

Avon Township Board of Audit Meeting – Minutes

February 8, 2022

Call to order – Supervisor Will Huston called the meeting to order at 7:00 PM in the Main Chamber of the Avon Town Hall, 16881 Queens Road, Avon, (MN). This meeting was also available virtually via Zoom.

Pledge of Allegiance – The pledge was recited.

Roll Call – Present: Will Huston, Kelly Martini, LeRoy Gondringer, Rich Sanoski, and Stephen Saupe. Also present: Marion Gondringer (*Deputy Clerk*) and Paul Buttweiler (*Deputy Treasurer*).

Approval of agenda – Sanoski moved to approve the agenda. Gondringer second. All in favor. Motion carried.

Scheduled Business

- 1. Examination of Claims** – The Supervisors audited the claims. One claim from each month from January through December was randomly selected, examined and compared to the records maintained independently by the Treasurer and the Clerk/Deputy Clerk. The claims were found to be in order; all claims were allowed. (A summary of claims examined and allowed is given in **Table 1**). Gondringer moved to accept the audit of the 2021 claims. Second by Sanoski. All in favor. Motion carried. Receipts are received by the Clerk and processed by the Treasurer. Though checked monthly, Gondringer suggested that we need to ensure that we examine receipts, too. We will develop a procedure to follow during the year and in the next audit.

| Table 1: Summary of the 2021 claims audited at the 2022 Audit Board Meeting | | | | |
|--|-------------|---------------|-------------------------|---------------|
| Claim or Check # | Date | Amount | Claim | Allow? |
| 10144 | 1/6/2021 | \$166.23 | Ken Mergen | Y |
| 3965 | 2/3/2021 | \$97.92 | Star-Publishing | Y |
| 3981 | 3/3/2021 | \$1,000.00 | City of Avon | Y |
| 3993 | 4/7/2021 | \$251.41 | PERA | Y |
| 4014 | 5/5/2021 | \$46.00 | Stearns County Recorder | Y |
| 4020 | 6/2/2021 | \$26.32 | Sanoski – mileage | Y |
| 4043 | 7/7/2021 | \$35.98 | Mac’s – Albany | Y |
| 10291 | 8/4/2021 | \$69.21 | Craig Blonigen | Y |
| 4080 | 9/1/2021 | \$97.89 | Xcel | Y |
| 4113 | 10/6/2021 | \$14,249.89 | OMG Midwest | Y |
| 4132 | 11/3/2021 | \$166.08 | Ramler Trucking | Y |
| 4147 | 12/1/2021 | \$16,869.75 | StanTec | Y |

- 2. Examine / Audit Town Accounts** – The year-end financial records maintained independently by the Treasurer (Figure 1) and by the Clerk/Deputy Clerk (Figure 2) were examined and compared. There was a difference in the beginning balances. The Clerk beginning balance exactly matches the 2020 year-end balances. The Clerk adjusted balance column reflects the change that happened in July 2021 when two lost checks (Claim 9743/Check 10269 - \$48.04; Claim 10005/Check 10279 - \$138.52; total – \$186.56) were deleted and reissued. Since the deleted checks were in years earlier than 2021, deleting them affected the beginning balance by \$186.56. The Treasurer’s report is a CTAS-generated report and reflects the new beginning balance, but doesn’t show why it’s different from the 2020 ending balance; it can’t be changed to show that. The Clerk report shows what happened to the 2020 ending balances when the \$186.56 was added in during the year. The 2021 beginning balance (2020 ending balance) plus the deleted checks amount, is equal to the new, Clerk-adjusted beginning balance, which is equal to the Treasurer beginning balance.

In short, the year-end records matched. Huston moved to approve the audit of the Clerk/Deputy Clerk and Treasurer financial reports. Sanoski second. All in favor. Motion carried.

- 3. **Examine / Audit Bank Accounts** – The bank account balances independently maintained by the Treasurer (**Figure 1**) and Clerk/Deputy Clerk (**Figure 2**) were examined and compared. They were identical. Motion by Sanoski to approve the audit of the bank records. Second by Gondringer. All in favor. Motion carried.
- 4. **Budget for 2023** – After examining the budgeted and actual disbursements and receipts for 2021, and reviewing the 2022 budget, the Supervisors estimated the budget amounts for 2023. See **Figure 3**. Sanoski moved to approved the budget for 2023. Gondringer second. All in favor. Motion carried.
- 5. **Levy for 2023** – Analyzing the financial status of the Township, the Supervisors determined the levy amounts for 2023, which will be recommended to the residents for approval at the Annual Meeting. The recommended levy amounts are: General Revenue – \$101,310; Road & Bridge - \$343,690; Fire - \$83,000; Capital Reserve - \$2,000, for a total levy of \$530,000 (**Table 3**). The total levy is similar to last year (*for details, see Levy History below*). Motion by Gondringer to approve the budget and to recommend to the residents of Avon Township at the Annual Meeting a total levy of \$530,000 with a General Revenue levy of \$101,310, a Road & Bridge levy of \$343,690, a Fire Fund levy of \$83,000, and a Capital Reserve levy of \$2,000. Second by Sanoski. All in favor. Motion carried.

Levy History:

| Fund | 2010 | 2011 | 2012-2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------|-----------|-----------|---------------|-----------|-----------|------------|-----------|
| General Revenue | \$34,200 | \$43,300 | ... | \$82,850 | \$79,150 | \$86,110 | \$101,310 |
| Road & Bridge | \$300,800 | \$315,800 | ... | \$315,600 | \$307,300 | \$350,000* | \$343,690 |
| Fire | \$55,000 | \$55,000 | ... | \$70,000 | \$75,000 | \$92,000 | \$83,000 |
| Capital Reserve | \$25,000 | \$10,000 | ... | \$2,000 | \$9,000 | \$2,000 | \$2,000 |
| Total | \$415,000 | \$424,100 | all \$424,100 | \$470,450 | \$470,450 | \$530,110 | \$530,000 |

**Note: the Supervisors originally recommended \$309,840; residents increased the amount at the 2021 Annual Meeting.*

| Table 3: Proposed Levy 2023 | |
|------------------------------------|------------------|
| Fund | Amount |
| General Revenue | \$101,310 |
| Road & Bridge | \$343,690 |
| Fire | \$83,000 |
| Capital Reserve | \$2,000 |
| Total | \$530,000 |

- 6. **Audit Board Report** – the Supervisors summarized the results of audit in the Audit Board Report.
- 7. **Adjournment** – Motion by Sanoski to adjourn the meeting at 9:00 PM. Second by Huston. All in favor. Motion carried.

Respectfully submitted,
Stephen G. Saupe, Clerk

Clerk signature: _____

date: February 10, 2022

Supervisor Approval:

date: _____

LeRoy Gondringer

Will Huston

Rich Sanoski

Figure 1. Treasurer 2021 End-of-year financial statement

As on 12/31/2021

| Fund | Beginning Balance | Receipts | Sale of Investments | Transfers In | Disbursements | Purchase of Investments | Transfers Out | Ending Balance | Investment Balance | Total Balance |
|--------------------------|-------------------|-------------------|---------------------|--------------|-------------------|-------------------------|---------------|-------------------|--------------------|-------------------|
| General Fund | 179,350.63 | 111,838.38 | 0.00 | 0.00 | 104,149.86 | 0.00 | 0.00 | 187,079.15 | 0.00 | 187,079.15 |
| Road and Bridge | 320,622.26 | 339,038.18 | 0.00 | 0.00 | 425,356.40 | 0.00 | 0.00 | 234,304.04 | 0.00 | 234,304.04 |
| Demolition Escrow | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 2,000.00 |
| Road Damage Deposit | 4,150.00 | 0.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 2,950.00 | 0.00 | 2,950.00 |
| Fire Fund | 35,886.15 | 73,843.61 | 0.00 | 0.00 | 128,818.00 | 0.00 | 0.00 | (19,088.24) | 0.00 | (19,088.24) |
| General Capital Projects | 47,087.86 | 8,658.09 | 0.00 | 0.00 | 2,400.00 | 0.00 | 0.00 | 53,345.95 | 0.00 | 53,345.95 |
| ARPA Fund | 0.00 | 131,160.20 | 0.00 | 0.00 | 750.97 | 0.00 | 0.00 | 130,409.23 | 0.00 | 130,409.23 |
| Total : | 589,116.90 | 664,538.46 | 0.00 | 0.00 | 662,675.23 | 0.00 | 0.00 | 591,000.13 | 0.00 | 591,000.13 |

American Heritage Bank:

Checking: \$ 131,883.13
 Outstanding checks: \$ 553.38
 MMR: \$ 436,811.78
 CD: \$ 2,000.00
 Credit Union: MMR: \$ 20,858.60

Total of all accounts: ~~591,000.13~~ \$ 591,000.13

Supervisor: Will Huston

W. Gondringer
 Supervisor: LeRoy Gondringer

RS
 Supervisor: Rich Sanoski

Date: 2/18/22

Date: 2/18/22

Date: 2-6-22

Figure 2. Clerk/Deputy Clerk 2021 End-of-year financial statement

| Account Name | Beginning Balance | Voided Checks | Adjusted Beginning bal | 2021 | | Ending Balance |
|----------------------|----------------------|---------------|------------------------|----------------------|----------------------|----------------------|
| | | | | Receipts | Disbursements | |
| General revenue | \$ 179,204.07 | 186.56 | \$ 179,390.63 | \$111,838.38 | \$ 104,149.86 | \$ 187,079.15 |
| Road and bridge | \$ 320,622.26 | | \$ 320,622.26 | \$ 339,038.18 | \$ 425,356.40 | \$ 234,304.04 |
| Demolition CD | \$ 2,000.00 | | \$ 2,000.00 | - | - | \$ 2,000.00 |
| Road Damage Deposit | \$ 4,150.00 | | \$ 4,150.00 | - | \$ 1,200.00 | \$ 2,950.00 |
| Fire | \$ 35,886.15 | | \$ 35,886.15 | \$ 73,843.61 | \$ 128,818.00 | \$ (19,088.24) |
| Capital Reserve Fund | \$ 47,087.86 | | \$ 47,087.86 | \$ 8,658.09 | \$ 2,400.00 | \$ 53,345.95 |
| ARPA Grant | | | \$ - | \$ 131,160.20 | \$ 750.97 | \$ 130,409.23 |
| Total | \$ 588,950.34 | | \$ 589,136.90 | \$ 664,538.46 | \$ 662,675.23 | \$ 591,000.13 |

| | |
|--|----------------------|
| Bank Account Balances 12/31/2021 | |
| Checking (American Heritage Bank) | \$ 131,883.13 |
| Outstanding Checks | \$ (553.38) |
| Deposits in Transit | 0.00 |
| Checking Balance (American Heritage Bank) | \$ 131,329.75 |
| Money Market (American Heritage Bank) | \$ 436,811.78 |
| Money Market (Credit Union) | \$ 20,858.60 |
| End of the Year Bank Subtotal Total | \$ 589,000.13 |
| Demolition CD | \$2,000.00 |
| Total | \$ 591,000.13 |





| | |
|--|--|
|  Supervisor Will Huston Chair |  Supervisor Richard Sanoski Vice Chair |
|  Clerk Stephen Saupé |  Supervisor LeRoy Gondfinger |
| Date <u>2/18/22</u> | |

Figure 3. Levy Budget Worksheet

| 2021 Receipts | | 2021 Disbursements | | Budget 2023 | Income 2023 | Levy 2023 |
|--------------------------------|----------------------|------------------------------------|----------------------|----------------------|-------------------------|----------------------|
| General Revenue | | | | | | |
| Prop tax | \$ 84,659.18 | Supervisors (Pay/supplies) | \$ 13,067.26 | \$ 13,000.00 | | |
| Mobile Home tax | \$ 40.42 | Elections | \$ 5,038.92 | \$ 6,000.00 | | |
| Permits (public hearing, e | \$ 3,237.50 | Assessments/Advertising | \$ 14,599.75 | \$ 14,600.00 | | |
| Election | \$ 6.00 | Clerk (Pay/Supplies) | \$ 13,559.97 | \$ 14,000.00 | | |
| Grants (Co) | \$ 16,758.43 | Treasurer (Pay/Supplies) | \$ 6,298.17 | \$ 6,500.00 | | |
| Interest | \$ 686.84 | Legal Fees | \$ - | \$ 500.00 | | |
| Cable | \$ 3,714.45 | Maintenance (Pay/Supplies) | \$ 40,576.26 | \$ 41,000.00 | | |
| Solar | \$ 1,109.86 | Insurance (work comp, etc) | \$ 8,104.00 | \$ 8,500.00 | | |
| Assesment Search | \$ 1,625.70 | Waste (garbage, etc) | \$ 1,162.50 | \$ 1,200.00 | | |
| | | Bank Box | \$ 7.50 | \$ 10.00 | | |
| | | Ice & Snow Removal & Other | \$ 1,735.53 | \$ 2,000.00 | | |
| | | Receipts: Special Assessments | | | \$ 500.00 | |
| | | Receipts: Royalties (Cable, Solar) | | | \$ 3,500.00 | |
| | | Receipts: Permits | | | \$ 2,000.00 | |
| Totals; | \$ 111,838.38 | TOTALS: | \$ 104,149.86 | \$ 107,310.00 | \$ 6,000.00 | \$ 101,310.00 |
| Road & Bridge | | | | | | |
| Prop tax | \$ 297,131.69 | Supervisors (help with Rds) | \$ 303.18 | \$ 250.00 | | |
| Mobile Home tax | \$ 156.47 | Legal Fees | \$ 292.00 | \$ 3,000.00 | | |
| Gravel Tax | \$ 188.63 | Maintenance (Pay/Supplies) | \$ 11,213.70 | \$ 11,000.00 | | |
| Gas Tax | \$ 40,449.72 | Rd Construction /Improvemnets | \$ 13,528.90 | \$ 301,340.00 | | |
| 911 sign | \$ 200.00 | Paved Streets (potholes,etc) | \$ 356,709.81 | \$ 20,000.00 | | |
| Permits (drive permit) | \$ 365.77 | Ice & Snow Removal | \$ 7,203.34 | \$ 7,500.00 | | |
| Reimbursement for Mate | \$ 545.90 | Salt Sand | \$ 7,124.00 | \$ 7,500.00 | | |
| | | R&B Equipment | \$ 6,956.84 | \$ 12,000.00 | | |
| | | Truck Repair (MN DOT, etc) | \$ 8,768.98 | \$ 9,000.00 | | |
| | | Weed Control | \$ 6,863.46 | \$ 7,000.00 | | |
| | | Contract Weed (rent equipment) | \$ 6,314.19 | \$ 5,000.00 | | |
| | | Pest Control & Storm drainage | \$ 78.00 | \$ 100.00 | | |
| | | Receipts: Gas & Gravel Tax | | | \$ 40,000.00 | |
| TOTALS: | \$ 339,038.18 | TOTALS: | \$ 425,356.40 | \$ 383,690.00 | \$ 40,000.00 | \$ 343,690.00 |
| Fire | | | | | | |
| | \$ 73,843.61 | Fire Fee | \$ 128,818.00 | \$ 83,000.00 | | \$ 83,000.00 |
| Rd Damage Deposit/Refun | | | | | | |
| | \$ - | Rd Damage Deposit | \$ 1,200.00 | \$ - | | \$ - |
| Capital Improvements | | | | | | |
| | \$ 8,658.09 | Capital Fund | \$ 2,400.00 | \$ 2,000.00 | | \$ 2,000.00 |
| ARPA Funds | | | | | | |
| | \$ - | APRA | \$ - | \$ - | | |
| GRAND TOTALS: | | | | | | |
| | \$ 533,378.26 | | \$ 661,924.26 | \$ 576,000.00 | TOTAL LEVY 2023: | \$ 530,000.00 |