti County Tom Delaney, Chisago County Clark Johnson, Isanti County Glenn Johnson, Chisago County Majal Johnson, Kanabec County Everette Koecher, Pine County Art McMullen, Mille Lacs County

Transportation Advisory Committee

Al Baxter, Mille Lacs County
Wayne Beesaw, Kanabec County
Ralph Bloomgren, Isanti County
Harold Eklund, Isanti County
Don Hubert, MN/DOT, Brainerd
Al Jacobson, Isanti County
Richard Larson, Mille Lacs County
Art McMullen, Mille Lacs County
Greg Nikodym, Kanabec County
Phillip Bergem, Pine County
Don Theisen, Chisago County

GENERAL ADMINISTRATION

During Fiscal Year 1992 activities carried out under general administration included provision of staff support to ten (10) meetings of the full board of the East Central Regional Development Commission and ten (10) meetings of the Commission's Personnel and Business transacted during meetings of the Budget Subcommittee. Commission included review and action on recommendations advisory committees of the Commission and approval of funds for programs and services. Advisory committees reporting to the Commission included the East Central Arts Council, the East Central Area Agency on Aging, the Transportation Advisory Committee and Community/Economic Development Advisory Committee. Quarterly work program progress reports were provided throughout the year and were reviewed at meetings of the Commission. In June of 1992 the Commission held an annual meeting during which a work program and budget for Fiscal Year 1993 was adopted, officers were elected, and members of the Personnel and Budget Subcommittee were appointed/re-appointed. Tourism as an economic development tool was the focus of the annual meeting. The Minnesota Office of Tourism presented an informational program at the annual meeting. During the course of the year the Commission approved an arts development plan for the region recommended by the East Central Arts Council, an Area Plan on Aging recommended by the Area Agency on Aging Advisory Committee, and conducted other business as The format of the Commission's newsletter was revised and bi-monthly issues were printed and distributed throughout the Commission members participated in the Annual Conference of the Minnesota Regional Development Organization association held in Duluth in August of 1991. Based on recommendations of its Personnel and Budget subcommittee, the Commission adopted revised personnel policies as appropriate, including a revised employee In February of 1992 the Commission, in consulting policy. compliance with the Regional Development Act, carried out a selfevaluation which was reviewed and approved by the Personnel and Budget Subcommittee.

COMMUNITY AND ECONOMIC DEVELOPMENT

Through a grant provided by the Federal Economic Development Administration the Commission carried out an effective program of planning and technical assistance aimed at assisting communities and the region to enhance their economies. Primary activities carried out through the Community and Economic Development section of the Commission included:

- * In compliance with provisions of the grant from the Economic Development Administration (EDA) an updated Overall Economic Development Program Plan (OEDP) was completed and submitted to the EDA (September 1991). This OEDP expanded economic data for the region and the counties within Region 7E and met all requirements of the EDA. Updating and maintaining an approved OEDP for the region keeps communities/local units of government within Region 7E eligible to receive federal funds from the Economic Development Administration for major community improvement projects. By establishing an approved OEDP the Commission makes applicants from Region 7E eligible for a ten percent "bonus" from the EDA the EDA will provide up to sixty percent funding of a project as opposed to the standard fifty percent.
- * In preparation for development of a new OEDP based on 1990 census data and which must include additional data pertaining to environmental factors and a project review and ranking criteria, required by the EDA, an extensive community survey was completed. Information about existing community facilities, data about current industrial parks, other community resources and anticipated community needs pertaining to housing, infrastructure and other needs were collected. This information will be used by the Commission's OEDP Committee when a completed revised (new) OEDP is submitted to the EDA during FY'93.
- * During Fiscal Year 1992 the Commission continued its development of a regional revolving loan fund application to the EDA. The application was completed, a loan committee established, and extensive technical procedures for operation of the funds developed. During the year in excess of \$120,000 was obtained in pledges from local cities interested in participating in the program. Additionally, a grant application was developed and submitted to the Northwest Area Foundation requesting funds to help capitalize and administer the fund. The application has received favorable staff review by the Foundation and a site visit will be carried out early next fiscal year.

- * Conducted an Annual Meeting of the Commission which focused on tourism as an economic development resource which can be expanded in Region 7E. The Minnesota Office of Tourism presented an informational program at the Annual Meeting which included successful examples of projects communities in other parts of the state had developed which were successful as economic development tools.
 - * During Fiscal Year 1992 the Commission continued implementation of the Rural Rehabilitation Pilot Project Program using funds provided by the Rural Development Board of the State Department of Trade and Economic Development.
 - * Provided technical assistance to Pine County, the City of Hinckley, Townships of Barry and Hinckley, and Grand Casinos Inc., in development of an application for assistance to the Economic Development Administration and completion of an Environmental Impact Statement for a major development in Pine County.
 - * Provided technical assistance to the Mille Lacs Band of Ojibwe in development of a pre-application to the Economic Development Administration requesting funds for housing and infrastructure improvements (sewer, water, roads) in the reservation in Mille Lacs County.
 - * Provided information and referral assistance to individuals and companies seeking funding for new business start-ups and/ or expansions of existing businesses.
 - * Provided technical assistance and grantsmanship services to the City of Shafer in development of an application to the EDA requesting funds to expand the City's sewage treatment and water systems.
 - * During FY'92 the Commission became a designated access site for the Minnesota Project Outreach Program. Staff received training and have the ability to assist businesses and manufacturers within the region in obtaining highly technical information and assistance in production and other problem areas.

LAND USE PLANNING/TECHNICAL ASSISTANCE

During Fiscal Year 1992 the East Central Regional Development Commission was active in providing land use planning assistance to units of government in Region 7E. In April of 1992 the Commission conducted a region-wide land use planning and zoning seminar in which nearly sixty township and municipal officials from within Region 7E participated. Basics of land use planning was covered as well as legal aspects of planning and zoning.

Technical assistance in completion of comprehensive land use plans and zoning ordinances was provided to Kanabec Township, Brook Park Township, and Grass Lake Township. A joint planning board was formed by the City of Hinckley, Hinckley Township and Barry Township (Pine County) and activities begun to complete a comprehensive land use plan and zoning ordinance for the area. This activity will be continued during Fiscal Year 1993.

TRANSPORTATION PLANNING

During Fiscal Year 1992 the Commission continued to carry out an active transportation planning program with funds provided by the Minnesota Department of Transportation. Following a turnover in staff, the Transportation Advisory Committee revised the transportation work program. New staff was assigned program responsibilities and immediately became involved in significant transportation issues and activities. The Commission's transportation planning program actively responded to the Intermodal Surface Transportation Efficiency Act (ISTEA), enacted by the U.S. Congress ISTEA is a very significant federal legislation and the Commission is working closely with the State Department of Transportation in implementation of the Act. Staff attended a Washington "fly-in" to meet with federal policy makers to learn more about ISTEA. This activity will be central to the transportation planning program in the year ahead.

During Fiscal Year 1992 technical assistance was provided to Bogus Brook, Maple Ridge, Sandstone, Kroschel, Isle Harbor, Milo, and Borgholm Townships in the recording of township roads. Also during Fiscal Year 1992 the Commission conducted two gravel road maintenance workshops in which township officials and others participated.

EAST CENTRAL AREA AGENCY ON AGING PROGRAM

During Fiscal Year 1992 the East Central Regional Development Commission continued to provide services and resources to the region's elderly and agencies that provide services to this segment of the population. The EC RDC is designated as the Area Agency on Aging (AAA) for the five county area by the Minnesota Board on Aging. Responsibilities as an Area Agency on Aging include identifying needs of the elderly and developing an Area Plan for programs on aging which, when approved, provides funds which the EC RDC awards out in the form of grants to provide needed services. Other activities of the East Central AAA include carrying out an active legislative program of advocacy to make legislators and other officials aware of the needs of older persons in our area. An active Advisory Council on Aging is supported through the program which provides opportunities for older persons to become actively involved in decisions that impact their lives.

During FY'92 the Area Agency on Aging published/distributed a quarterly newsletter entitled "Seasoned Citizens Advance." The AAA helped develop and fund a resource guide for seniors of Chisago County, and also provided planning assistance in the re-establishment of the senior bus transportation program in Isanti County.

Based on the recommendations of the Advisory Council on Aging, the EC RDC during FY'92 approved state and federal funds for the following programs:

Federal Admn.				Drojest	Total Persons	
Program	on Aging	USDA	State	Local	Project Income	Served
Nutrition Ctrs. Congregate Meals	\$161,655	\$66,992	\$69,940	\$ 28,527	\$182,219	3,917
Nutrition Ctrs. Home Deliv. Meals	\$ 82,236	\$20,774	\$ 7,450	\$ 14,512	\$ 51,240	466
South Chisago Co. Meals on Wheels	\$ 6,273	\$ 5,211	\$ 342	\$ 9,409	\$ 22,032	118
Rush City Mobile Meals	\$ 2,542	\$ 2,043	\$ 243	\$ 3,813	\$ 5,400	30
Mille Lacs Co. Sr. Transportation	\$ 3,500			\$ 1,200	\$ 3,450	75
Legal Assistance to Older Americans	\$ 40,000			\$ 21,539	\$ 500	210
Isanti Co. Senior Services Center	\$ 1,819			\$ 2,728	ş	700
Senior Information and Referral	\$ 5,000			\$ 8,704	\$	100
Onamia-Isle Inform. & Referral	\$ 3,290			\$ 5,946	\$ 134	230
Chisago County Heartland Express Nutrition Transport.	\$ 8,500			\$ 5,667	\$ 520	55
Isanti County Chore Service	\$ 6,839			\$ 1,710	\$ 350	120
Outreach for Elderly Native Americans	\$ 8,208			\$ 9,068	-	191
Project Care	\$ 6,200			\$ 1,650		90
Totals	\$336,062	\$95,020	\$77,975	\$114,473	\$265,845	6,302

EAST CENTRAL ARTS COUNCIL PROGRAM

The East Central Arts Council, made up of representatives of the arts community from each of the five counties in Region 7E, actively works to develop and enrich the arts and cultural resources of the region. The ECAC was successful in FY'92 in implementing an increased work program impacting the arts community and artists. included awarding seven artists mini-fellowships to assist them in pursuing their careers in art. In addition, special initiatives included the development of regional writers and visual artists groups. The arts census was continued which resulted in a listing of artists available to serve their communities. More grants were awarded to organizations as well. The Council continued to publish the Arts Quarterly newsletter as well. Finally, work on establishing an Artists-in-the-Schools program was begun.

Grants awarded through the regional arts program during FY'92 include:

Sponsor Assistance:

- \$ 769 Chisago Lakes CAPP for a short term residency with artist David Stoeri.
- \$ 900 Pine City Schools for a project involving local actors and Child's Play Theatre.
- \$ 500 Isanti County Historical Society to sponsor a writing workshop with artist Richard Solly.
- \$1900 North Branch Fine Arts Committee/Chamber of Commerce to sponsor Minneapolis Chamber Symphony educational project and East Central Minnesota Chorale concert in North Branch.
- \$ 800 Kanabec CAPP for a cultural dance project featuring Chinese Lion dancers, German and Swedish folk dancers.
- \$ 500 Princeton CAPP for an "Expressive Arts" day for children in Princeton.
- \$ 727 Finlayson CAPP to sponsor a short-term residency program featuring Renaissance Dance with artist Jane Peck.
- \$ 490 Pine City Arts Council for community concert in May featuring music group, NOVA.

Production Assistance:

- \$1800 Heritage Players, Pine City, for productions of "Key for Two," a comedy, and the musical "Kiss Me Kate."
- \$ 470 Chase Brook Music Association for a musical variety show featuring local musicians.
- \$ 625 Pine County 4-H for upcoming summer Arts-In project for children with performances at local and state fairs.
- \$ 800 North Branch Community Theatre for production of Music Man, in February.

McKnight Organization Grants:

- \$ 178 Kanabec County Art Association to purchase an artograph to enhance development of visual artists.
- \$ 388 East Central Artist Network for a workshop by Stephen Hodder on taking professional quality slides of artwork.
- \$1630 St. Croix Valley Orchestra for program development and concerts this year.
- \$ 350 Hinckley Fire Museum to establish a Native American art exhibit featuring local artists Jack and Luella Peel.
- \$ 500 Mille Lacs 4-H for summer theatre productions by local children.
- \$ 853 Regional Artist Network for photographic equipment to be used by artists in the region for producing high quality slides of artwork.
- \$ 850 Magical Imagination Players to support development of new theatre program for children.
- \$1251 Mille Lacs Community Theatre to purchase wireless microphones for use by region's theatre groups.
- \$ 500 East Central Grad Band to purchase music and materials for banners for the band.
- \$ 500 Trio de Novo, a local chamber ensemble, to provide training/coaching opportunities and a professional demo tape.
- \$1500 Pine & Prairie Writers, to support development of regional writers group and provide planning funds for a regional writers anthology.

McKnight Mini Fellowships

- \$ 500 Jennifer Lorge/North Branch to produce series of large paintings on canvass reflecting different time periods.
- \$ 500 Paul Epple/Mora to produce sculpture called Hot Terra Firma which combines pit-fired clay tiles and neon glass.
- \$ 500 Stephen Hodder/Princeton to experiment in glass sculpture creating mask like objects. Funds used to purchase supplies.
- \$ 500 Claire Fix/Cambridge to provide training opportunities through week-long Cowboy Artists of America workshop.
- \$ 500 Linda Christianson/Lindstrom to purchase materials to produce artwork for two solo exhibitions. This work will combine three dimensional and flat art.
- \$ 500 Gail Stanghelle/Chisago City for work in calligraphy for oneperson exhibition at Iris Art Gallery, Lindstrom. Funds cover costs associated with framing and misc. expenses.
- \$ 500 Stephanie Anderson/Milaca to establish portfolio of photographic work, including work with cultural activities on Mille Lacs Reservation. Funds to be used to purchase supplies.

Showcase:

- \$ 100 Isanti County Historical Society to feature a local artist in German and Swedish Culture Days.
- \$ 200 North Branch Harvest Fest Art Show scheduled for September.

CHILDREN'S ADVOCACY SERVICES

The East Central Regional Development Commission continues to believe that there is great need for additional resources aimed at improving the quality of life of children in East Central Minnesota. Due to funding shortages, the Commission was forced to drop two of its programs in this area. These were the Pride in Parenting Program of prevention of child abuse and the Child Care Resource and Referral Program. Fortunately these services are being provided by other agencies which assumed the programs with assistance of the Commission. The Family Resource Center, located in Chisago County, assumed the Child Care Resource and Referral The Family Resource Center had participated with the Commission in expanding the program to all five counties in Region 7E during FY'91 and assumed full responsibility for the program when the Commission could no longer support the program.

Additionally, curriculum and other materials available through the Pride in Parenting Program were transferred to the St. Croix River Education District lending library for distribution and use by area schools. These materials make available a broad range of effective curriculum aimed at educating children about child sexual abuse and how to protect themselves from becoming abused.

Regional Child Guardian Ad Litem Program

The Child Guardian ad Litem Program (GAL) grew out of the Commission's Human Services section and its emphasis on child advocacy. The GAL program was established approximately two years ago and has evolved as an important resource to the courts in Region 7E. Through this program lay GALs are recruited and trained to investigate/represent the best interests of a child or children who become involved in judicial proceedings. During the past year, at the request of area judges, the Commission's GAL program has assigned 95 cases to a program GAL for investigation and recommendations to the courts. During the upcoming year Commission staff will be working closely with county judges, court administrators and county boards for continued planning and funding of the program.

OTHER SERVICES - FISCAL YEAR 1992

EC RDC Census Information and Data Center

The ability of the EC RDC to provide needed data which is available from the 1990 Census and other sources was expanded during 1992. Staff support to the Data Center was provided enabling local units of government, agencies and individuals to obtain census and other information/statistical data which is available, as well as assistance in interpretation of the data.

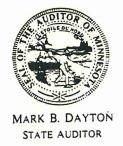
During 1992 the Data Center responded to approximately 200 requests for data. It is estimated that 70% of these requests were from local units of government, with another 20% from private business, 5% from individuals, and 5% being referrals from the Minnesota Census Data Center. Requests dealt with data on population, employment, income, housing, economics, etc.

The Information and Data Center is being expanded to include services provided through the Minnesota Project Outreach Corporation to area businesses and manufacturers who need technical assistance in solving a wide variety of problems ranging from marketing, production, plant layout, and operations. This service is made available via a two-way computerized communication system at the EC RDC offices.

BUDGET, MANAGEMENT AND COMPLIANCE SECTION

Statement of Revenues and Expenditures Year Ending June 30, 1992

		FY 1992 BUDGET	<u>(U</u>	FY 1992 ACTUAL naudited)		FY 1993 ADOPTED BUDGET
REVENUES:		44- 004				
Taxes	\$	115,834	Ş	116,117	Ş	117,365
MN Board on Aging		596,740		551,197		604,772
(includes pass-through funds)		40 406				
EDA		49,486		50,570		56,000
Human Service Department		22,032		21,462		0
State Arts Board		54,589		49,642		53,225
(includes pass-through funds)		07 000		07 000		07 000
State Transportation		27,000		27,000		27,000
County Support - RLF		0		0		24,228
Contracts for Services		44,243		43,431		7 200
Interest/Other		9,062		9,405		7,300
Private Foundations		23,670		22,983		17,145
(includes pass-through funds)		2 006		2 006		2 500
County Courts		2,906		2,906		2,500
Registrations		8,021		5,357		6,550
(includes pass-through funds)		05 030		05 531	4	15 700
Dept. of Trade & Ec. Dev.		25,938		25,571		15,728
FY'91 Fund Balance	~	17,700	~	17,700	~	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
TOTAL REVENUES	\$	997,221	Ş	943,341	Ş	931,813
EVEND IMIDEC.						
EXPENDITURES:	<u>^</u>	170 020	~	160 060	~	152 572
Personnel	\$	170,832	\$	169,869	Ş	
Fringe		42,831		43,131		35,033
Telephone		7,000		7,406		4,000
Postage		8,185		7,529		7,100
Legal Notices		485	(8)	507		500
Printing/Publications		7,415		6,700		7,700
Copying		3,000		3,724		2,000
Audit Vohicle Europe		9,500		9,598		7,000
Vehicle Expense		2,200		1,495		2,200
Insurance/Bonds		4,438		3,611		4,000
Office Supplies		4,000		4,316		4,000
Maintenance of Equipment		400		221		400
Staff Travel		14,992		11,048	1.7	13,080
Registration/Conference Fees		2,263		2,035		3,200
Miscellaneous		100		228		100
Rent Service/Tech. Consultants		19,377 47,818		19,377		12,000
				49,272		21,000
Advisory Committee Commissioner's Expense		3,694 14,000		3,706 13,404		4,900 11,000
Employee Recruitment		888		588		300
Membership/Subscriptions		5,139		5,067		4,350
Marketing-Child Care		421		421		4,550
Workshops/Seminars		2,341		2,345		1,300
		300		293		
Aging Annual Meeting		2,667		2,667		700 772
Purchase Equipment/Car		4,730		4,756		7,130
Lease of Equipment		157		157		864
Aging Leg. Subcommittee		300		315		0
McKnight Census Costs GAL-Expense		3,470		2,900		5,245
Revolving Loan Fund		0,470		2,900		24,228
Aging - Pass-thru Grants		550,567		502,867		550,567
Arts - Pass-thru Grants		25,490		20,881		25,050
Child Care-FRC - Pass-thru		3,782		3,782		23,030
PIP - Pass-thru		0		285		ő
Rural Rehab. Project - Pass-thru		25,938		25,571		15,728
Budget Reserve		8,501		13,269		2,793
TOTAL EXPENDITURES	s	997,221	s	943,341	3	931,813
TATUT BULLIANTO	Ą	7711222	Ą	7201021	Y	751,013



STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR
SUITE 400
525 PARK STREET
SAINT PAUL 55103

296-2551

INDEPENDENT AUDITOR'S REPORT

Board of Directors

East Central Regional Development Commission

We have audited the accompanying financial statements of the East Central Regional Development Commission as of June 30, 1991, and for the year then ended. These financial statements are the responsibility of the Commission'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 and <u>Governmental Auditing Standards</u>, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the East Central Regional Development Commission as of June 30, 1991, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

MARK B. DAYTON STATE AUDITOR

November 7, 1991



STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR
SUITE 400
525 PARK STREET
SAINT PAUL 55103

296-2551

COMBINED REPORT ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE FOR THE GENERAL PURPOSE FINANCIAL STATEMENTS AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors

East Central Regional Development Commission

We have audited the general purpose financial statements of the East Central Regional Development Commission as of and for the year ended June 30, 1991, and have issued our report thereon dated November 7, 1991. This report resulting from that audit is divided into sections which includes combined reports on the internal control structure and compliance on the general purpose financial statements and federal financial assistance programs, and management practices. The reports on compliance are subdivided into sections on general purpose financial statements, legal compliance, and nonmajor federal financial assistance programs.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments; and the provisions of the Minnesota Legal Compliance Audit Guide for Local Government, as promulgated by the Legal Compliance Task Force pursuant to Minn. Stat. § 6.65. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the East Central Regional Development Commission complied with laws and regulations, noncompliance with which would be material to nonmajor federal financial assistance programs.

General Requirements

We have applied procedures to test the East Central Regional Development Commission's compliance with the following requirements applicable to its nonmajor federal financial assistance programs for the year ended June 30, 1991: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, federal financial reports, allowable costs/cost principles, drug-free workplace, and administration requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's <u>Compliance Supplement for Single Audits of State and Local Governments</u> (Revised 1990). Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the East Central Regional Development Commission's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed above. With respect to items not tested, nothing came to our attention that caused us to believe that the East Central Regional Development Commission had not complied, in all material respects, with those requirements.

This report is intended solely for the use of the Board of Directors, the Commission's management, and federal and state grantor or cognizant agencies, and 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.

We are available throughout the year to assist you in implementing any of our suggestions.

We would like to express our appreciation to the Board and the staff for their cooperation and assistance during the audit.

MARK B. DAYTON STATE AUDITOR

November 7, 1991