**BOARD OF AUDIT SPECIAL MEETING**

February 7, 2019

Aurora, MN

A Special Meeting of the Town of White Board of Supervisors was called to order by Chairman Jon Skelton on Thursday, February 7, 2019 at 7:10 PM in the City/Town Government Center pursuant to MN Statute §366.20 to examine and audit the fiscal affairs of the town ending December 31, 2018.

**ROLL CALL**

**Present: Supervisors-Skelton, Kippley, Anttila; Clerk-Knaus; Attorney-Kearney;**

The Year Ending December 31, 2018 Statement of Indebtedness was reviewed by the Board. Other Long Term Debt balance ending December 31, 2018 is $269,169.16.

The Current Investments with Accrued Interest report was reviewed with a total balance of $930,745.51.

The 2018 receipt books, disbursements, and bank statements were reviewed. The Treasurer’s annual reconciliation of the accounts at the First National Bank of Gilbert and Northern State Bank of Aurora along with the 2018 Treasurer’s Financial Statement were ratified, examined and affirmed.

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO ACCEPT THE 2018 TREASURER’S REPORT OF RECEIPTS AND DISBURSEMENTS AS PRESENTED. UNANIMOUSLY CARRIED**

The Board reviewed and discussed the 2018 Budget Reports & Graphs, 12/31/18 Statement of Receipts, Disbursements, and Balances report (Schedule 1A), 2018 Year-end Interim Financial Report by Object Code, and 2019 Proposed Budget Report and recommended year end transfers presented by the town clerk.

**IT WAS MOVED BY KIPPLEY, SUPPORTED BY SKELTON TO ACCEPT THE 2018 CLERK’S REPORT AS PRESENTED. UNANIMOUSLY CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE FOLLOWING YEAR END TRANSFER:**

**GENERAL FUND (100) TO CAPITAL PROJECTS FUND (401): $111,974.65**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE FOLLOWING YEAR END TRANSFER:**

**GENERAL FUND (100) TO SEWAGE COLLECTION & DISPOSAL FUND (602): $2,000.64**

The Board reviewed the Fund Balance Worksheet prepared by Clerk Knaus and the Fund Balance Policy and recommended no changes.

The Board reviewed the 2019 Budget detail, status of current contracts, and prioritized 2019 projects and discussed budget impact.

**IT WAS MOVED BY ANTTILA, SUPPORTED BY SKELTON TO ADOPT RESOLUTION 2019-001 DESIGNATING FUND BALANCES:**

**WHEREAS,** the Town of White Board of Supervisors understands it has a responsibility to maintain prudent financial operations to ensure the stability of township operations; and

**WHEREAS,** fund balance reserves are an important component in ensuring the overall health of a community; and

**WHEREAS,** the Office of the State Auditor (OSA) position on fund balances states that at year-end local governments designate fund balances as Restricted, or Unrestricted-subcategories: (a) committed (b) assigned and (c) unassigned; and

**WHEREAS,** the OSA position statement on fund balances states that local governments must identify restricted and unrestricted fund balances separately; and

**WHEREAS,** the OSA recommends that at year-end local governments maintain an unrestricted fund balance in their general and special revenue funds of 35% to 50% of fund operating expenditures;

**NOW, THEREFORE, BE IT RESOLVED,** that the Town of White Board of Supervisors, St. Louis County, Minnesota, set the priorities for the General and Special Revenue fund balance for the year end 2019 as follows:

|  |  |
| --- | --- |
| **Restricted** | The *restricted* fund balance classification includes amounts that can be used only for the specific purpose determined by formal action of the Town of White Board of Supervisors. (All funds for which there is a legally binding external commitment.) |
|  | 1. 2018 Mack Truck Purchase $69,645.30 2. 2018 JD Backhoe $29,616.89 3. Stepetz Road Project $600,000.00 4. 2018 JD Grader $75,634.31 5. Army Corps Section 569 Program $100,000.00 |
| **Unrestricted**   1. **Committed** | The *Unrestricted/Committed* fund balance classification includes amounts that are used for specific purposes pursuant to constraints imposed by formal action of the Town Board. Once the action has been taken, committed funds cannot be used for any other purpose unless the commitment is rescinded by the same type of action that previously committed the funds. |
|  | * Note: The Board needs to pass a resolution committing funds for a specific purpose prior to the end of the year, although the exact amount need not be determined at that time. |
|  | 1. Salaries Payable Shortage - $18,167.82 |
|  | 2. Gardendale Project - $150,000.00  3. Poplar Street Fix - $25,000.00  4. Fire Truck - $100,000.00 |
| **Unrestricted**   1. **Assigned** | The *Unrestricted/Assigned* fund balance classification includes amounts that are intended to be used by the township for specific purposes but do not meet the criteria to be classified as restricted or committed. |
|  | 1. Mower - $10,000.00 |
|  | 1. Information Technology Server - $10,000.00 |
|  | 3. Tire Machine - $10,000.00  4. Office Remodel - $10,000.00 |
| **Unrestricted**  **(c) Unassigned** | All funds for which no legally binding commitment has been made. There has been no resolution passed by the town board designating the funds for a specific purpose. This is the component that meets the town’s day-to-day cash flow needs for five to six months of township operations between its receipt of property taxes and state aid distributions. |
|  | * 50% |

**RESOLVED FURTHER**, that it is the Town Board’s continuing intent to establish and retain a 50% annual cash balance with the objective that full cash flow designation be accomplished in (3) three budget years. **UNANIMOUSLY CARRIED**

The overall financial state of the Town was reviewed and the bad debts/uncollectable accounts receivable amounts were reviewed. The garbage bag sales for the year were reviewed.

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO WRITE OFF THE UNCOLLECTABLE BAD DEBT FROM PARCEL CODE 570-0050-00430 WATER/WASTEWATER ACCOUNT AT 5467 SOUTH 2ND STREET WEST IN THE AMOUNT OF $417.46 DATED 2012-2014. UNANIMOUSLY CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO ASSESS PARCEL CODE 570-0048-00940 IN THE AMOUNT OF $666.68 FROM UNCOLLECTABLE/UNPAID WATER/WASTEWATER UTILITIES FROM 2016. UNANIMOUSLY CARRIED**

**IT WAS MOVED BY ANTTILA, SUPPORTED BY SKELTON TO WRITE OFF THE UNCOLLECTABLE BAD DEBT FROM 5776 RYAN STREET IN THE AMOUNT OF $164.36 FROM 2009, FROM 5767 GEARY STREET IN THE AMOUNT OF $90.00 FROM 2005, AND 5813 GEARY STREET IN THE AMOUNT OF $309.21 FROM 2003.**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO VOID THE 12/31/14 INVOICE FOR ACCOUNTS RECEIVABLE DUE TO HEALTH INSURANCE PREMIUMS PAID IN THE AMOUNT OF $3,848.00 AS IT WAS A BILLING ERROR. UNANIMOUSLY CARRIED**

**IT WAS MOVED BY ANTTILA, SUPPORTED BY SKELTON TO ADJOURN THE MEETING AT**

**8:32 P.M.**

ATTEST: APPROVED:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Jodi L. Knaus, Clerk Jon Skelton, Chairman