

8410.0150 ANNUAL REPORTING REQUIREMENTS.

Subpart 1. **Requirement for annual financial, activity, and audit reports.** Within 120 days of the end of the watershed management organization's fiscal year, each organization shall submit to the board a financial report, an activity report, and an audit report for the preceding fiscal year if it has expended or accrued funds during this time. These reports may be combined into a single document. The audit report for the preceding fiscal year must be prepared by a certified public accountant or the state auditor and forwarded to the state auditor's office within 120 days of the end of the fiscal year.

Subp. 2. **Content of annual financial report.** The annual financial report must include the following information:

- A. the approved budget;
- B. a reporting of revenues;
- C. a reporting of expenditures; and
- D. a financial audit report or section that includes a balance sheet, a classification of revenues and expenditures, an analysis of changes in final balances, and any additional statements considered necessary for full financial disclosure.

Subp. 3. **Content of annual activity report.** The annual activity report must include the following information:

- A. a list of the organization's board members, advisory committee members, and board member vacancies at the end of the reporting year, including the names of designated officers and members and information on how members can be contacted, and indicating the governmental organization that each board member represents for joint powers organizations and the county that each member is appointed by for watershed districts;
- B. a list of organization employees and consultants, including mailing addresses and telephone numbers;
- C. an assessment of the previous year's annual work plan that indicates whether the stated goals and objectives were achieved and, if they were not achieved, indicates why they could not be achieved;
- D. a projected work plan for the next year indicating the desired goals and objectives;
- E. a summary of the permits or variances issued or denied under ordinances or rules required by the organization or local plan and any enforcement actions initiated by either the organization or its local units of government;

F. a summary of water quality monitoring data collected by the organization or its local units of government;

G. an evaluation of the status of local plan adoption and implementation based on a review of the local unit of governments' activities by the organization during the past year;

H. a copy of the written communication required by part 8410.0100, subpart 3;

I. the organization's activities related to the biennial solicitations for interest proposals for legal, professional, or technical consultant services under Minnesota Statutes, section 103B.227, subdivision 5;

J. an assessment of changes in fund balances, including a description of the costs of each program element with respect to the overall annual budget; and

K. the status of any locally adopted wetland banking program.

Subp. 4. **Procedure for state audit.** The board shall use the procedure described in items A to D to determine whether to order a state financial or performance audit of an organization.

A. Before the board will consider ordering a state audit, a written complaint must be filed with the board's executive director requesting the board to order a state audit. The complaint must state as specifically as possible the grounds for requesting a state audit. Valid grounds for requesting a state audit include the mishandling or misuse of public funds or the documented failure to implement an approved plan.

B. The executive director shall determine whether there is a basis for a complaint before reporting the complaint to the board. The executive director shall ensure that the affected organization is notified of the complaint and given an opportunity to respond to the allegations before determining whether there is a basis for the complaint.

C. If the executive director determines there is a basis for the complaint, the complaint shall be reported to the board. The affected organization shall be given an opportunity to appear before the board at the time the complaint is reported to it and respond to the allegations in the complaint. The complainant shall also be given an opportunity to appear.

D. After having the complaint reported to it, and after providing an opportunity for the organization and the complainant to be heard by it, the board shall decide whether to order a state financial or performance audit of the organization.

Statutory Authority: *MS s 103B.101; 103B.211; 103B.231; 103B.227*

History: *17 SR 146*

Published Electronically: *October 13, 1997*