

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT FOR

**RAMSEY/WASHINGTON COUNTY RESOURCE
RECOVERY PROJECT BOARD**

FOR THE YEAR ENDED DECEMBER 31, 2007

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@state.mn.us
www.auditor.state.mn.us

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance; or visit the Office of the State Auditor's web site: www.auditor.state.mn.us.

**RAMSEY/WASHINGTON COUNTY RESOURCE
RECOVERY PROJECT BOARD**

For the Year Ended December 31, 2007



Management and Compliance Report

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

This page was left blank intentionally.

**RAMSEY/WASHINGTON COUNTY RESOURCE
RECOVERY PROJECT BOARD**

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Findings	1
Report on Minnesota Legal Compliance	2

This page was left blank intentionally.

**RAMSEY/WASHINGTON COUNTY RESOURCE
RECOVERY PROJECT BOARD**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2007**

FINDINGS AND RECOMMENDATIONS

INTERNAL CONTROL

PREVIOUSLY REPORTED ITEM RESOLVED

Material Adjustment to the 2005 Financial Statements (06-1)

The Project Board restated its 2005 financial statements to reflect a reduction of expenses and an increase in the December 31, 2005, net assets of \$723,366 as a result of overpayments to NRG.

Resolution

During 2006, the Project Board received reimbursement of the \$723,366 as part of the contract settlement with NRG. As of January 1, 2007, the project is now operating under a new agreement that substantially reduces the risk of payment errors occurring in the future.

This page was left blank intentionally.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

REPORT ON MINNESOTA LEGAL COMPLIANCE

Ramsey/Washington County
Resource Recovery Project Board

We have audited the financial statements of the governmental activities and the General Fund of the Ramsey/Washington County Resource Recovery Project Board as of and for the year ended December 31, 2007, and have issued our report thereon dated May 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Minnesota Legal Compliance

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions. Our study included all of the listed categories, except that we did not test for compliance in public indebtedness because there is no long-term debt outstanding.

The results of our tests indicate that, for the items tested, the Ramsey/Washington County Resource Recovery Project Board complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Ramsey/Washington County Resource Recovery Project Board and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

May 8, 2008

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR