



WASHINGTON  
COUNTY  
Community  
Development  
Agency

# Finance Committee Meeting

**January 15, 2019**

2:00 pm - Regular Meeting

CDA Office, 7645 Currell Blvd., Woodbury

**BOARD OF COMMISSIONERS  
WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
WASHINGTON COUNTY, MINNESOTA**

**CDA FINANCE COMMITTEE MEETING  
January 15, 2019**

**Washington County CDA Office  
7645 Currell Blvd.  
Woodbury, Minnesota**

---

<u>Item No.</u>			<u>Page No.</u>
1	200 p.m.	<u>CALL FINANCE COMMITTEE MEETING TO ORDER</u>	2
2		<u>ROLL CALL</u>	
4		<u>DISCUSSION</u>	
		D-1 2018 Audit Update	3
11		<u>ADJOURN</u>	



Memo to: CDA Finance Committee

From: Aaron Christianson Finance Director

Date: January 7, 2019

RE: 2018 Audit Update

**Background**

At the Board meeting on November 17, 2015, the Board approved hiring Redpath and Company, (the Auditors), for professional audit services. As part of the service, the Auditors agreed to meet with the full Board, or Finance Committee, as appropriate, to discuss the progress of the audit. These meetings were to occur after key parts of the audit were complete.

**Audit Planning**

On December 6, 2018 Staff received the “Interim Client to Provide” schedule. See Attachment A. This schedule includes the documents that the Auditor requests to be provided at the time of, or prior to, their arrival for interim fieldwork. In reviewing Attachment A, one can see a column labeled “Audit Area”. This column gives the Committee an indication on what kind of tests the Auditors are performing, i.e. tests over controls, Single Audit testing, general control testing and Minnesota legal compliance testing.

On November 7, 2018 the Finance Director had an audit planning meeting with the Partner and Senior Manager from Redpath and Company. This meeting was to discuss any new issues encountered during 2018. It was also decided at this meeting that interim fieldwork was scheduled to be performed December 13<sup>th</sup> and 14<sup>th</sup>.

**Interim Fieldwork – December 11<sup>th</sup> and 12<sup>th</sup>**

Interim audit fieldwork is complete and Dave Mol, Partner, Redpath and Company, will be presenting the progress made on the 2018 audit at the January 15, 2018 Finance Committee meeting.

**Final Fieldwork – April 1<sup>ST</sup> – April 12<sup>th</sup>**

Final fieldwork has been scheduled to occur April 1<sup>nd</sup> through April 12<sup>th</sup>. See Attachment a for the “Client to Provide” schedule, provided by the Auditor on December 6, 2018. Redpath and Company will present final audit results to the Board at the May board meeting.

**Recommendation**

Staff recommends that the Committee use this presentation as a time to ask Mr. Mol any questions it may have about the 2018 audit, including procedures performed at interim fieldwork, any current issues or unusual risks members may be concerned about as it applies to the Agency and the outcome of control testing performed at interim. It is also a time for the Committee to share any thoughts it may have in regards to the Agency in general or specifically towards the audit.

# Washington County Community Development Agency

## 2018 Audit

Due Date - Not Set

Category	Subcategory	ID	Name	Description	State	Due Date
Interim	Control Testing	1	Provide a copy of 2018 check register by check number and by vendor. We will use listing to select sample for disbursement (		Outstanding	12-07-2018
		2	Provide copy of G/L detail for FY 2018 to date.		Outstanding	12-07-2018
		3	TB as of date of interim - used for preliminary import and account grouping		Outstanding	12-07-2018
		4	Provide payroll register for first pay period in November 2018.		Outstanding	12-07-2018
		5	Access to payroll registers, time cards and HR records supporting wage rates and benefit elections for selected employees. (see		Outstanding	12-07-2018
		6	Provide listing of all new employees hired during 2018.		Outstanding	12-07-2018
		7	Access to credit card records, expense reimbursement detail, wire transfer information and bank statements as requested.		Outstanding	12-07-2018
	General	8	List of Board Members at 12/31/18, including term of office		Outstanding	12-11-2018
		9	Provide a copy of 2017 certificate comments		Outstanding	12-11-2018
		10	Description of internal control procedures, review and update prior year documentation.		Outstanding	12-11-2018
		11	Copies of any new financial related policies - 2018 revisions and new policies		Outstanding	12-11-2018
		12	For selected contracts: Provide actual bids or bid tabulations, publication notices and contractor performance and payment b		Outstanding	12-11-2018
		13	Provide list of all contracts over \$100,000.		Outstanding	12-07-2018
		14	Provide copy of resolution index		Outstanding	12-11-2018
		15	Chart of accounts		Outstanding	12-11-2018
		16	Updated Budget Areas and Responsibilities document		Outstanding	12-11-2018
		17	Copy of employee handbook - if changed during 2018.		Outstanding	12-11-2018
		18	Copy of communication from federal agencies regarding noncompliance. Copies of reports from site visits, audits, etc.		Outstanding	12-11-2018
	Budget	19	Copy of approved budget and related resolution for FY 2018.		Outstanding	12-11-2018
		20	Detail of approved budget adjustments for FY 2018. Provide resolutions for amendments made.		Outstanding	12-11-2018
		21	Copy of approved budget and related resolution for FY 2019.		Outstanding	12-11-2018
	LC	22	Complete Legal Compliance Summary Inquiry List and Public Indebtedness Checklist.		Outstanding	12-11-2018
		23	For bonds issued in 2018, provide access to bond book/CD		Outstanding	12-11-2018
		24	Provide copies of all "Broker Acknowledgement Forms" signed for FY 2018.		Outstanding	12-11-2018
		25	Schedule of unclaimed property and copy of reports submitted State Commissioner of Commerce (345.41) IF ANY		Outstanding	12-11-2018
		26	Provide signed Legal Compliance Representation letters from all board members. (template attached)		Outstanding	12-11-2018
		27	Provide copy of the outstanding indebtedness form certified to the County from February 2017.		Outstanding	12-11-2018
		28	Provide copy of Annual Disclosure of TIF if updated since December 31, 2011		Outstanding	12-11-2018
		29	Provide 2017 Annual Report Form document for TIF districts. (submitted 2018)		Outstanding	12-11-2018
	Insurance	30	Provide list of any settlement exceeding insurance coverage in 2018, 2017 and 2016.		Outstanding	12-11-2018
		31	Provide list of any significant reduction of insurance coverage from prior year.		Outstanding	12-11-2018
Prior to Fieldwork	Planning	32	Prepare signed confirmations (cash, investment, etc) As soon as available		Outstanding	
		33	Copies of bond books or mortgage, promissory notes As soon as available		Outstanding	
		34	Updated Internal control narrative information, if As soon as available		Outstanding	
		35	Electronic version of FY 2018 trial balance, with all closing and other adjustments posted		Outstanding	03-26-2019
		36	Electronic version of FY 2018 G/L detail as of date of trial balance		Outstanding	03-26-2019
		37	Electronic version of 2018 disbursement register (include checks and EFT's).		Outstanding	03-26-2019
		38	Electronic report of all manual journal entries posted during 2018.		Outstanding	03-26-2019

<b>Receivables</b>			
	39	Electronic version of FY 2019 receipt ledger from January 1 - 3/25/2019	Outstanding 03-26-2019
<b>Payables</b>			
	40	Electronic version of FY 2019 disbursement register from January 1 - 3/25/2019	Outstanding 03-26-2019
<b>Fieldwork</b>			
<b>LC</b>			
	41	Provide list of deposit accounts and documentation regarding FDIC coverage and other insurance/collateral as of 12/31/2018	Outstanding 04-01-2019
	42	Electronic copy of the Report of Outstanding Indebtedness report as of 12/31/18 filed with the County.	Outstanding 04-01-2019
	43	If there were any decertified TIF Districts, provide a copy of the "confirmation of decertified TIF District" submitted to Washin	Outstanding 04-01-2019
<b>Intergovernmental Revenue</b>			
	44	Intergovernmental Revenue lead schedule listing out individual grant amounts, with fund identification and reconciling curre	Outstanding 04-01-2019
	45	Provide 2018 disbursement schedule for Housing Choice Voucher Program.	Outstanding 04-01-2019
	46	Provide G/L detail summary of HOME grant expenditures and access to request for reimbursement for largest reimbursemen	Outstanding 04-01-2019
	47	Provide detailed IDIS reconciliation to G/L for CDBG Grant Expenditures.	Outstanding 04-01-2019
	48	Provide ELOCCS draw report for all 2018 draws for Whispering Pines operating subsidy.	Outstanding 04-01-2019
	49	Provide ELOCCS draw report for all 2018 draws for Shelter Plus Care.	Outstanding 04-01-2019
	50	Provide additional supporting documentation from grant files as requested during audit.	Outstanding 04-01-2019
	51	Provide final Schedule of Expenditures of Federal Awards with reconciliation to federal revenues as identified on IGR lead.	Outstanding 04-01-2019
<b>Equity</b>			
	52	Schedule of the components of net position	Outstanding 04-01-2019
	53	Schedule of the components of fund-based equity allocations, including support/authorization for amounts restricted, commi	Outstanding 04-01-2019
	54	Updated fund balance or net position policies including board resolution adopting policy.	Outstanding 04-01-2019
	55	Provide updated language for Note 14B - Minimum Unassigned Fund Balance. (Including calculation to determine targeted u	Outstanding 04-01-2019
<b>Deferred Revenue</b>			
	56	Schedule of unavailable/unearned revenue by fund and nature of revenue INCLUDING summarized information to tie to footr	Outstanding 04-01-2019
<b>Leases</b>			
	57	For any significant leases (annual payments greater than \$20,000) provide copies of lease documents (if new or changes from	Outstanding 04-01-2019
<b>Debt</b>			
	58	For Governmental Activities Long term Debt, provide a schedule of beginning balances, additions, deletions, ending balances	Outstanding 04-01-2019
	59	Provide loan/mortgage/bond documents including amortization schedules for any new debt in governmental activities	Outstanding 04-01-2019
	60	For Proprietary Notes and Mortgages payable, provide a schedule of beginning balances, additions, deletions, ending balance	Outstanding 04-01-2019
	61	For Revenue Bonds, provide a schedule of beginning balances, additions, deletions, ending balances and identification of the	Outstanding 04-01-2019
	62	For new refunding's of debt, prepare calculations to analyze the refunding and determine if there is any gain/loss on refundin	Outstanding 04-01-2019
	63	For any other new or updated agreements, provide updated payment and amortization schedules as needed (including the n	Outstanding 04-01-2019
	64	Provide a schedule of accrued interest payable at 12/31/2018	Outstanding 04-01-2019
	65	Provide amortization schedules for gains/loss, premiums, and discounts, etc.	Outstanding 04-01-2019
	66	Schedule of conduit debt outstanding	Outstanding 04-01-2019
	67	Schedule of deferred refunding costs	Outstanding
	68	Schedule of compliance with debt covenants	Outstanding 04-01-2019
	69	Provide workpaper to summarize information for Debt footnotes. (including revenues pledged)	Outstanding 04-01-2019
<b>Deposits payable</b>			
	70	Schedules for escrow, security, FSS and other deposits payable, including reconciliation of the deposit amount to the related	Outstanding 04-01-2019
<b>Payroll Related</b>			
	71	Schedule of salaries payable at 12/31/18, reconciled to related payroll checks of 2019	Outstanding 04-01-2019
	72	Provide copy of payroll registers to support salaries payable calculation.	Outstanding 04-01-2019
	73	Summary of 2018 contributions to the 457 plan including identification of the employee and employer shares, reconciled to C	Outstanding 04-01-2019
	74	Provide summary plan description if changes were made to employee retirement plans during FY 2018.	Outstanding 04-01-2019
	75	Schedule of Compensated Absences by employee as of 12/31/18, including FICA/Medicare accruals. Include details regarding	Outstanding 04-01-2019
	76	Calculation of Compensated Absences estimated to be due in one year.	Outstanding 04-01-2019
	77	Provide documentation to support any changes in OPEB position. (PY documented that WCCDA position is implicit rate statu	Outstanding 04-01-2019
<b>Payables</b>			
	78	Schedule of detail of accounts payable and DTOG at year end, by fund, including identification of and supporting documentat	Outstanding 04-01-2019
	79	Schedule of PILOT accrual amounts	Outstanding 04-01-2019

<b>Property held for resale</b>			
80	Schedule of property held for resale, including details of any additions, deletions or changes in balance (consider if the property is held for resale)	Outstanding	04-01-2019
81	Have supporting documentation available for all purchases and sales of property held for Resale.	Outstanding	04-01-2019
<b>Construction</b>			
82	Schedule of construction activity by fund, including identification of amounts capitalized and expensed.	Outstanding	04-01-2019
83	Schedule of Contracts Payable and Retainage payable by project/fund, including identification of contract commitments	Outstanding	04-01-2019
84	Listing of all open projects at 12/31/2018, with identification of the related fund and contract details (including disclosure for projects over \$100,000)	Outstanding	04-01-2019
<b>Capital Assets</b>			
85	Capital Asset Lead Schedule including beginning balances, additions, deletions and ending balances and changes in accumulated depreciation	Outstanding	04-01-2019
86	Detail Capital Asset Schedules for buildings and structures, grounds and land improvements, furniture and fixtures and land.	Outstanding	04-01-2019
87	Detail listing of all asset additions, reconciled to capital outlay as applicable	Outstanding	04-01-2019
88	Detail listing of all asset disposals, including a schedule of gain/loss on disposal	Outstanding	04-01-2019
89	Schedule of depreciation by function - previous years all depreciation was charged to general government. NCN to provide schedule of depreciation by function	Outstanding	04-01-2019
90	Provide workpaper showing calculation of deferred gain on sale of property.	Outstanding	04-01-2019
<b>Interfund Activity</b>			
91	Matrix of interfund transfers including description and approval/authorization.	Outstanding	04-01-2019
92	Due to and Due from other funds balances detail per fund	Outstanding	04-01-2019
93	Provide schedules for Red Rock loan and Whispering Oaks TIF Loan from 2014	Outstanding	04-01-2019
94	Provide a copy of any new Interfund Loan documents and a schedule of draws on the loan	Outstanding	04-01-2019
95	Provide summary of balances not expected to be collected within one year	Outstanding	04-01-2019
<b>Prepays</b>			
96	Schedule of prepaid balances and detail by fund with supporting documentation for significant items.	Outstanding	04-01-2019
<b>Property Taxes</b>			
97	Schedule of delinquent tax activity (reconciled to County balances) including calculation of the balance not expected to be collected	Outstanding	04-01-2019
98	Schedule of Ad Valorem and TIF property tax revenue by fund	Outstanding	04-01-2019
99	Schedules of Ad Valorem and TIF property tax collections by settlement	Outstanding	04-01-2019
100	Copy of the Resolution adopting the 2018 and 2019 Tax Levy	Outstanding	04-01-2019
101	Copies of all Washington County Tax Settlement statements, including Certification of TIF net tax capacities for 2018 for TIF districts	Outstanding	04-01-2019
<b>Other Revenue</b>			
102	Schedule of Vacancy Rates by month, property and unit size	Outstanding	04-01-2019
103	Schedule of 2018 rent rates by property and unit size	Outstanding	04-01-2019
104	Provide analytics of Rental Revenue by property as compared to budget and prior year. Provide explanations for significant variances	Outstanding	04-01-2019
105	Provide explanations and supporting documentation for any significant, non-routine revenue sources in the properties or government	Outstanding	04-01-2019
<b>Receivables</b>			
106	Schedule of the detail of accounts receivable of DFOG balances by fund	Outstanding	04-01-2019
107	Copy of aged tenant accounts receivable report	Outstanding	04-01-2019
108	Schedule of Loan Receivables including interest accrual calculations	Outstanding	04-01-2019
109	Calculation of receivable balances not expected to be collected within one year	Outstanding	04-01-2019
110	Analysis of any allowance necessary for doubtful accounts	Outstanding	04-01-2019
111	Capital Lease Receivable amortization schedule - if changes from 2013	Outstanding	04-01-2019
<b>Cash/Investments</b>			
112	For all bank/broker accounts (including trust accounts) provide a copy of the December reconciliation and bank statements.	Outstanding	04-01-2019
113	Provide a listing of all new trust accounts and which property/debt issue they relate to	Outstanding	04-01-2019
114	Provide access to January 2019 Statements for all accounts	Outstanding	04-01-2019
115	Schedule of year-end deposits and investments, detailing each investment as of 12/31/18 by broker and description, AND FAI	Outstanding	04-01-2019
116	Schedule of accrued interest receivable calculation	Outstanding	04-01-2019
117	Schedule of investment income by fund, reconciled to sources of interest	Outstanding	04-01-2019
118	Provide workpaper to document unrestricted vs restricted cash and investments. Historically, auditor has performed calculations	Outstanding	04-01-2019
<b>Other</b>			
119	Provide copy of Shelter agreement in place during FY 2018. (If changes were made to the previously existing 2014-2018 agreement)	Outstanding	04-01-2019
<b>During and After Fieldwork</b>			
<b>General</b>			
120	During the course of testing, we generally will identify issues	On-going	Outstanding

## CAFR

121	Transmittal Letter	Prior to Audit Issuance	Outstanding
122	MD&A	Prior to Audit Issuance	Outstanding
123	CAFR cover	Prior to Audit Issuance	Outstanding
124	Organizational Chart	Prior to Audit Issuance	Outstanding
125	Provide copy of Certificate of Achievement from 2	Prior to Audit Issuance	Outstanding
126	Provide updated language for Note 1B - Reporting	Prior to Audit Issuance	Outstanding
127	Provide copies of financial statements and govern	Prior to Audit Issuance	Outstanding
128	Statistical section (tables 7,9-15)	Prior to Audit Issuance	Outstanding