

**PELICAN RIVER WATERSHED DISTRICT  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2022**

**PELICAN RIVER WATERSHED DISTRICT**

TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>	<u>PAGE</u>
Principal Officials.....	1
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	2 – 4
Statement of Net Cash Position – Cash Basis.....	5
Statement of Activities Arising from Cash Transactions – Cash Basis.....	6
Statement of Balances Arising from Cash Transactions – Cash Basis – Governmental Funds .....	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Cash Basis – Governmental Funds.....	8
Notes to Financial Statements.....	9 – 20
<b>SUPPLEMENTARY INFORMATION SECTION</b>	
Budgetary Comparison Schedule – Cash Basis – General Fund.....	21
Budgetary Comparison Schedule – Cash Basis – Utility Stormwater Fund.....	22
Budgetary Comparison Schedule – Cash Basis – DCM-01 .....	23
Combining Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Cash Basis – Nonmajor Governmental Funds .....	24
Schedule of Accounts Receivable .....	25
Schedule of Accounts Payable.....	26
<b>OTHER REPORT SECTION</b>	
Independent Auditor's Report on Minnesota Legal Compliance .....	27

## **INTRODUCTORY SECTION**

**PELICAN RIVER WATERSHED DISTRICT  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2022**

<b>POSITION</b>	<b>TERMS EXPIRE</b>	<b>NAME</b>
<u>BOARD OF MANAGERS</u>		
President	May 2025	Dennis Kral
Vice President	May 2024	Orrin Okeson
Treasurer	May 2025	Rick Michaelson
Secretary	Resigned January 20, 2022	Janice Haggart
Secretary	May 2023	Chris Jasken
Manager	May 2025 (Appointed April 21, 2022)	Phil Hansen
Manager	Resigned July 31, 2022	Ginny Imholte
Manager	May 2024	Charlie Jasken
Manager	May 2023 (Appointed October 20, 2022)	Laurie Olson
<u>STAFF</u>		
Administrator		Tera Guetter
Auditor		Clasen & Schiessl CPAs, Ltd.

## **FINANCIAL SECTION**



**Clasen & Schiessl** CPAs, Ltd.  
*Consultants & Accountants*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers  
Pelican River Watershed District  
Detroit Lakes, Minnesota

### **Adverse and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pelican River Watershed District (the District), Detroit Lakes, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively compromise the Pelican River Watershed District's basic financial statements as listed in the table of contents.

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the governmental activities, each major fund and the aggregate remaining fund information, of Pelican River Watershed District, as of December 31, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinion on Cash Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pelican River Watershed District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with the cash basis of accounting as described in Note 1.

### **Basis for Adverse and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pelican River Watershed District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

#### **Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by the District on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pelican River Watershed District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pelican River Watershed District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pelican River Watershed District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and supplementary information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Report on Other Legal and Regulatory Requirements

In accordance with Minnesota Statutes, we have also issued our report dated May 25, 2023, on our consideration of the District's compliance with provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. The purpose of the report is to determine if the District has complied with Minnesota laws and regulations. That report is an integral part of an audit performed in the State of Minnesota.

*Clasen + Schiessl CPAs, Ltd.*

Clasen & Schiessl CPAs, Ltd.

Pequot Lakes, Minnesota  
May 25, 2023



**PELICAN RIVER WATERSHED DISTRICT  
STATEMENT OF NET CASH POSITION - CASH BASIS  
DECEMBER 31, 2022**

	<u>GOVERNMENTAL</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,483,370
Total Assets	2,483,370
 <b>LIABILITIES</b>	 -
 <b>NET CASH POSITION</b>	
Restricted for:	
Capital Projects	1,162,196
Special Revenue	464,981
Unrestricted	856,193
Total Net Cash Position	\$ 2,483,370

**PELICAN RIVER WATERSHED DISTRICT  
STATEMENT OF ACTIVITIES ARISING FROM  
CASH TRANSACTIONS - CASH BASIS  
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	DISBURSE- MENTS	PROGRAM RECEIPTS AND SOURCES			NET CASH SOURCES (USES) AND CHANGES IN NET CASH POSITION
		CHARGES FOR SERVICES	OPERATING	CAPITAL	PRIMARY
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities					
Program					
Aquatic Plant Management	\$ 38,181	\$ -	\$ -	\$ -	\$ (38,181)
Ditch	3,725	-	-	-	(3,725)
Other	40,694	-	-	-	(40,694)
Support Services					
Payroll	257,937	-	-	-	(257,937)
Other	216,278	305,202	-	-	88,924
Capital Outlay	36,287	-	-	-	(36,287)
<b>Total Primary/Governmental Activities</b>	<b>\$ 593,102</b>	<b>\$ 305,202</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(287,900)</b>
General Receipts					
Property Taxes					345,496
Special Assessments					84,702
Intergovernmental Revenue					378,454
Interest Income					6,857
Other Revenue					18,967
Special Item - Sale of Capital Assets					31,801
<b>Total General Receipts and Special Item</b>					<b>866,277</b>
Change in Cash Net Position					578,377
Net Cash Position - Beginning					1,904,993
Net Cash Position - Ending					<b>\$ 2,483,370</b>

**PELICAN RIVER WATERSHED DISTRICT  
STATEMENT OF BALANCES ARISING FROM  
CASH TRANSACTIONS - CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	GENERAL	UTILITY STORMWATER	DCM-01	LAKE MGMT PROJECT-01	RICE LAKE MATCH
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 732,737	\$ 257,315	\$ 43,600	\$ 308,424	\$ 494,713
Total Assets	<u>\$ 732,737</u>	<u>\$ 257,315</u>	<u>\$ 43,600</u>	<u>\$ 308,424</u>	<u>\$ 494,713</u>
<b>LIABILITIES</b>					
Cash and Cash Equivalents Deficit	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CASH FUND BALANCES</b>					
Restricted	-	257,315	43,600	308,424	494,713
Assigned	-	-	-	-	-
Unassigned (Deficit)	<u>732,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Fund Balances	<u>732,737</u>	<u>257,315</u>	<u>43,600</u>	<u>308,424</u>	<u>494,713</u>
Total Liabilities and Cash Fund Balances	<u>\$ 732,737</u>	<u>\$ 257,315</u>	<u>\$ 43,600</u>	<u>\$ 308,424</u>	<u>\$ 494,713</u>

<u>RICE LAKE BWSR</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>\$ 198,940</u>	<u>\$ 459,943</u>	<u>\$ 2,495,672</u>
<u>\$ 198,940</u>	<u>\$ 459,943</u>	<u>\$ 2,495,672</u>
<u>\$ -</u>	<u>\$ 12,302</u>	<u>\$ 12,302</u>
198,940	324,185	1,627,177
-	135,758	135,758
-	(12,302)	720,435
<u>198,940</u>	<u>447,641</u>	<u>2,483,370</u>
<u>\$ 198,940</u>	<u>\$ 459,943</u>	<u>\$ 2,495,672</u>

**PELICAN RIVER WATERSHED DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN**  
**CASH FUND BALANCES - CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

<b>RECEIPTS</b>	UTILITY		DCM-01	LAKE MGMT	RICE LAKE
	GENERAL	STORMWATER		PROJECT-01	MATCH
Property Taxes	\$ 257,917	\$ -	\$ 77,590	\$ 9,989	\$ -
Special Assessments	-	-	-	-	-
Permit and Inspection Fees	-	17,750	-	-	-
Intergovernmental					
Market Value	1,009	-	-	-	-
Other	1,055	-	-	-	-
Charges for Services	-	305,202	-	-	-
Interest Earnings	1,776	1,540	69	934	1,034
Other	-	-	-	1,217	-
Total Receipts	<u>261,757</u>	<u>324,492</u>	<u>77,659</u>	<u>12,140</u>	<u>1,034</u>
<b>DISBURSEMENTS</b>					
General Government					
Current					
Payroll	205,827	-	-	-	-
Operating Expenses	43,893	-	-	-	-
Manager Per Diem/Expenses	15,457	-	-	-	-
Professional Services	11,616	-	-	-	-
Community Relations	1,126	1,021	-	987	-
Conservation of Natural Resources					
Current					
Payroll	-	-	50,706	-	-
Operating Expenses	-	45,794	2,205	146	-
Aquatic Plant Management	-	-	-	56	-
Professional Services	-	18,903	240	-	-
Ditch	-	-	-	-	-
Other Program	-	-	14,605	2,105	-
Capital Outlay	-	-	-	-	9,072
Total Disbursements	<u>277,919</u>	<u>65,718</u>	<u>67,756</u>	<u>3,294</u>	<u>9,072</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(16,162)</u>	<u>258,774</u>	<u>9,903</u>	<u>8,846</u>	<u>(8,038)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	-	-	-	-	-
Transfers In	59,000	-	33,697	-	150,000
Transfers (Out)	-	(340,000)	-	(7,000)	-
Total Other Financing Sources (Uses)	<u>59,000</u>	<u>(340,000)</u>	<u>33,697</u>	<u>(7,000)</u>	<u>150,000</u>
NET CHANGE IN CASH FUND BALANCES	42,838	(81,226)	43,600	1,846	141,962
Cash Fund Balances - Beginning (Deficit)	689,899	338,541	-	306,578	352,751
CASH FUND BALANCES - ENDING	<u>\$ 732,737</u>	<u>\$ 257,315</u>	<u>\$ 43,600</u>	<u>\$ 308,424</u>	<u>\$ 494,713</u>

RICE LAKE BWSR	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 345,496
-	84,702	84,702
-	-	17,750
-	-	1,009
332,043	44,347	377,445
-	-	305,202
597	907	6,857
-	-	1,217
<u>332,640</u>	<u>129,956</u>	<u>1,139,678</u>
-	-	205,827
-	-	43,893
-	-	15,457
-	-	11,616
-	-	3,134
-	1,404	52,110
-	7,525	55,670
-	38,125	38,181
-	67,365	86,508
-	3,725	3,725
-	23,984	40,694
27,215	-	36,287
<u>27,215</u>	<u>142,128</u>	<u>593,102</u>
<u>305,425</u>	<u>(12,172)</u>	<u>546,576</u>
-	31,801	31,801
-	150,000	392,697
-	(45,697)	(392,697)
-	136,104	31,801
305,425	123,932	578,377
(106,485)	323,709	1,904,993
<u>\$ 198,940</u>	<u>\$ 447,641</u>	<u>\$ 2,483,370</u>

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Financial Reporting Entity

The Pelican River Watershed District (the District) was established on May 27, 1966, under the Minnesota Watershed Act as amended by the State of Minnesota, Water Resources Board. The purpose of the District is to carry out conservation of the natural resources of the District and State of Minnesota through land utilization, flood control, and other needs based upon sound scientific principles for the protection of the public health and welfare and the provident use of natural resources. The District is governed by a Board of Managers which is composed of seven members appointed for three year terms by the Becker County Commissioners.

The financial statements of the reporting entity include those of the District (the primary government) and the component units for which the primary government is financially accountable. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or the potential component unit is fiscally dependent upon the District.

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the District or the component unit provides services entirely to the District. These component unit's funds are blended into those of the District by appropriate activity type to compose the primary government presentation. Currently, the District has no blended component units.

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the District has no discretely presented component units.

B. Basis of Presentation

**1. Government-Wide Statements**

The government-wide financial statements (the statement of net cash position and the statement of activities arising from cash transactions) display information about the District taken as a whole. The District shows all operations as governmental activities, because generally, governmental activities are financed through taxes, intergovernmental revenues, and nonexchange revenues.

In the government-wide statement of net cash position, the governmental activities: (a) are presented on a consolidated basis, and (b) are reported on the cash basis of accounting. The District's net position is reported in two parts: (1) restricted net position, and (2) unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation (Continued)

**1. Government-Wide Statements (Continued)**

The statement of activities arising from cash transactions demonstrates the degree to which the direct expenses of each function of the District's governmental activities are offset by program receipts. Direct expenses are those clearly identifiable with a specific function or activity. Program receipts include: (1) fees, fines, charges paid by the recipients of goods, services, or privileges provided by a given function or activity, and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Receipts not classified as program receipts, including all taxes, are presented as general receipts.

**2. Fund Financial Statements**

Governmental fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, receipts, and disbursements. Funds are organized into one major category: governmental. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- Total assets, liabilities, receipts or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

*Governmental Funds*

**General Fund** – To account for all financial resources not accounted for and reported in another fund.

**Special Revenue Fund** - To account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or assigned to disbursements for specified purposes.

The Utility Stormwater Fund is used for storm-water treatment activities and facilities. The Utility Stormwater Fund is funded by charges to each parcel in the District collected by the Becker County Auditor, which are based upon predefined nutrient runoff coefficients.

The Data Collection and Monitoring Fund (DCM-01) is used for water quality monitoring and assessment, data collection, research, special studies, education and public outreach activities. Funding is from ad valorem taxes.



**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation (Continued)

*Governmental Funds (Continued)*

**Special Revenue Fund (Continued)**

The Project 1B Sal & Mel and 1C Detroit & Curfman (Aquatic Plant Management) Funds are repair and maintenance funds financed by special assessments against the properties around Sallie, Melissa, and Detroit Lakes. Services provided include aquatic plant management (mechanical harvesting and chemical control), weekly roadside pickup, and shoreline blow-ins, as needed.

The Ditch 11-12, 13 and 14 Maintenance Funds are repair and maintenance funds designated for maintaining and further developing the ditches. They are financed by special assessments.

**Capital Projects Fund** - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

*Major and Nonmajor Funds*

Fund	Purpose
Governmental:	
Major:	
General	As described above.
Utility Stormwater	See special revenue fund described above.
DCM-01	See special revenue fund described above.
Lake Management Project-01	See capital revenue fund described above.
Rick Lake Match	See capital revenue fund described above.
Rice Lake BWSR	See capital revenue fund described above.
Nonmajor:	
Special Revenue	As described above.
Capital Projects	As described above.

C. Measurement Focus and Basis of Accounting

The District's financial statements are prepared on the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The government-wide financial statements are reported using the current resources measurement focus, within the limitations of the cash basis of accounting. This basis recognizes assets, liabilities, net cash position, receipts, and disbursements when they result from cash transactions.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus as applied to the cash basis of accounting. This basis recognizes assets, liabilities, cash fund balances, receipts, and disbursements when they result from cash transactions. As a result of the use of the cash basis of accounting, certain assets and their related receipts (such as accounts receivable and receipts for billed or unbilled services provided in the current year) and certain liabilities and their related disbursements (such as accounts payable, unpaid goods and services received in the current year, and accrued expenses) are not recorded in these financial statements.

D. Assets, Liabilities, and Fund Balance/Net Position

**1. Cash and Cash Equivalents**

The District pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

**2. Fund Balance/Net Position**

a. Government-Wide Statements:

Net Cash Position is divided into two components:

- **Restricted** – Consists of assets that are restricted by the District's creditors (for example, through debt covenants), by grantors (both federal and state), and by other contributors.
- **Unrestricted** – All other assets are reported in this category.

b. Governmental Cash Fund Balances:

In the fund financial statements, cash fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in Governmental Funds.

Cash fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. There is no nonspendable cash fund balance at December 31, 2022.
- **Restricted** – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Liabilities, and Fund Balance/Net Position (Continued)

**2. Fund Balance/Net Position (Continued)**

b. Governmental Cash Fund Balances: (Continued)

Cash fund balances are classified as follows: (Continued)

- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Board of Managers ordinance or resolution. There is no committed cash fund balance at December 31, 2022.
- **Assigned** – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. In Governmental Funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the governing body itself.
- **Unassigned** – Amounts that have not been restricted, committed, or assigned to a specific purpose in the General Fund. Other funds may also report a negative unassigned fund balance if the total nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

The District has not formally adopted a fund balance policy for the General Fund.

c. Use of Restricted Resources:

The District does not have a fund balance policy. When a disbursement is incurred that can be paid using either restricted or unrestricted resources, it is expected that the Board of Managers will first apply the disbursement toward restricted fund balance/net position and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances, in the fund financial statements.

**3. Capital Assets**

In the Fund Financial Statements, capital assets used in governmental fund operations are accounted for as capital outlay disbursements of the governmental funds upon acquisition.

Capital assets include property, plant and equipment.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Receipts and Disbursements

**1. Property Tax Revenue**

The District levies its property taxes within the District for the subsequent year during the month of December. Becker and Otter Tail counties are the collecting agencies for the levy and remit these collections to the District. The District receives its taxes in two installments in July and December.

The District also levies special assessments through the counties against property owners who obtain direct benefits from projects. The special assessment collections are recorded in a manner similar to that for property taxes.

The property tax levy in 2022 includes certain state credits that are distributed to the District directly by the state. These credits are classified as intergovernmental receipts.

**2. Disbursements**

The District disburses funds as approved by the District's Board of Managers.

In the fund financial statements, disbursements are classified as follows:

Governmental Funds – By Character	Current (further classified by function) Capital Outlay
-----------------------------------	--

F. Budgetary Information

Annual budgets are adopted on the cash basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted or as amended by the Board of Managers. The original and final budget for the General Fund and the major special revenue fund are presented in the supplementary information section. All annual appropriations lapse at year-end.

G. Use of Estimates

The preparation of financial statements in accordance with the cash basis requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Disclosure of certain information concerning individual funds include:

➤ The following funds had a deficit cash fund balance as of December 31, 2022:

Ditch 13	\$	2,311
CPL Little Floyd	\$	9,991

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS**

A. Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund’s portion of this pool is displayed on the financial statements as Cash and Cash Equivalents or Investments. Interest is allocated based on management’s estimate of interest earned by fund. In accordance with *Minnesota Statutes* the District maintains deposits at financial institutions which are authorized by the Board of Managers.

**1. Deposits**

The District is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The District is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount of deposit at the close of the financial institution’s banking day, not covered by insurance, bonds, or an irrevocable standby letter of credit issued by the Federal Home Loan Bank.

Custodial Credit Risk

The risk that, in the event of a financial institution failure, the District’s deposits may not be returned. The District does not have a policy for custodial credit risk. At December 31, 2022, the District’s deposits were entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance or collateral in accordance with Minnesota Statutes.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated “A” or better and revenue obligations rated “AA” or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the financial institution furnishing the collateral.

Cash balances consist of the following at December 31, 2022:

Carrying Balance	Bank Balance
<u>\$ 2,483,370</u>	<u>\$ 2,484,775</u>

**2. Investments**

The District may invest in the following types of investments as authorized by Minn. Stat. §§ 118A.04 and 118A.05:

- securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, Subd.6;
- mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3      DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

A. Deposits and Investments (Continued)

**2. Investments (Continued)**

The District may invest in the following types of investments as authorized by Minn. Stat. §§ 118A.04 and 118A.05: (Continued)

- general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- bankers' acceptances of United States banks;
- commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

The risk that changes in interest rates could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

Credit Risk

The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the District's policy to invest only in securities that meet the ratings requirements set by state statute.

Custodial Credit Risk

The risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

The risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount that it may invest in any one issuer.

The District had no investments at December 31, 2022.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**B. Interfund Transfers**

<u>Transfers Out:</u>		<u>Transfers in:</u>		<u>Description</u>
<u>Fund Description</u>	<u>Amount</u>	<u>Fund Description</u>	<u>Amount</u>	
1 1B Sal & Mel	\$ 6,000	General	\$ 6,000	For administrative expenses
2 1C Detroit & Curfman	6,000	General	6,000	For administrative expenses
3 Ditch 11-12	1,000	General	1,000	For administrative expenses
4 Ditch 13	1,000	General	1,000	For administrative expenses
5 Ditch 14	1,000	General	1,000	For administrative expenses
6 Utility Stormwater	40,000	General	40,000	For administrative expenses
7 Lake Mgmt Project-01	3,000	General	3,000	For administrative expenses
8 Lake Mgmt Project-01	4,000	DCM-01	4,000	For administrative expenses
9 BWSR Drainage	1,000	General	1,000	For administrative expenses
10 Utility Stormwater	150,000	Rice Lake Match	150,000	For matching funds for the grant
11 Utility Stormwater	100,000	319 Grant Match	100,000	For matching funds for the grant
12 Utility Stormwater	50,000	FEMA Grant Match	50,000	For matching funds for the grant
13 SADAF (Survey)	29,697	DCM-01	29,697	Close out SADAF fund
	<u>\$ 392,697</u>		<u>\$ 392,697</u>	

**C. Long-Term Liabilities**

**Compensated Absences**

The change in accrued compensated absences for the year ended December 31, 2022, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Other Liabilities					
Accrued Compensated Absences	<u>\$ 14,270</u>	<u>\$ 1,268</u>	<u>\$ -</u>	<u>\$ 15,538</u>	<u>\$ -</u>

The liability for this amount is not recorded in the fund financial statements as they are prepared on the cash basis of accounting.

Accrued compensated absences are payable from the General Fund.

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**D. Cash Fund Balances**

At December 31, 2022, Governmental Cash Fund Balances consist of the following:

	General	Utility Stormwater	DCM-01	Lake Mgmt Project-01	Rice Lake Match	Rice Lake BWSR	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:								
Capital Projects	\$ -	\$ -	\$ -	\$ 308,424	\$ 494,713	\$ 198,940	\$ 160,119	\$ 1,162,196
Special Revenue	-	257,315	43,600	-	-	-	164,066	464,981
Total Restricted	-	257,315	43,600	308,424	494,713	198,940	324,185	1,627,177
Assigned for:								
Special Revenue	-	-	-	-	-	-	135,758	135,758
Unassigned (Deficit)	732,737	-	-	-	-	-	(12,302)	720,435
Total Cash Fund Balances	<u>\$ 732,737</u>	<u>\$ 257,315</u>	<u>\$ 43,600</u>	<u>\$ 308,424</u>	<u>\$ 494,713</u>	<u>\$ 198,940</u>	<u>\$ 459,943</u>	<u>\$ 2,483,370</u>

**NOTE 4 OTHER NOTES**

**A. Contracts**

Wells Fargo Bank

The District entered into a lease agreement for office facilities with Wells Fargo Bank requiring monthly lease payments of \$1,300. Total rental expense for 2022 was \$15,595.

**B. Defined Benefit Pension Plan**

**Plan Description**

All full-time and certain part-time employees of the District are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (accounted for in the General Employees Fund), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members and survivor benefits upon death of eligible members. Benefits are established by state statute. Benefits for members of the General Employees Plan vest after five years of credited service. The defined benefit retirement plan benefits are based on a member's highest average salary for any five years of allowable service, age, and years of credit at termination of service.



**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER NOTES (CONTINUED)**

B. Defined Benefit Pension Plan (Continued)

**Plan Description (Continued)**

Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. The rates are 2.2% and 2.7%, respectively, for Basic members. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service, and 2.7% for Basic members. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

For all General Employee Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Method 2 provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989 or age 66 (the age for unreduced Social Security benefits), for those first hired on or after that date. Early retirement may begin at age 55 with an actuarial reduction (about six percent per year) for members retiring prior to full retirement age.

Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement with an actuarial reduction in the member's benefit.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Plan. That report may be obtained on PERA's website at [www.mnpera.org/financial/](http://www.mnpera.org/financial/)

**PELICAN RIVER WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER NOTES (CONTINUED)**

B. Defined Benefit Pension Plan (Continued)

**Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. In 2022, Coordinated Plan members were required to contribute 6.5% of their annual covered salary. The District makes annual contributions to the pension plan equal to the amount required by state statutes. In 2022, the District was required to contribute the following percentage of annual covered payroll: 7.5% for Coordinated Plan members.

The District's contributions to the General Employees Fund for the years ending December 31, 2022, 2021, and 2020 were \$15,762, \$14,897, and \$14,636, respectively.

C. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. In order to protect against these risks of loss, the District purchases commercial insurance. During the year ended December 31, 2022, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the District's commercial coverage in any of the past three years.

D. Contingencies

The District participates in state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of grant funds received may be required. The District is not aware of any significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. An estimate of possible loss or range of loss cannot be made.

## **SUPPLEMENTARY INFORMATION SECTION**

**PELICAN RIVER WATERSHED DISTRICT  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Beginning Cash Fund Balance - January 1	\$ 689,899	\$ 689,899	\$ 689,899	\$ -
<b>RECEIPTS</b>				
Property Taxes	258,500	258,500	257,917	(583)
Intergovernmental				
Market Value	-	-	1,009	1,009
Other	-	-	1,055	1,055
Interest Earnings	300	300	1,776	1,476
Total Receipts	<u>258,800</u>	<u>258,800</u>	<u>261,757</u>	<u>2,957</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers From:				
Special Revenue Funds	55,000	55,000	55,000	-
Capital Projects Funds	2,000	2,000	4,000	2,000
Total Other Financing Sources	<u>57,000</u>	<u>57,000</u>	<u>59,000</u>	<u>2,000</u>
 Total Receipts and Other Financing Sources	 <u>315,800</u>	 <u>315,800</u>	 <u>320,757</u>	 <u>4,957</u>
 Amounts Available for Appropriation	 <u>1,005,699</u>	 <u>1,005,699</u>	 <u>1,010,656</u>	 <u>4,957</u>
<b>DISBURSEMENTS</b>				
General Government				
Current				
Payroll	220,000	220,000	205,827	14,173
Operating Expenses	59,895	59,895	43,893	16,002
Manager Per Diem/Expenses	31,000	31,000	15,457	15,543
Professional Services	29,500	29,500	11,616	17,884
Community Relations	4,500	4,500	1,126	3,374
Total Disbursements (Charges to Appropriations)	 <u>344,895</u>	 <u>344,895</u>	 <u>277,919</u>	 <u>66,976</u>
CASH FUND BALANCE - DECEMBER 31	<u>\$ 660,804</u>	<u>\$ 660,804</u>	<u>\$ 732,737</u>	<u>\$ 71,933</u>

**PELICAN RIVER WATERSHED DISTRICT  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
UTILITY STORMWATER FUND  
YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>\$</u>
Beginning Cash Fund Balance - January 1	<u>\$ 338,541</u>	<u>\$ 338,541</u>	<u>\$ 338,541</u>	<u>\$ -</u>
<b>RECEIPTS</b>				
Permit and Inspection Fees	13,000	13,000	17,750	4,750
Charges for Services	305,000	305,000	305,202	202
Interest Earnings	100	100	1,540	1,440
Total Receipts	<u>318,100</u>	<u>318,100</u>	<u>324,492</u>	<u>6,392</u>
Amounts Available for Appropriation	<u>656,641</u>	<u>656,641</u>	<u>663,033</u>	<u>6,392</u>
<b>DISBURSEMENTS</b>				
General Government				
Current				
Community Relations	5,000	5,000	1,021	3,979
Conservation of Natural Resources				
Current				
Operating Expenses	104,900	104,900	45,794	59,106
Professional Services	<u>59,800</u>	<u>59,800</u>	<u>18,903</u>	<u>40,897</u>
Total Disbursements	<u>169,700</u>	<u>169,700</u>	<u>65,718</u>	<u>103,982</u>
<b>OTHER FINANCING USES</b>				
Transfers To:				
General Fund	40,000	40,000	40,000	-
Capital Projects Funds	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Other Financing Uses	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>	<u>-</u>
Total Disbursements and Other Financing Uses (Charges to Appropriations)	<u>509,700</u>	<u>509,700</u>	<u>405,718</u>	<u>103,982</u>
CASH FUND BALANCE - DECEMBER 31	<u>\$ 146,941</u>	<u>\$ 146,941</u>	<u>\$ 257,315</u>	<u>\$ 110,374</u>

**PELICAN RIVER WATERSHED DISTRICT  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
DCM-01 FUND  
YEAR ENDED DECEMBER 31, 2022**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Beginning Cash Fund Balance - January 1	\$ -	\$ -	\$ -	\$ -
<b>RECEIPTS</b>				
Property Taxes	80,000	80,000	77,590	(2,410)
Interest Earnings	10	10	69	59
Total Receipts	<u>80,010</u>	<u>80,010</u>	<u>77,659</u>	<u>(2,351)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers From:				
Special Revenue Funds	29,697	29,697	29,697	-
Capital Projects Funds	4,000	4,000	4,000	-
Total Other Financing Sources	<u>33,697</u>	<u>33,697</u>	<u>33,697</u>	<u>-</u>
Total Receipts and Other Financing Sources	<u>113,707</u>	<u>113,707</u>	<u>111,356</u>	<u>(2,351)</u>
Amounts Available for Appropriation	<u>113,707</u>	<u>113,707</u>	<u>111,356</u>	<u>(2,351)</u>
<b>DISBURSEMENTS</b>				
Conservation of Natural Resources				
Current				
Payroll	57,200	57,200	50,706	6,494
Operating Expenses	3,200	3,200	2,205	995
Professional Services	-	-	240	(240)
Other Program	24,000	24,000	14,605	9,395
Total Disbursements (Charges to Appropriations)	<u>84,400</u>	<u>84,400</u>	<u>67,756</u>	<u>16,644</u>
CASH FUND BALANCE - DECEMBER 31	<u>\$ 29,307</u>	<u>\$ 29,307</u>	<u>\$ 43,600</u>	<u>\$ 14,293</u>

**PELICAN RIVER WATERSHED DISTRICT  
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	SPECIAL REVENUE FUNDS					
	SADAF (SURVEY)	PROJECT IMPLEMEN- TATION	1B SAL & MEL	1C DETROIT & CURFMAN	DITCH 11-12	DITCH 13
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	39,576	45,126	-	-
Intergovernmental-Other	-	-	9,150	25,777	-	-
Interest Earnings	-	389	146	279	18	1
Total Receipts	<u>-</u>	<u>389</u>	<u>48,872</u>	<u>71,182</u>	<u>18</u>	<u>1</u>
<b>DISBURSEMENTS</b>						
Conservation of Natural Resources						
Current						
Payroll	-	-	702	702	-	-
Operating Expenses	-	633	3,295	3,447	50	50
Aquatic Plant Management	-	-	16,968	21,157	-	-
Professional Services	-	-	33,582	33,783	-	-
Ditch	-	-	-	-	1,125	2,600
Other Program	-	-	-	-	-	-
Total Disbursements	<u>-</u>	<u>633</u>	<u>54,547</u>	<u>59,089</u>	<u>1,175</u>	<u>2,650</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>-</u>	<u>(244)</u>	<u>(5,675)</u>	<u>12,093</u>	<u>(1,157)</u>	<u>(2,649)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of Capital Assets	-	31,801	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers (Out)	(29,697)	-	(6,000)	(6,000)	(1,000)	(1,000)
Total Other Financing Sources (Uses)	<u>(29,697)</u>	<u>31,801</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>
NET CHANGE IN CASH FUND BALANCES	(29,697)	31,557	(11,675)	6,093	(2,157)	(3,649)
Cash Fund Balances - Beginning	<u>29,697</u>	<u>104,201</u>	<u>63,379</u>	<u>93,940</u>	<u>6,583</u>	<u>1,338</u>
CASH FUND BALANCES - ENDING (DEFICIT)	<u>\$ -</u>	<u>\$ 135,758</u>	<u>\$ 51,704</u>	<u>\$ 100,033</u>	<u>\$ 4,426</u>	<u>\$ (2,311)</u>

SPECIAL	CAPITAL PROJECTS FUNDS					
REVENUE FUNDS						
DITCH 14	BWSR DRAINAGE	319 GRANT MATCH	CPL LITTLE FLOYD	FEMA GRANT MATCH	FEMA GRANT	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	84,702
-	-	-	-	-	9,420	44,347
27	47	-	-	-	-	907
<u>27</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,420</u>	<u>129,956</u>
-	-	-	-	-	-	1,404
50	-	-	-	-	-	7,525
-	-	-	-	-	-	38,125
-	-	-	-	-	-	67,365
-	-	-	-	-	-	3,725
-	-	-	9,991	4,573	9,420	23,984
<u>50</u>	<u>-</u>	<u>-</u>	<u>9,991</u>	<u>4,573</u>	<u>9,420</u>	<u>142,128</u>
<u>(23)</u>	<u>47</u>	<u>-</u>	<u>(9,991)</u>	<u>(4,573)</u>	<u>-</u>	<u>(12,172)</u>
-	-	-	-	-	-	31,801
-	-	100,000	-	50,000	-	150,000
<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,697)</u>
<u>(1,000)</u>	<u>(1,000)</u>	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>136,104</u>
(1,023)	(953)	100,000	(9,991)	45,427	-	123,932
<u>8,926</u>	<u>15,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,709</u>
<u>\$ 7,903</u>	<u>\$ 14,692</u>	<u>\$ 100,000</u>	<u>\$ (9,991)</u>	<u>\$ 45,427</u>	<u>\$ -</u>	<u>\$ 447,641</u>



**PELICAN RIVER WATERSHED DISTRICT  
SCHEDULE OF ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022**

FUND	SOURCE OF REVENUE AND PURPOSE		AMOUNT
1B Sal & Mel	Becker County	Special Assessments	\$ 1,052
1C Detroit & Curfman	Becker County	Special Assessments	771
DCM-01	Becker County	Property Taxes	1,489
General	Becker County	Property Taxes	4,842
General	Becker County	Miscellaneous In-Lieu	231
Lake Management Project-01	Becker County	Property Taxes	192
Utility Stormwater	Becker County	Charges for Services	8,873
			<u>\$ 17,450</u>

**PELICAN RIVER WATERSHED DISTRICT  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2022**

FUND	VENDOR NAME	ITEM AND PURPOSE	CLAIM NUMBER	AMOUNT
FEMA Grant	Stantec Consulting	Hydro Modeling	EFT2078	\$ 22,108
FEMA Grant	Stantec Consulting	Plan	EFT2078	116
FEMA Grant	Stantec Consulting	PM & QACC	EFT2078	4,873
FEMA Grant	Stantec Consulting	Public Engagement	EFT2078	3,167
FEMA Grant Match	Stantec Consulting	Grant Agreement	EFT2078	338
FEMA Grant Match	Stantec Consulting	Grant Management	EFT2078	1,418
FEMA Grant Match	Stantec Consulting	Hydro Modeling	EFT2078	7,369
FEMA Grant Match	Stantec Consulting	Plan	EFT2078	39
FEMA Grant Match	Stantec Consulting	PM & QACC	EFT2078	1,624
FEMA Grant Match	Stantec Consulting	Public Engagement	EFT2078	1,056
General	Bank of America	Office Supplies	15055	112
General	Guetter, Tera	Staff Travel	EFT2076	58
General	Hansen, Phil	Manager Expenses	EFT2069	119
General	Hansen, Phil	Manager Per Diems	EFT2059	346
General	Jasken, Charles	Manager Expenses	EFT2070	137
General	Jasken, Charles	Manager Per Diems	EFT2061	688
General	Jasken, Chris	Manager Expenses	EFT2071	9
General	Jasken, Chris	Manager Per Diems	EFT2062	346
General	Kral, Dennis	Manager Expenses	EFT2072	378
General	Kral, Dennis	Manager Per Diems	EFT2063	910
General	Lakes Computer, Inc.	Equipment Lease	EFT2077	190
General	Loffler	Printing	15056	109
General	Michaelson, R	Manager Expenses	EFT2073	26
General	Michaelson, R	Manager Per Diems	EFT2064	268
General	Noah & Associates	Construction	15063	1,375
General	Office of MN IT Services	Telephone	15058	63
General	Okeson, Orrin	Manager Expenses	EFT2074	38
General	Okeson, Orrin	Manager Per Diems	EFT2065	420
General	Olson, Laurie	Manager Expenses	EFT2075	126
General	Olson, Laurie	Manager Per Diems	EFT2060	651
General	Premium Waters	Office Supplies	15059	8
Rice Lake BWSR	Houston Engineering	Construction Mgmt.	15061	1,769
Rice Lake BWSR	Houston Engineering	Engineering	15061	16,786
Rice Lake BWSR	Williams Excavation	Construction	15062	19,027
Rice Lake Match	Houston Engineering	Construction Mgmt.	15061	590
Rice Lake Match	Houston Engineering	Engineering	15061	5,595
Rice Lake Match	Williams Excavation	Construction	15062	6,342
				<u>\$ 98,594</u>

## **OTHER REPORT SECTION**



**Clasen & Schiessl CPAs, Ltd.**  
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## **INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE**

To the Board of Managers  
Pelican River Watershed District  
Detroit Lakes, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pelican River Watershed District (the District), Detroit Lakes, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 25, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Pelican River Watershed District and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

*Clasen + Schiessl CPAs, Ltd.*  
Clasen & Schiessl CPAs, Ltd.

Pequot Lakes, Minnesota  
May 25, 2023