**BOARD OF AUDIT SPECIAL MEETING**

February 2, 2023

Aurora, MN

A Special Meeting of the Town of White Board of Supervisors was called to order by Chairman Jon Skelton on Thursday, February 2, 2023 at 6:26 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, 2022.

**ROLL CALL**

**Present: Supervisors-Skelton, Kippley, Anttila; Clerk-Knaus; Treasurer – Gross, Foreman-Niemi; Attorney-Kearney;**

The Year Ending December 31, 2022 Statement of Indebtedness was reviewed by the Board. Other Short Term Debt balance ending December 31, 2022 is $76,552.34. The Current Investments with Accrued Interest report was reviewed with a total balance of $1,052,484.91.

The 2022 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 2022 Treasurer’s Financial Statement were ratified, examined and affirmed. The Salaries Payable Chart pay period ending 12/25/2022 was reviewed.

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO ACCEPT THE 2022 TREASURER’S REPORT OF RECEIPTS AND DISBURSEMENTS AS PRESENTED. MOTION CARRIED**

The Board reviewed and discussed the 2022 Final Budget Reports & Graphs, 12/31/22 Statement of Receipts, Disbursements, and Balances report (Schedule 1A), Schedule 2A, 2022 Cash Control Statement, 2022 Year-end Interim Financial Report by Object Code, and 2023 Proposed Budget Report and recommended year end transfers presented by the town clerk.

**IT WAS MOVED BY ANTTILA, SUPPORTED BY ANTTILA TO ACCEPT THE 2022 CLERK’S REPORTS AS PRESENTED.**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA APPROVING THE PROPOSED 2023 BUDGET AS PRESENTED. MOTION CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE YEAR END TRANSFER OF GENERAL FUND (100) TO FIRE FUND (225): $16,797.42 WITH AN OPENING BALANCE OF ZERO DOLLARS IN THE FIRE FUND. MOTION CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE YEAR END TRANSFER OF GENERAL FUND (100) TO CAPITAL PROJECTS FUND (401): $68,832.20 WITH AN OPENING BALANCE OF ZERO DOLLARS IN THE CAPITAL PROJECTS FUND. MOTION CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE YEAR END TRANSFER OF GENERAL FUND (100) TO WATER ENTERPRISE FUND (601): $1,007.25 WITH AN OPENING BALANCE OF ZERO DOLLARS IN THE WATER ENTERPRISE FUND. MOTION CARRIED**

**IT WAS MOVED BY SKELTON, SUPPORTED BY ANTTILA TO APPROVE THE YEAR END TRANSFER OF GENERAL FUND (100) TO SEWER ENTERPRISE FUND (602): $19,844.44 WITH AN OPENING BALANCE OF ZERO DOLLARS IN THE SEWER ENTERPRISE FUND AND A NEW GENERAL FUND BALANCE AFTER ALL FOUR TRANSFERS OF $1,048,466.22. MOTION CARRIED**

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

The Board reviewed the 2023 Budget detail, status of current contracts, and prioritized 2023 projects and discussed budget impact.

 **IT WAS MOVED BY ANTTILA, SUPPORTED BY KIPPLEY TO ADOPT RESOLUTION 2023-002 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 2023 as follows:

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| **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. 2019 Mack Truck 3/3 payment $84,109.83
2. 2024 Mack Truck 1/3 payment (estimated) $105,000.00
3. Wynne Ridge & Rocky Road Construction $11,384.00
4. Road Striping w/St. Louis County $18,552.00
5. Hitch Flail Mower Purchase $13,863.00
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| **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.
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| **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. |
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| **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%
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 **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.

The Board reviewed the cemetery costs and upcoming needed improvements, garbage collection costs paid in 2022, fire department needs, water/wastewater costs, and facility needs throughout the Township.

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

**7:17 P.M. MOTION CARRIED**

ATTEST: APPROVED:

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Jodi L. Knaus, Clerk Jon Skelton, Chairman