

# Avon Township Board of Audit Meeting – Minutes

## February 2, 2023

**Call to order** – Supervisor LeRoy Gondringer 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: Richard Bresnahan, Kelly Martini, LeRoy Gondringer, Rich Sanoski, and Stephen Saupe. Also present: Marion Gondringer (*Deputy Clerk*).

**Approval of agenda** – Bresnahan moved to approve the agenda. Sanoski 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. A summary of claims examined and verified is given in **Table 1**. Bresnahan moved to accept the audit of the 2022 claims. Second by Sanoski. All in favor. Motion carried.

<b>Table 1: Summary of the 2022 claims audited at the 2023 Audit Board Meeting</b>					
<b>Claim #</b>	<b>Check #</b>	<b>Date</b>	<b>Amount</b>	<b>Claim</b>	<b>Verified</b>
4163	10419	1/5/2022	\$551.76	BigGroovy	Yes
4180	10445	2/2/2022	\$7,916.11	OMG Midwest	Yes
4200	10474	3/2/2022	\$122.06	Melrose Implement	Yes
4214	10509	4/6/2022	\$679.32	Stearns County Auditor	Yes
4233	10523	5/4/2022	\$300.00	AllSpec Services	Yes
4248	WD06012 0222	6/1/2022	\$1540.50	IRS	Yes
4277	10585	7/6/2022	\$1575.00	Weaver’s Tree Service	Yes
4298	10606	8/3/2022	\$33.60	Star Publications	Yes
4323	10645	9/7/2022	\$255.00	MAT ( <i>check voided</i> )	Yes
4351	10675	10/5/2022	\$84.95	Mac’s Albany	Yes
4374	10702	11/2/2022	\$1,000	O’Malley & Kron	Yes
4394	10727	12/7/2022	\$36,031.00	City of Avon	Yes

- 2. Examination of Receipts** – The Supervisors audited the receipts. One receipt 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 receipts were found to be in order. A summary of the receipts examined and allowed is given in **Table 2**. Bresnahan moved to accept the audit of the 2022 claims. Second by Sanoski. All in favor. Motion carried.
- 3. 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. The two sets of record matched. Unlike usual, there were no outstanding checks at the end of the fiscal year. The Supervisors questioned the term for the CD and whether there should be interest. The Treasurer stated that the CD is renewed annually and that the interest will only show up when the CD is cashed. Bresnahan moved to approve the audit of the Clerk/Deputy Clerk and Treasurer year-end cash control statements. Sanoski second. All in favor. Motion carried. **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.

<b>Table 2: Summary of the 2022 receipts audited at the 2023 Audit Board Meeting</b>				
<b>Receipt #</b>	<b>Date</b>	<b>Amount</b>	<b>Claim</b>	<b>Verified</b>
1636	1/5/2022	\$25.00	Jacob Chiado – certificate of compl.	Yes
1650	2/14/2022	\$323.03	MidContinent Cable	Yes
1658	3/2/2022	\$42.17	Belgrade Coop – refund	Yes
1663	4/4/2022	\$25.00	HomeTown Title	Yes
1676	5/31/2022	\$300.00	J&K Smith – CSP	Yes
1683	6/30/2022	\$50.31	American Heritage Bank - interest	Yes
1687	7/1/2022	\$25.00	Stearns County Abstract	Yes
1701	8/11/2022	\$496.31	Stearns County Wetland Credit	Yes
1705	9/7/2022	\$300.00	Jon Mueller - CSP	Yes
1717	10/28/2022	\$5,445.20	MN State MMB	Yes
1722	11/10/2022	\$896.34	Stearns County Gravel Tax	Yes
1726	12/2/2022	\$350.00	Novae – mailbox posts	Yes

- 4. **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 Bresnahan. All in favor. Motion carried.
- 5. **Budget for 2024** – The Town has used a variety of different budget models, all with advantages and disadvantages. The Supervisors examined three models and selected the one they thought was simple yet effective. After examining the budgeted and actual disbursements and receipts from 2022, and reviewing the 2023 budget, the Supervisors developed a budget for 2024 (see **Figure 3**).
- 6. **Levy for 2024** – Analyzing the financial status of the Township, the Supervisors determined the levy amounts for 2024, which will be recommended to the residents for approval at the Annual Meeting (see **Table 4**). The recommended levy amounts are: General Revenue –\$109,350; Road & Bridge - \$379,750; Fire - \$140,000; Capital Reserve - \$5,000, for a total levy of \$634,100.

The Supervisors noted that the recommended levy amount is higher than past years (*for details, see Table 3*) because the Township will be required to contribute to the Fire Hall addition being built by the City, the cost of road reconstruction has increased significantly, and inflation/costs have increased. Motion by Sanoski to approve the budget and to recommend to the residents of Avon Township at the Annual Meeting a total levy of \$634,100, with a General Revenue fund levy of \$109,350, a Road & Bridge fund levy of \$379,750, Fire fund levy of \$140,000, and a Capital Reserve fund levy of \$5,000. Second by Bresnahan. All in favor. Motion carried.

**Levy History:**

<b>Table 3. Avon Township Levy History</b>							
<b>Fund</b>	<b>2010</b>	<b>2011</b>	<b>2012-2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
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.

<b>Table 3: Proposed Levy 2024</b>	
<b>Fund</b>	<b>Amount</b>
General Revenue	\$109,350
Road & Bridge	\$379,750
Fire ( <i>Protection &amp; Hall addition</i> )	\$140,000
Capital Reserve	\$5,000
<b>Total</b>	<b>\$634,100</b>

- 7. **Audit Board Report** – the Supervisors summarized the results of audit in the Audit Board Report.
- 8. **Adjournment** – Motion by Sanoski to adjourn the meeting at 9:43 PM. Second by Bresnahan. All in favor. Motion carried.

Respectfully submitted,

Stephen G. Saupe, Clerk

**date:** February 3, 2023

**Supervisor Approval:**

**date:** \_\_\_\_\_

\_\_\_\_\_  
Richard Bresnahan

\_\_\_\_\_  
LeRoy Gondringer

\_\_\_\_\_  
Rich Sanoski

**Figure 1. Treasurer 2022 End-of-year Cash Control Statement & Financial statement**

**1/24/2023**

**Statement of Receipts, Disbursements and Balances (Schedule 1)**

**Avon Township**

**As on 12/31/2022**

Fund	Beginning Balance	Receipts	Sale of Investments	Transfers In	Disbursements	Purchase of Investments	Transfers Out	Ending Balance	Investment Balance	Total Balance
General Fund	187,079.15	118,539.32	0.00	0.00	123,820.17	0.00	0.00	181,798.30	0.00	181,798.30
Road and Bridge	234,304.04	395,678.86	0.00	0.00	405,642.49	0.00	0.00	224,340.41	0.00	224,340.41
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	2,950.00	0.00	0.00	0.00	0.00	0.00	0.00	2,950.00	0.00	2,950.00
Fire Fund	(19,088.24)	87,440.55	0.00	0.00	72,062.00	0.00	0.00	(3,709.69)	0.00	(3,709.69)
General Capital Projects	53,345.95	2,030.57	0.00	0.00	13,900.00	0.00	0.00	41,476.52	0.00	41,476.52
ARPA Fund	130,409.23	135,455.33	0.00	0.00	84,251.26	0.00	0.00	181,613.30	0.00	181,613.30
<b>Total:</b>	<b>591,000.13</b>	<b>739,144.63</b>	<b>0.00</b>	<b>0.00</b>	<b>699,675.92</b>	<b>0.00</b>	<b>0.00</b>	<b>630,468.84</b>	<b>0.00</b>	<b>630,468.84</b>

American Heritage Bank:  
 Checking: \$ 199,605.80  
 Outstanding checks: 0  
 MMR: \$ 407,962.64  
 CD: \$ 2,000.00  
 Credit Union: \$ 20,900.40  
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 Total of all accounts: \$ 630,468.84

**Figure 2. Clerk/Deputy Clerk 2022 End-of-year Cash Control Statement & Financial statement**

**Clerk Financial Report 12/31/2022**

Account Name	Beginning Balance	2022		Ending Balance
		Receipts	Disbursements	
General revenue	\$ 187,079.15	\$118,539.32	\$ 123,820.17	\$ 181,798.30
Road and bridge	\$ 234,304.04	\$ 395,678.86	\$ 405,642.49	\$ 224,340.41
Demolition CD	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00
Road Damage Deposit	\$ 2,950.00	\$ -	\$ -	\$ 2,950.00
Fire	\$ (19,088.24)	\$ 87,440.55	\$ 72,062.00	\$ (3,709.69)
Capital Reserve Fund	\$ 53,345.95	\$ 2,030.57	\$ 13,900.00	\$ 41,476.52
ARPA Grant	\$ 130,409.23	\$ 135,455.33	\$ 84,251.26	\$ 181,613.30
<b>Total</b>	<b>\$ 591,000.13</b>	<b>\$ 739,144.63</b>	<b>\$ 699,675.92</b>	<b>\$ 630,468.84</b>

**Bank Account Balances 12/31/2022**

Checking (American Heritage Bank)	\$ 199,605.80
Outstanding Checks	0.00
Deposits in Transit	0.00
Checking Balance (American Heritage Bank)	\$ 199,605.80
Money Market (American Heritage Bank)	\$ 407,962.64
Money Market (Credit Union)	\$ 20,900.40
<b>End of the Year Bank Subtotal Total</b>	<b>\$ 628,468.84</b>
Demolition CD	\$2,000.00
<b>Total</b>	<b>\$ 630,468.84</b>

**Figure 3. Levy Budget Worksheet**

<b>Avon Township Proposed Budget – Year 2024</b>			
GENERAL	2024 Expense	2024 Income	2024 Levy
Payroll - wages, meeting stipends, PERA, Medicare, IRS, MN Rev	\$ 70,000.00		
Office - printers, furniture, expendable supplies, postage	\$ 2,500.00		
Mileage	\$ 600.00		
Election - judge stipends, machine rental, County admin. Fees	\$ 6,000.00		
Insurance - MAT Workers Comp; building, vehicles	\$ 3,000.00		
Township Admin - MAT Dues, wrkshps, conferences, Co Assessor fee	\$ 17,000.00		
Legal - Notices	\$ 1,000.00		
Legal - Attorney fees	\$ 2,000.00		
Utilities - electric, internet, propane, septic	\$ 8,000.00		
Utilities - garbage; sanitation, compost site fee	\$ 1,200.00		
Town Hall (Maintenance) cleaning supplies, concrete, garage door	\$ 3,500.00		
Town Hall - awards, celebrations, memorials, meetings	\$ 250.00		
Receipts (Permits & Fees) - CUP, IUP, variances, Cert of Compliance, liquor license, encroachment agreements		\$ 2,000.00	
Receipts (Services) - Special assessment searches		\$ 200.00	
Receipts (Interest)		\$ 1,000.00	
Receipts (Royalties) - Midcontinent Cable, Solar		\$ 2,500.00	
<b>General Fund Total</b>	<b>\$ 115,050.00</b>	<b>\$ 5,700.00</b>	<b>\$ 109,350.00</b>
<b>ROAD &amp; BRIDGE</b>			
Payroll – maint employee, plow drivers, Medicare, IRS, MN Revenue	\$ 30,000.00		
Roads (Reconstruction) - Resurface, rebuild, improvements	\$ 300,000.00		
Roads (Maintenance) - Repair, tar patch, surveys	\$ 50,000.00		
Roads (Snow) - Salt sand	\$ 8,000.00		
Fuel - gas, oil	\$ 10,000.00		
Truck - maintenance, registrations, shop materials	\$ 16,000.00		
Weed control - seeder rent, chemicals, tree removal	\$ 5,500.00		
Signs - replacement, lost, stolen	\$ 250.00		
Receipts - County Gas & Gravel tax payments		\$ 40,000.00	
<b>Road &amp; Bridge Total</b>	<b>\$ 419,750.00</b>	<b>\$ 40,000.00</b>	<b>\$ 379,750.00</b>
<b>Fire Fund</b>			
Fire - Annual protection fees	\$ 90,000.00		\$ 90,000.00
Fire - Fire Hall addition	\$ 50,000.00		\$ 50,000.00
<b>Fire Total</b>	<b>\$ 140,000.00</b>		<b>\$ 140,000.00</b>
<b>Capital</b>			
Capital fund - snow plow, etc.	\$ 5,000.00		\$ 5,000.00
<b>2024 Grand Totals</b>	<b>\$ 679,800.00</b>	<b>\$ 45,700.00</b>	<b>\$ 634,100.00</b>