

REGULAR BOARD MEETING AGENDA

Notice is hereby given that the Board of Commissioners of Roseau County will meet in session on February 26, 2019, at 8:30 a.m., in the Roseau County Courthouse, Room 110, Roseau, MN, at which time the following matters will come before the Board:

8:30 Call to Order

1. Presentation of Colors
2. Approve Agenda
3. Comments and Announcements
4. Approve Bills

8:35 Delegations/Board Appointments/Public Comments*

1. Richard Magnusson, Roseau County Ag Society / Red River Development Association - Update
2. Mike Pontius, Minnesota Power – County Road 137 Utilization

9:05 Consent Agenda

1. February 11, 2019 Board Proceedings
2. Jail Transition Program Funding

9:10 Department Reports

1. Auditor
 - a. 2018 Audit Engagement Letter

9:15 Committee Reports

9:20 County Board Items

1. Warroad Harbor Project – Funding Request
2. Lake of the Woods 1W1P Governance Structure
3. Commissioner Committee Reports

10:00 Unfinished Business

10:00 Adjourn

***Limited to five minutes**



Roseau County Request for Board Action

Agenda Item #: Board Appointment 1 <small>(for office use only)</small>		
Requested Board Date:	February 26, 2019	Originating Department: RRDA/County Ag Society
Subject Title (as it will appear on the Agenda): Red River Development Association / Roseau County Ag Society - Update	Presenter: Richard Magnusson	
	Estimated Amount of Time Needed for Discussion: <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input checked="" type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
Board Action Requested: Richard will provide program updates to the Board.		
Background:		
Supporting Documentation: <input type="checkbox"/> Attached <input checked="" type="checkbox"/> None		
Agenda Classification for County Board Meeting:		
<input checked="" type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



Roseau County Request for Board Action

Agenda Item #: Board Appointment 2 <small>(for office use only)</small>		
Requested Board Date:	February 26, 2019	Originating Department: Minnesota Power
Subject Title (as it will appear on the Agenda): County Road 137 Utilization		Presenter: Mike Pontius
		Estimated Amount of Time Needed for Discussion: <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input checked="" type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes
Board Action Requested: Requesting Board approval for MN Power to utilize County Road 137, per the attached correspondence.		
Background:		
Supporting Documentation: <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
Agenda Classification for County Board Meeting: <input checked="" type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		

From: Mike Pontius (MP) <mpontius@mnpower.com>
Sent: Thursday, February 21, 2019 9:46 AM
To: Jeffrey D. Pelowski
Cc: Brian Gustafson
Subject: Upcoming commissioner mtg

Hi Jeff

I'm Mike Pontius with Mn Power and part of the great norther transmission line construction team. Last week I met with the commissioners at the highway meeting and inquired about using Cnty 137 during road restrictions. The group indicated that they would support allowing us to use the road if we issued a \$200,000 purchase order that could be drawn on to make any repairs to the road.

Commissioners explained that they could not formally approve the road use because it was not an official commissioner meeting.

Can you get us on the agenda for the next meeting so we can get formal approval to use County 137 up to 350th St during road restrictions.

Please let me know if I need to take any further action to get on the agenda

Thanks

Mike

218-851-9376

PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS

February 11, 2019

The Board of Commissioners of Roseau County, Minnesota met in the Courthouse in the City of Roseau, Minnesota on Monday, February 11, 2019.

CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Board Chair Jack Swanson. The Pledge of Allegiance was recited. Commissioners present were Roger Falk, John Horner, Jack Swanson, Russell Walker and Daryl Wicklund. Others present were John Huss, Jeff Pelowski, Joleen Kezar, Brian Ketring, Kristy Kjos, Dave Anderson, Liz Lund, and Tony Moe.

APPROVAL OF AGENDA

A motion to approve the Agenda was made by Commissioner Walker, seconded by Commissioner Falk, and carried unanimously.

COMMENTS AND ANNOUNCEMENTS

Commissioner Falk mentioned that MN Power is starting to construct the tower portion of the new powerline project. Commissioner Swanson noted that the AMC Legislative Conference starts tomorrow. Coordinator Pelowski read a thank you note from the Retired Seniors Volunteer Program (RSVP) for the allocation of funds they received from the County for 2019. Commissioner Walker stated that it was a hectic week of plowing for the highway department due to the snowfall and wind.

APPROVE BILLS

A motion was made by Commissioner Wicklund, seconded by Commissioner Horner, and carried unanimously to approve the payment of the following warrants (warrant #: 139516 to 139707):

Warrants Approved For Payment 1/24/2019

<u>Vendor Name</u>	<u>Amount</u>
AFLAC	3,503.62
BADGER CITY	4,858.98
GREENBUSH CITY	18,356.16
MN ENERGY RESOURCES	4,853.24
ROSEAU CITY	15,692.86
ROSEAU RIVER WATERSHED DIST	17,405.08
SATHER LAW OFFICE	3,544.85
SCHOOL DIST 2683	15,157.76
SCHOOL DIST 676	11,569.03
SCHOOL DIST 682	70,166.71
SCHOOL DIST 690	57,881.39
TOWN OF GRIMSTAD	3,461.02
TOWN OF LAKE	10,269.70
TOWN OF MORANVILLE	2,294.63
TWO RIVERS WATERSHED DISTRICT	4,644.45
WARROAD CITY	22,954.18
WARROAD PORT AUTHORITY	3,160.64

43 Payments less than 2,000.00	26,256.06
Final Total:	296,030.36

Warrants Approved For Payment 1/31/2019

<u>Vendor Name</u>	<u>Amount</u>
KB BOBCAT SERVICE-DBA	3,665.62
MN JUDICIAL BRANCH	22,615.89
SATHER LAW OFFICE	2,003.27
3 Payments less than 2,000.00	2,157.3
Final Total:	30,442.17

Warrants Approved For Payment 2/07/2019

<u>Vendor Name</u>	<u>Amount</u>
DEARBORN NATIONAL LIFE INSURANCE	3,297.13
JOHNSON/LAURE A	3,526.88
MN ENERGY RESOURCES	2,589.62
ROSEAU CITY	9,966.96
SUN LIFE ASSURANCE COMPANY OF CANADA	2,268.35
13 Payments less than 2,000.00	8,579.30
Final Total:	30,228.24

Warrants Approved On 2/11/2019 For Payment 2/14/2019

<u>Vendor Name</u>	<u>Amount</u>
AIR MED CARE NETWORK	65,398.00
BELTRAMI CO AUDITOR/TREASURER	35,000.00
COMPASS MINERALS AMERICA	12,473.57
COULOMBE CONSULTING	3,640.00
GARTNER REFRIGERATION CO	6,739.76
GCR TIRES & SERVICE	2,381.42
IMPACT	3,254.80
JERAD LIEBERG AG CONSULTING	3,736.74
JOHNSON OIL CO INC	5,006.50
KITSON COUNTY COURTHOUSE	5,409.73
KRAUS ANDERSON	8,505.47
LITTLE FALLS MACHINE INC	4,236.33
MAR-KIT LANDFILL	36,077.00
MARCO INC	2,287.32
MJ ARCHITECTURAL STUDIOS INC	16,226.18
MN COUNTIES COMPUTER COOP	7,682.31
MSOP-MN SEX OFFENDER PROGRAM-D	4,513.30
POWERPHONE INC	2,045.00
RINKE-NOONAN LAW FIRM	2,145.00
ROSEAU CO COOP ASSN	5,766.26
ROSEAU CO HWY DEPT	4,767.50
ROSEAU DIESEL SERVICE INC	3,186.07
SJOBORG'S INC	2,668.25
VERITEXT	3,349.29
84 Payments less than 2,000.00	36,336.71
Final Total:	282,832.51

DELEGATIONS/BOARD APPOINTMENTS/PUBLIC COMMENTS

Tony Moe, Grygla/Fourtown Sportsman's Club

Tony Moe, representing the Grygla/Fourtown Sportsman's Club, met with the Board to request a letter of support for the proposed Moose River Dike Off-Highway Vehicle (OHV) Trail located in Northwest Beltrami County. Following discussion, a motion was made by Commissioner Falk, seconded by Commissioner Walker, and carried unanimously to adopt the following Resolution:

2019-02-03

RESOLUTION SUPPORTING GRYGLA/FOURTOWN SPORTSMAN'S CLUB:

WHEREAS, the Fourtown/Grygla Sportsman's Club (Club) is a local snowmobile and off road vehicle (OHV)/all-terrain vehicle (ATV) club that manages the Grant-In-Aid trail systems in Northwestern Beltrami County;

WHEREAS, the Club also conducts firearm safety training, snowmobile safety training, OHV/ATV safety training, and is actively involved in many other community events;

WHEREAS, the Club is submitting a trail application to the Minnesota Department of Natural Resources (MnDNR) for an OHV/ATV Grant-In-Aid trail on the Moose River Dike located in Northwest Beltrami County;

WHEREAS, the Moose River Dike was constructed in 1988 on State-owned lands at a cost of \$3,428,000; of which the State of Minnesota contributed \$1,690,000, the Red Lake Watershed District paid \$612,000, and the Red River Watershed Board allocated \$1,126,000;

WHEREAS, the existing Moose River Dike trail is open to motor vehicle travel, but NOT OHV/ATV travel, from "freeze up" to March 31st, and from July 16th to September 15th;

WHEREAS, the Club is requesting that the existing trail be open to OHV/ATV use during the same timeframe that it is open to other motor vehicles;

WHEREAS, the Club is proposing that the OHV/ATV trail would utilize the same (existing) surface that is used by other motor vehicles;

WHEREAS, the Club currently maintains a snowmobile trail on the Moose River Dike;

WHEREAS, the proposed OHV/ATV trail would provide an important connection between the existing Grant-In-Aid trails in the Fourtown area with the trails in the rest of Beltrami Island State Forest;

THEREFORE BE IT RESOLVED, that the Roseau County Board of Commissioners hereby supports the Club's request to designate the Moose River Dike as a Grant-In-Aid OHV/ATV trail.

CONSENT AGENDA

A motion to approve the Consent Agenda was made by Commissioner Horner, seconded by Commissioner Wicklund, and carried unanimously. The Board, by adoption of its Consent Agenda, approved the January 22, 2019, Board Proceedings; approved the Roseau County Trailblazers Maintenance and Grooming 2nd Benchmark; approved the Subsurface Sewage Treatment System (SSTS) Contract Renewal; approved the Warroad Community Ed funding request for the

Unorganized Townships in the Warroad School District; approved the Fire Contract Services Agreement for the Unorganized Townships in the Greenbush Service Area, (Blooming Valley & Juneberry); and approved the hire of two regular full-time Social Workers, (Grade 7, Step C).

DEPARTMENT REPORTS

Highway

2019 Bridge Program Resolution

Engineer Ketring met with the Board requesting approval of the 2019 Bridge Program Resolution. There was discussion regarding State and Federal funding for bridge repair. Following discussion, a motion was made by Commissioner Wicklund, seconded by Commissioner Horner, and carried unanimously to adopt the following Resolution:

2019-02-01

2019 Bridge Program Resolution

WHEREAS Roseau County has determined that the following deficient bridges on the CSAH, County Road, and Township bridge systems are a high priority and require replacement or rehabilitation in the next seven years and has revised the overall priority list as follows:

Bridge No.	Road No.	Sufficiency Rating	Engineers Estimate	Proposed Construction Yr.
90658	CR 119	67.8	\$250k	2019
92663	CSAH 9	<80.0	\$125k	2019
R0235	Twp. Road	42.0	\$450k	2019
68507	CSAH 13	67.0	\$800k	2021
L-4439	Twp. Road	73.0	\$225k	2022
L-9503	Twp. Road	57.8	\$225k	2022
93984	CR 126	71.4	\$750k	2023
L-5986	Twp. Road	71.4	\$700k	2024
93068	CSAH 28	75.1	\$750k	2025

WHEREAS local roads play an essential role in the overall state transportation network and local bridges are the critical component of the local road systems, and

WHEREAS State support for the replacement or rehabilitation of local bridges continues to be crucial to maintaining the integrity of the local road systems and is necessary for the County and the townships to proceed with the replacement or rehabilitation of the high priority deficient bridges described above, and

WHEREAS Roseau County intends to proceed with replacement or rehabilitation of these bridges as State Transportation Bond Funds become available.

NOW, THEREFORE, BE IT RESOLVED Roseau County commits that it will proceed with the design and contract documents for these bridges immediately after being notified that funds are available in order to permit construction to take place within one year of notification.

Assessor

"True County" Resolution

Assessor Lund met with the Board to request approval of the "True County" Resolution, stating that Roseau County will be completing all assessing from within the County Assessor's Office beginning with the 2021 Assessment. Following discussion, a motion was made by Commissioner Walker, seconded by Commissioner Horner, and carried unanimously to adopt the following Resolution:

2019-02-02

**RESOLUTION APPROVING
ROSEAU COUNTY AS A TRUE COUNTY**

WHEREAS, the Roseau County Board of Commissioners recognizes the importance of a consistent assessment for property tax purposes throughout the entire County; and

WHEREAS, the County Board recognizes that the County Assessor is authorized to provide for the assessment of all taxable property in the County, Minnesota Statute 273.052; and

WHEREAS, the County Board is authorized to appropriate sufficient money to defray the expenses of conducting the property assessment, Minnesota Statute 273.053; and

WHEREAS, the election to provide for the assessment of property by the County Assessor shall be made by County Board Resolution, Minnesota Statute 273.053; and

WHEREAS, such Resolution shall be effective at the second assessment date following the adoption of the Resolution, Minnesota Statute 273.055; and

WHEREAS, upon the adoption of the Resolution, the office of all Township and City Assessor's in such County shall be terminated 90 days prior to the assessment date at which the election becomes effective, Minnesota Statute 273.055; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners in and for the County of Roseau, Minnesota, that pursuant to Minnesota Statute 273.052, the Board of Commissioners elects to authorize the County Assessor to provide for the assessment of all taxable property in the County.

Retainer Agreement – Tax Court Legal Representation

Assessor Lund requested Board approval of a Retainer Agreement for Tax Court Legal Representation, if applicable. Following discussion, a motion was made by Commissioner Walker, seconded by Commissioner Falk, and carried unanimously to approve a Retainer Agreement with Briggs and Morgan, P.A.

COUNTY BOARD ITEMS

Commissioner Committee Reports (January 22 – February 11, 2019)

Commissioner Falk reported on the following committee(s): Northern Counties Land Use Coordinating Board Meeting; Operations Committee/County Board Work Session; Roseau River Watershed District Meeting.

Commissioner Horner reported on the following committee(s): Warroad River Watershed Board Meeting; Association of Minnesota (AMC) Newly Elected County Commissioners Training; Operations Committee/County Board Work Session.

Commissioner Swanson reported on the following committee(s): Domestic Violence Advisory Committee Meeting; AMC County Government 101 Meetings; Law Library Committee Meeting; Building Committee Meeting; LifeCare Medical Center Public Health Meeting; Roseau Economic Development Authority Meeting; Roseau City Council Meeting; Operations Committee/County Board Work Session; Community Justice Coordinating Committee Meeting; TPT Census Meeting.

Commissioner Walker reported on the following committee(s): 911 Sign Committee Meeting; Operations Committee/County Board Work Session.

Commissioner Wicklund reported on the following committee(s): AMC Newly Elected County Commissioners Training; Two Rivers Watershed Board Meeting; NW Regional Development Commission Meeting; Operations Committee/County Board Work Session.

Upon motion carried, the Board adjourned the meeting at 9:25 a.m. The next Regular meeting of the Board is scheduled for Tuesday, February 26, 2019 at 8:30 a.m.

Attest:

Date: _____

Jeff Pelowski, County Coordinator
Roseau County, Minnesota

Jack Swanson, Chair
Board of County Commissioners
Roseau County, Minnesota

DRAFT

Colleen Hoffman, Director
Crystelle Philipp, CPA
Marit Knutson, CPA



Hoffman, Philipp, & Knutson, PLLC

1541 Highway 59 South | Thief River Falls, MN 56701 | Phone: 218-681-4078 | choffman@mncable.net

January 18, 2019

The Honorable Martha Monsrud
Roseau County Auditor
606 5th Avenue SW
Roseau, Minnesota 56751

We are pleased to confirm our understanding of the services we are to provide Roseau County for the year ended December 31, 2018. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Roseau County, as of and for the year ended December 31, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as the Management's Discussion and Analysis (MD&A), budgetary comparison schedules, Other Post-Employment (OPEB) schedules, and Public Employees Retirement Association (PERA) schedules, to supplement Roseau County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited.

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the supplementary information, as listed in the table of contents of your financial report, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements. To accompany the financial statements, your report will also include introductory and other schedules sections that will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report

on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to (1) describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; and the legal provisions of the *Minnesota Legal Compliance Audit Guide for Counties*, and will include tests of the accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports and to report in conformity with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Roseau County Board of Commissioners. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures--General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the County or to acts by management or employees acting on behalf of the County. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

Audit Procedures--Internal Controls

Our audit will include obtaining an understanding of the County and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Governmental Auditing Standards*, and the Uniform Guidance.

Audit Procedures--Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Roseau County's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the County has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Roseau County's major programs. The purpose of these procedures will be to express an opinion on Roseau County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing a draft of your financial statements, schedule of expenditures of federal awards, related notes, and other supporting schedules in accordance with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We will assist with preparation of the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in accordance with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence, and (5) access to employees who will locate any documents selected by us for testing. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Roseau County involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the County received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that Roseau County complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards, take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings, promptly follow up and take corrective action on reported audit findings, and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported, on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including

its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditure of federal awards, and related notes, and that you have reviewed and approved the financial statements, schedule of expenditure of federal awards, and related notes, prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferable from senior management, with suitable skill, knowledge or experience, evaluate the adequacy and results of those services, and accept responsibility for them.

Audit Administration

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to those specified on the County's distribution list; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Hoffman, Philipp, & Knutson, PLLC (HPK) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of HPK personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained, pursuant to our record retention plan, for a period of seven years after the date the auditor report is issued. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation. Our fee of \$25,000 for the second year of our five-year contract is based on standard hourly rates and includes travel costs and expenses. The condition of your records and the assistance you are able to provide us affects the timeliness of the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We will be available throughout the year to answer questions, provide assistance, or assist you in implementing any of our recommendations.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. A copy of our unqualified report dated December 16, 2016, is included with this letter.

We appreciate the opportunity to be of service to Roseau County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at (218) 681-4078. If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us.

Sincerely,



Crystelle Philipp, CPA
Hoffman, Philipp & Knutson, PLLC

Approved: This letter correctly sets forth the understanding of Roseau County.

Chair of Board of County Commissioners (Governance)

Date

County Auditor (Management)

Date

SYSTEM REVIEW REPORT

December 16, 2016

To the Partner of
Hoffman Philipp & Knutson, PLLC
and the Peer Review Committee of the Minnesota Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Hoffman Philipp & Knutson, PLLC (the firm) in effect for the year ended September 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Governmental Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Hoffman Philipp & Knutson, PLLC in effect for the year ended September 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*; *pass with deficiency(ies)* or *fail*. Hoffman Philipp & Knutson, PLLC has received a peer review rating of *pass*.

Schlenner Wenner & Co.

SCHLENNER WENNER & CO.
St. Cloud, Minnesota

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St. Cloud
320.251.0286

Little Falls
320.632.6311

Albany
320.845.2940

Maple Lake
320.963.5414

Monticello
763.295.5070



Roseau County Request for Board Action

Agenda Item #: County Board 1 <small>(for office use only)</small>		
Requested Board Date:	February 26, 2019	Originating Department: Commissioners
Subject Title (as it will appear on the Agenda): Warroad Harbor Project – Funding Request		Presenter: Russell Walker
		Estimated Amount of Time Needed for Discussion: <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input checked="" type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes
Board Action Requested: Requesting Board approval to contribute County funds towards the proposed Project.		
Background:		
Supporting Documentation: <input type="checkbox"/> Attached <input checked="" type="checkbox"/> None		
Agenda Classification for County Board Meeting: <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input checked="" type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



Roseau County Request for Board Action

Agenda Item #: County Board 2 <small>(for office use only)</small>		
Requested Board Date:	February 26, 2019	Originating Department: Commissioners
Subject Title (as it will appear on the Agenda): Lake of the Woods One Watershed One Plan (1W1P) Governance Structure	Presenter: Russell Walker	
	Estimated Amount of Time Needed for Discussion: <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input checked="" type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
Board Action Requested: Discuss the governance structure options available (attached) to oversee adoption and implementation of the Lake of the Woods 1W1P.		
Background:		
Supporting Documentation: <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
Agenda Classification for County Board Meeting: <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input checked="" type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		

Lake of the Woods One Watershed One Plan Update



Volume 6

March to July 2018

Policy Committee: (Met June 20th)

- ✓ Approved the Measurable Goals Section of the Plan.
- ✓ Updated on the Implementation Sections of the Plan.
- ✓ Discussed governance structures with Minnesota Counties Insurance Trust staff (see Page 2)

Advisory Committee and Planning Work Group:

- ✓ Multiple meeting since March (AC met March 21, April 10, 26) (PWG met May 15 and June 19)
- ✓ Working on Measurable Goals, Actions and Implementation Sections of the Plan.

Timelines:

Anticipated Timelines for Lake of the Woods One Watershed One Plan Approval / Implementation	Dates
1. Policy Committee approval of Draft Plan and Submit Draft Plan to review agencies for 60-Day review.	October 20, 2018
2. Host public meeting	Fall / Winter 2018
3. End 60-Day review	December 19, 2018
4. Hold public hearing	January, 2019
5. Policy Committee approval, submit to Board of Water & Soil Resources (BWSR)	January, 2019
6. Submit the Draft Plan, summary of revisions, all comments and record of public hearing to review agencies. BWSR has 90 days to complete its review and approve/disapprove all or parts of the Plan. Includes 30 day State Agency final comment period.	January, 2019
7. BWSR Board Meeting for state plan approval	March 2019
8. LGUs Adopt the Plan within 120 Days	March to July 2019

Calendar:

- ✓ July, 2018: *Planning Work Group* meeting: Discuss and finalize Plan Section 4 Targeted Implementation and Plan Section 5 Implementation Programs.
- ✓ August 22, 2018: *Policy Committee* meeting: Approve Plan Section 4 and Plan Section 5.

For more information please visit: www.low1w1p.org or contact a Planning Work Group member:

- Mike Hirst: Lake of the Woods SWCD, mike.hirst@mn.nacdnet.net, (218) 634-1842 x4
- Janine Lovold: Roseau SWCD, janine.lovold@roseau.mnswcd.org, (218) 463-1903
- Josh Stromlund: Lake of the Woods County, josh_s@co.lake-of-the-woods.mn.us, (218) 634-1945
- Brian Ketring: Roseau County Highway Engineer, bketring@co.roseau.mn.us, 218-463-3750
- Scott Johnson: Warroad River Watershed District, scott.johnson@roseau.mnswcd.org, (218) 463-1903

Governance Options For 1W1P Implementation

Most 1W1P governance structures fall into two categories: **1. Joint Powers Collaboration;** or **2. Joint Powers Entity.** Below are some bullet points regarding the differences between the two structures. The Policy Committee members will be discussing governance structures with their respective boards in July and August to bring recommendations back to the August Policy Committee Meeting. The entities that will be entering into an agreement are: Lake of the Woods County, Roseau County, Lake of the Woods SWCD, Roseau County SWCD, and the Warroad River Watershed District.

Joint Powers Collaboration (JPC)

- JPC does not establish a new entity
- Decision making authority and liability remains with the participating members (although consolidated)
- May not enter into contracts, own property itself in the name of the JPC because it is not a legal separate entity. Must be in the name of one of all of the members
- Members provide the funding

- Board
 - Not needed
 - If a board is established, it is strictly advisory in nature
 - Individual governmental units retain all decision-making authority including approving contracts, budgets etc.
 - All decisions must be approved by all boards of participating entities
- No employees
 - Members may assign their employees to JPC projects
 - Employee remains an employee of his or her original governmental unit

- How liability apportioned between members should be discussed

Joint Powers Entity (JPE)

- JPE is a separate, free-standing public entity with independent (delegated) decision making authority that can sue and be sued
 - Liability should be transferred from the participating members to the JPE
 - Contracts, agreements etc. are in the entity name
 - Must comply with regulations as a free-standing government entity i.e., Open Meeting Law, Minnesota Government Data Practices Act, Records Retention etc.
- Board
 - Needed to operate
 - Must be *representative* of its members
 - Operates autonomously from the boards of the individual members
 - Individual members delegate control and authority of scope of agreement to the JPE board
- Employees
 - May have employees. As a separate entity must have own payroll, personnel policies etc.

More information from MCIT on JPCs and JPEs can be found at:

https://www.mcit.org/wp-content/uploads/2015/07/ABCs_of_JPEs_Joint_Powers_Analysis_and_Worksheet_08-2015.pdf



Roseau County Request for Board Action

Agenda Item #: County Board Item 3 <small>(for office use only)</small>		
Requested Board Date:	February 26, 2019	Originating Department: Coordinator
Subject Title (as it will appear on the Agenda): Commissioner Committee Reports		Presenter: Commissioners
		Estimated Amount of Time Needed for Discussion: <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input checked="" type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes
Board Action Requested: Commissioners will present their Committee Reports.		
Background:		
Supporting Documentation: <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
Agenda Classification for County Board Meeting: <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input checked="" type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		

JACK SWANSON COMMITTEE REPORT

FEB 12, 2019 - ASSOCIATION OF MINNESOTA COUNTIES (AMC) CANNABIS COMMITTEE (ST PAUL); working on AMC response to proposed legalization legislation

FEB 13, 2019 - AMC RESEARCH COMMITTEE (ST PAUL)

FEB 13, 2019 - NORTHERN COUNTIES LAND USE COORDINATING COMMITTEE (ST PAUL)

FEB 13, 2019 - AMC LEGISLATIVE CONFERENCE (ST PAUL); met with State Representative Dan Fabian and State Senator Mark Johnson; heard Minnesota Governor Tim Walz say he's adding \$30 million in his budget for County Program Aid

FEB 14, 2019 - AMC EXTENSION COMMITTEE (ST PAUL); raised issue Roseau County faces in finding a ½ time 4H Program Coordinator

FEB 14, 2019 - AMC PUBLIC SAFETY POLICY COMMITTEE (ST PAUL); discussion on proposed telephone CPR training for dispatchers

FEB 14, 2019 - TELEVISION INTERVIEW WITH T-P-T ON 2020 CENSUS (ST PAUL)

FEB 19, 2019 - SOCIAL SERVICES BOARD

FEB 19, 2019 - SAFETY COMMITTEE

FEB 19, 2019 - MEETING WITH VARIOUS STAKEHOLDERS ON POTENTIAL \$1.5 MILLION GRANT FOR ROSEAU COUNTY

FEB 20, 2019 - NATIONAL ASSOCIATION OF COUNTIES COMMUNITY, ECONOMIC & WORKFORCE DEVELOPMENT TELECONFERENCE

FEB 21, 2019 - AMC FUTURES TASK FORCE (STAPLES)

FEB 22, 2019 - AMC FUTURES TASK FORCE (STAPLES)