

OTHER REPORTS SECTION



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and
Members of the City Council
City of Delano, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Delano, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2024. We did not audit the basic financial statements of the Delano Water, Light, and Power Commission which represents the amounts shown as the discretely presented component unit.

In connection with our audit, we noted that the City of Delano failed to comply with the provisions of the miscellaneous provisions of *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described below as items 2023-001. Also, in connection with our audit, nothing came to our attention that caused us to believe that the City of Delano failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, 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 City's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Delano's response to the legal compliance findings identified in our audit and described below. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

2023-001: Miscellaneous Provisions: Unclaimed Property

Condition: It was noted that there were eight checks outstanding older than three years included in the bank reconciliation.

Criteria: MN Statute §345.38-.43 requires that if the City's records show unclaimed or uncashed checks or other intangible property held for more than three years (or one year for unpaid compensation); is the property reported and paid or delivered to the state Commissioner of Commerce.

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2023-001: Miscellaneous Provisions: Unclaimed Property (Continued)

Effect: The City of Delano was not in compliance with Minnesota Statutes regarding unclaimed property.

Cause: The finance department overlooked these checks during the year.

Recommendation: The City remits all unclaimed property over three years to the state Commissioner of Commerce.

Management Response: The City will ensure that all unclaimed property will be delivered to the state Commissioner of Commerce as required by statute.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 21, 2024



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