

**TOWN OF IDEAL  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2017**

**TOWN OF IDEAL**

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## **INTRODUCTORY SECTION**

**TOWN OF IDEAL  
PRINCIPAL TOWN OFFICIALS  
DECEMBER 31, 2017**

<b>POSITION</b>	<b>TERMS EXPIRE</b>	<b>NAME</b>
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**ELECTED OFFICIALS**

Chairman	12/31/19	David E. Peterson
Supervisor	12/31/18	Curtis K. Johnson
Supervisor	12/31/17	John Bilek

**APPOINTED OFFICIALS**

Clerk-Treasurer		John Plein
Attorney		Breen & Person, Ltd. Gerald J. Brine
Auditor		Justin, Clasen & Company, Ltd.

## **FINANCIAL SECTION**



# JUSTIN CLASEN & COMPANY, LTD.

Certified Public Accountants & Consultants

Mick Justin, CPA  
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American Institute of  
Certified Public Accountants  
Minnesota Society of  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Town of Ideal  
Ideal Township, Minnesota

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Town of Ideal, Minnesota (the Town), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting described in Note 1. This includes determining that the regulatory basis of accounting is an acceptable basis of preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1, the financial statements are prepared by the Town of Ideal, Minnesota, on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Minnesota Office of the State Auditor.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town as of December 31, 2017, or the respective changes in financial position, or, where applicable, cash flows thereof for the year then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town as of December 31, 2017, and the changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with the regulatory basis of accounting described in Note 1.

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The introductory and supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory and supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Report on Other Legal and Regulatory Requirements

In accordance with Minnesota Statutes, we have also issued our report dated January 30, 2018, on our consideration on the Town’s compliance with provisions of the *Minnesota Legal Compliance Audit Guide for Towns*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. The purpose of the report is to determine if the Town has complied with Minnesota laws and regulations. That report is an integral part of an audit performed in the State of Minnesota.



Justin, Clasen & Company, Ltd.  
Certified Public Accountants & Consultants

Pequot Lakes, Minnesota  
January 30, 2018

**TOWN OF IDEAL  
STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>GENERAL</u>	<u>ROAD AND BRIDGE</u>	<u>CONSTRUCTION</u>	<u>FIRE</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 169,146	\$ 65,457	\$ 125,302	\$ 113,234
Total Assets	<u>\$ 169,146</u>	<u>\$ 65,457</u>	<u>\$ 125,302</u>	<u>\$ 113,234</u>
<b>LIABILITIES</b>				
Cash and Cash Equivalents Deficit	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FUND BALANCES</b>				
Committed	-	-	-	-
Assigned	-	65,457	125,302	113,234
Unassigned (Deficit)	<u>169,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Fund Balances	<u>169,146</u>	<u>65,457</u>	<u>125,302</u>	<u>113,234</u>
Total Liabilities and Cash Fund Balances	<u>\$ 169,146</u>	<u>\$ 65,457</u>	<u>\$ 125,302</u>	<u>\$ 113,234</u>



<u>CAPITAL PROJECTS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>\$ 128,261</u>	<u>\$ 7,908</u>	<u>\$ 609,308</u>
<u><u>\$ 128,261</u></u>	<u><u>\$ 7,908</u></u>	<u><u>\$ 609,308</u></u>
<u>\$ -</u>	<u>\$ 5,870</u>	<u>\$ 5,870</u>
<u>-</u>	<u>5,870</u>	<u>5,870</u>
128,261	-	128,261
-	7,908	311,901
<u>-</u>	<u>(5,870)</u>	<u>163,276</u>
<u>128,261</u>	<u>2,038</u>	<u>603,438</u>
<u><u>\$ 128,261</u></u>	<u><u>\$ 7,908</u></u>	<u><u>\$ 609,308</u></u>

**TOWN OF IDEAL**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN**  
**CASH FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2017**

	GENERAL	ROAD AND BRIDGE	CONSTRUCTION	FIRE
<b>RECEIPTS</b>				
Property Taxes	\$ 174,749	\$ 198,949	\$ 238,954	\$ 212,122
Licenses and Permits	-	60	-	-
Intergovernmental	7,460	14,991	22,586	29,007
Charges for Services	4,986	4,225	-	9,000
Interest Earnings	550	154	515	610
Contributions and Donations	-	-	-	2,025
Miscellaneous	2,392	24,259	-	10,692
Total Receipts	<u>190,137</u>	<u>242,638</u>	<u>262,055</u>	<u>263,456</u>
<b>DISBURSEMENTS</b>				
Current				
General Government	139,239	-	-	-
Public Safety	-	-	-	129,732
Public Works	-	234,833	242,604	-
Culture and Recreation	-	-	-	-
Debt Service				
Principal	-	-	-	96,695
Interest	-	-	-	11,196
Capital Outlay				
General Government	-	-	-	-
Public Safety	-	-	-	25,753
Public Works	-	-	-	-
Total Disbursements	<u>139,239</u>	<u>234,833</u>	<u>242,604</u>	<u>263,376</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>50,898</u>	<u>7,805</u>	<u>19,451</u>	<u>80</u>
<b>OTHER FINANCING (USES)</b>				
Transfers (Out)	(20,000)	-	-	-
Total Other Financing (Uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	30,898	7,805	19,451	80
Cash Fund Balances - Beginning	<u>138,248</u>	<u>57,652</u>	<u>105,851</u>	<u>113,154</u>
CASH FUND BALANCES - ENDING	<u>\$ 169,146</u>	<u>\$ 65,457</u>	<u>\$ 125,302</u>	<u>\$ 113,234</u>

CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 120,936	\$ 9,917	\$ 955,627
-	2,302	2,362
-	22,500	96,544
-	2,997	21,208
400	67	2,296
12,500	-	14,525
323	927	38,593
<u>134,159</u>	<u>38,710</u>	<u>1,131,155</u>
355	-	139,594
-	-	129,732
1,057	39,235	517,729
-	3,341	3,341
-	-	96,695
-	-	11,196
33,775	-	33,775
-	-	25,753
48,585	-	48,585
<u>83,772</u>	<u>42,576</u>	<u>1,006,400</u>
<u>50,387</u>	<u>(3,866)</u>	<u>124,755</u>
-	-	(20,000)
-	-	(20,000)
50,387	(3,866)	104,755
77,874	5,904	498,683
<u>\$ 128,261</u>	<u>\$ 2,038</u>	<u>\$ 603,438</u>

**TOWN OF IDEAL  
STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS  
PROPRIETARY FUND  
DECEMBER 31, 2017**

	ENTERPRISE FUND
	TRANSFER STATION
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 11,886
Total Assets	11,886
<b>LIABILITIES</b>	-
<b>NET CASH POSITION</b>	
Unrestricted	11,886
Total Net Cash Position	\$ 11,886

**TOWN OF IDEAL  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
NET CASH POSITION  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2017**

	ENTERPRISE FUND
	TRANSFER STATION
<b>OPERATING RECEIPTS</b>	
Charges for Services	\$ 64,542
Total Operating Receipts	64,542
<b>OPERATING DISBURSEMENTS</b>	
Personal Services	12,640
Contractual Services	56,926
Utilities	1,559
Repairs and Maintenance	1,476
Supplies	5,126
Insurance	154
Total Operating Disbursements	77,881
<b>OPERATING CASH (LOSS)</b>	<b>(13,339)</b>
<b>NONOPERATING RECEIPTS</b>	
Interest Receipts	30
Property Taxes	1,988
Intergovernmental	4,110
Total Nonoperating Receipts	6,128
Net Cash (Loss) Before Contributions and Transfers	(7,211)
Transfers In	20,000
<b>CHANGE IN NET CASH POSITION</b>	12,789
Total Net Cash Position (Deficit) - Beginning	(903)
<b>TOTAL NET CASH POSITION - ENDING</b>	<b>\$ 11,886</b>

**TOWN OF IDEAL  
STATEMENT OF CASH FLOWS - REGULATORY BASIS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2017**

	ENTERPRISE FUND
	TRANSFER STATION
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 64,542
Payments to Suppliers	(65,241)
Payments to Employees	(12,640)
Receipts from Property Taxes	1,988
Receipts from Intergovernmental Agency	4,110
Net Cash (Used in) Operating Activities	(7,241)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from Other Funds	20,000
Net Cash Provided by Noncapital Financing Activities	20,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	30
Net Cash Provided by Investing Activities	30
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 12,789
Cash and Cash Equivalents (Deficit) - Beginning of the Year	(903)
Cash and Cash Equivalents - End of the Year	\$ 11,886

**TOWN OF IDEAL  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2017**

	AGENCY FUNDS		TOTAL
	ISLAND	LODGING TAX	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,666	\$ 71,071	\$ 73,737
Total Assets	\$ 2,666	\$ 71,071	\$ 73,737
<b>LIABILITIES</b>			
Agency Obligations	\$ 2,666	\$ 71,071	\$ 73,737
Total Liabilities	\$ 2,666	\$ 71,071	\$ 73,737

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Financial Reporting Entity

The Town was incorporated under the laws of the State of Minnesota and operates under an elected Chairperson-Supervisor form of government. The financial statements of the reporting entity include those of the Town (the primary government) and the component units for which the primary government is financially accountable. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or the potential component unit is fiscally dependent upon the Town. Based on these criteria, there are no organizations considered to be component units of the Town.

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Board of Supervisors or the component unit provides services entirely to the Town. These component unit's funds are blended into those of the Town by appropriate activity type to compose the primary government presentation. Currently, the Town has no blended component units.

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the Town has no discretely presented component units.

B. Basis of Presentation - Fund Accounting

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance/net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- § Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- § Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.



**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation - Fund Accounting (Continued)

*Governmental Funds*

**General Fund** – To account for all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** – To account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

*Proprietary Funds*

**Enterprise Fund - Transfer Station** – Used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Fiduciary Funds*

**Fiduciary Funds** – Fiduciary activities involve holding and managing net position for specific individuals or other external parties in accordance with trust agreements or other custodial agreements. Fiduciary activities are reported in trust and agency funds in the fund financial statements. The agency funds are accounted for using the accrual basis of accounting.

*Major and Nonmajor Funds*

Fund	Description
Major:	
Governmental:	
General	As described above.
Road & Bridge	See special revenue funds described above.
Construction	See special revenue funds described above.
Fire	See special revenue funds described above.
Capital Projects	As described above.
Proprietary:	
Transfer Station	Accounts for the activities of the Town for operation of the transfer station.
Nonmajor:	
Special Revenue	As described above.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting

The Town follows the regulatory basis of accounting for all funds. The accompanying statements were prepared on the regulatory basis and accordingly, receipts and disbursements are recognized only as cash is received or paid out. These statements do not give effect to receivables, payables, accrued expenses, capital assets, debts, and inventory and accordingly, are not presented in accordance with U.S. generally accepted accounting principles. These procedures are in accordance with *City Audited Financial Statements for Cities under 2,500 in Population Reporting on the Regulatory Basis of Accounting* as prescribed by the Office of the State Auditor, which is a special purpose framework other than accounting principles generally accepted in the United States of America.

D. Assets, Liabilities, and Fund Balance/Net Position

**1. Cash and Cash Equivalents**

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

**2. Fund Balance/Net Position**

In the fund financial statements, cash fund balance is divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of resources reported in Governmental Funds.

a. Governmental Cash Fund Balances:

In the governmental fund financial statements, cash fund balances are classified as follows:

- § **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. There is no nonspendable cash fund balance at December 31, 2017.
- § **Restricted** – Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors. There is no restricted cash fund balance at December 31, 2017.
- § **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Board of Supervisors ordinance or resolution.
- § **Assigned** – Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Liabilities, and Fund Balance/Net Position (Continued)

**2. Fund Balance/Net Position (Continued)**

a. Governmental Cash Fund Balances: (Continued)

§ **Unassigned** – Amounts that have not been restricted, committed, or assigned to a specific purpose in the General Fund. Other funds may also report a negative unassigned fund balance if the total nonspendable, restricted, and committed fund balance exceed the total net resources of that fund.

The Town has formally adopted a fund balance policy for the General Fund. The policy is to maintain a minimum unassigned fund balance of 20% of levy revenues.

b. Proprietary Fund Net Cash Position:

Proprietary Fund Net Cash Position is divided into two components:

§ **Restricted** – Consists of assets that are restricted by the Town's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. There is no restricted net cash position at December 31, 2017.

§ **Unrestricted** – all other assets are reported in this category.

c. Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**3. Capital Assets**

In the Fund Financial Statements, capital assets used in governmental and proprietary fund operations are accounted for as capital outlay expenditures of the governmental and proprietary funds upon acquisition.

Capital assets include property, plant, equipment, land improvements, and buildings.

E. Receipts and Disbursements

**1. Property Tax Revenue**

The Town levies its property taxes for the subsequent year during the month of December. Crow Wing County is the collecting agency for the levy and remits the collections to the Town. The Town receives its taxes in two installments in July and December.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Receipts and Disbursements (Continued)

**1. Property Tax Revenue (Continued)**

The property tax levy in 2017 includes certain state credits that are distributed to the Town directly by the state. These credits are classified as intergovernmental revenue.

**2. Receipts and Disbursements**

Proprietary Funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods and/or services in connection with a Proprietary Fund's principal ongoing operations. Operating disbursements for the Proprietary Fund include the cost of sales and services and administrative expense. All receipts and disbursement not meeting this definition are reported as nonoperating items which include revenue and expenses related to capital and related to financing, noncapital financing, or investing activities.

Disbursements

In the fund financial statements, disbursements are classified as follows:

Governmental Funds - By Character	Current (further classified by function)
	Debt Service
	Capital Outlay
	Other Financing Uses
Proprietary Funds - By Operating and Nonoperating	

F. Budgetary Information

Annual budgets for the General Fund are adopted on the regulatory basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended by the Town's Board of Supervisors. The original and final budget for the General Fund is presented in the supplementary information. The Town has not prepared a budget for its major special revenue funds. All annual appropriations lapse at year end.

G. Use of Estimates

The preparation of financial statements in accordance with the regulatory basis requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Disclosure of certain information concerning individual funds include:

- ◆ The following fund had a deficit net cash fund balance as of December 31, 2017:

Recycling	\$ 5,870
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**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3      DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS**

A. Deposits and Investments

The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as Cash and Cash Equivalents. Interest is allocated based on management's estimate of interest earned by fund. In accordance with *Minnesota Statutes* the Town maintains deposits at financial institutions which are authorized by the Board of Supervisors.

**1. Deposits**

The Town is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The Town is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount of deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

Custodial Credit Risk

The risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. It is the Town's policy that collateral or bonds will be required for all uninsured amounts on deposit, and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. As of December 31, 2017, the Town's deposits were not exposed to custodial credit risk. The Town's deposits were covered by federal depository insurance and collateral held by the Town's agent in the Town's name.

Accounts held by an official custodian of a government unit will be insured as follows:

The Federal Deposit Insurance Corporation (FDIC) deposit coverage limit for bank depositors is \$250,000. If the depository bank is located in the State of Minnesota, government depositors are eligible for two separate \$250,000 coverages: one for all time/savings accounts and one for all demand accounts. For deposits in banks outside the State of Minnesota, government depositors have total coverage of \$250,000 for all demand and time/savings deposit accounts combined.

Authorized collateral includes:

- § U.S. government treasury bills, notes, or bonds;
- § issues of a U.S. government agency or instruments that are quoted by a recognized industry quotation service available to the government entity;
- § general obligation securities of a state or local government, with taxing powers, rated "A" or better;
- § revenue obligation of a state or local government, with taxing powers, rated "AA" or better;
- § unrated general obligation securities of a local government, with taxing powers, pledged as collateral against funds deposited by that same local government entity;
- § an irrevocable standby letter of credit issued by Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AA" or better by Moody's or Standard and Poor's; or
- § time deposits fully insured by any federal agency.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

A. Deposits and Investments (Continued)

**1. Deposits (Continued)**

Cash balances consist of the following at December 31, 2017:

Carrying Balance	Bank Balance
\$ 689,061	\$ 705,847

**2. Investments**

The Town has an investment policy and is permitted to invest its idle funds as authorized by Minnesota Statutes 118A.04 and 118A.05 as follows:

- § Governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities defined as “high risk”;
- § General obligations of a state or local government with taxing powers rated “A” or better by a national bond rating service;
- § Revenue obligations of a state or local government with taxing powers rated “AA” or better by a national bond rating service;
- § General obligations of the Minnesota Housing Finance Agency which was a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating service;
- § An obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating service or enrolled in the credit enhancement program.
- § Commercial papers issued by a United States corporation or its Canadian subsidiary that is rated in the highest quality category by at least two nationally recognized rating agencies, and matures in 270 days or less;
- § Time deposits fully insured by the Federal Deposit Insurance Corporation;
- § Bankers Acceptances issued by United States banks;
- § High risk mortgage-backed securities that are interest only or principal only or a mortgage derivative security that has an average life greater than 10 years or securities that will have a price change of more than 17%;
- § Its own temporary obligations issued under Minn. Stat. §§ 429.091, subd. 7 (special assessments), 469.178 subd. 5 (tax increment bonds), or 475.61, subd. 6;
- § Bonds issued by Minnesota State Colleges or Universities under Minnesota Statutes 136F.90 and 136F.98; or
- § Funds held in a debt service fund may be used to purchase an obligation of an issue which is payable from the fund.

Interest Rate Risk

The risk that changes in interest rates could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

A. Deposits and Investments (Continued)

**2. Investments (Continued)**

Credit Risk

The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the Town's policy to invest only in securities that meet the ratings requirements set by statute.

Custodial Credit Risk

The risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2017, the Town was not exposed to custodial credit risk.

Concentration of Credit Risk

The risk of loss that may be caused by the Town's investment in a single issuer. The Town places no limit on the amount that it may invest in any one issuer.

The Town had no investments at December 31, 2017.

B. Interfund Transfers

Fund	Transfers Out	Fund	Transfers In	Reason for Transfers
General	<u>\$ 20,000</u>	Transfer Station	<u>\$ 20,000</u>	To cover fund losses

C. Long-Term Liabilities

The following is a summary of changes in long-term debt for the year:

<u>Types of Indebtedness</u>	Interest Rate	Issue Date	Final Maturity Date	Outstanding January 1, 2017	Issued In 2017	Paid In 2017	Outstanding December 31, 2017	Due Within One Year
<b>Governmental Funds</b>								
<b><u>Fire Fund</u></b>								
GO Bond								
Series 2016A	3.25	2/8/2016	1/1/2020	\$ 219,000	\$ -	\$ 71,000	\$ 148,000	\$ 73,000
Capital Lease								
Fire Equipment	2.99	11/15/2016	11/15/2021	<u>136,392</u>	<u>-</u>	<u>25,695</u>	<u>110,697</u>	<u>26,463</u>
Total Indebtedness				<u>\$ 355,392</u>	<u>\$ -</u>	<u>\$ 96,695</u>	<u>\$ 258,697</u>	<u>\$ 99,463</u>

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

C. Long-Term Liabilities (Continued)

Minimum Debt Payments for Bonds

The annual debt service requirements to maturity for bonds as of December 31, 2017 are as follows:

Years Ending December 31,	G.O. Bonds		
	Principal	Interest	Total
2018	\$ 73,000	\$ 4,810	\$ 77,810
2019	75,000	2,438	77,438
Total	<u>\$ 148,000</u>	<u>\$ 7,248</u>	<u>\$ 155,248</u>

Capital Lease Payable

The future minimum lease obligations and the net present value of these minimum lease payments were as follows:

Years Ending December 31,	
2018	\$ 29,773
2019	29,773
2020	29,773
2021	29,773
Total Minimum Lease Payments	119,092
Lease Amount Representing Interest	(8,395)
Present Value of Minimum Lease Payments	<u>\$ 110,697</u>

Compensated Absences

The change in accrued compensated absences for the year ended December 31, 2017, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due in More Than One Year</u>
Other Liabilities:					
Accrued Compensated Absences	<u>\$ 3,900</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>\$ 4,976</u>	<u>\$ 4,976</u>

The liability for this amount is not recorded in the fund financial statements as they are prepared on the regulatory basis of accounting.

The General and Road and Bridge Funds will be used to liquidate this liability.



**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

D. Cash Fund Balances

At December 31, 2017, Governmental Cash Fund Balances consist of the following:

	<u>General</u>	<u>Road and Bridge</u>	<u>Construction</u>	<u>Fire</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed for: Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 128,261	\$ -	\$ 128,261
Assigned for: Special Revenue	-	65,457	125,302	113,234	-	7,908	311,901
Unassigned (Deficit)	169,146	-	-	-	-	(5,870)	163,276
Total Cash Fund Balance	<u>\$ 169,146</u>	<u>\$ 65,457</u>	<u>\$ 125,302</u>	<u>\$ 113,234</u>	<u>\$ 128,261</u>	<u>\$ 2,038</u>	<u>\$ 603,438</u>

**NOTE 4 OTHER NOTES**

A. Defined Benefit Pension Plan - Statewide

**1. Plan Description**

All full-time and certain part-time employees of the Town are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (accounted for in the General Employees Fund), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined benefit retirement plan benefits are based on a member's highest average salary for any 60 successive months of allowable service, age, and years of credit at termination of service.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 4 OTHER NOTES (CONTINUED)**

A. Defined Benefit Pension Plan – Statewide (Continued)

**1. Plan Description (Continued)**

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all General Employees Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Plan. That report may be obtained on PERA's website at [www.mnpera.org](http://www.mnpera.org).

**2. Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Town makes annual contributions to the pension plans equal to the amount required by state statutes. General Employees Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in 2017. In 2017 the Town was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members and 7.5% for Coordinated Plan members. The Town's contributions to the Public Employees Retirement Fund for the years ending December 31, 2017, 2016, and 2015, were \$12,423, \$12,337, and \$11,289, respectively. The Town's contributions were equal to the contractually required contributions for each year as set by state statute.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 4 OTHER NOTES (CONTINUED)**

**B. Defined Contribution Plan**

Three board members of the Town are covered by the Public Employees Defined Contribution Plan (accounted for in the Defined Contribution Fund), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the Town were:

	Contribution Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2017	\$ 916	\$ 916	5.00 %	5.00 %	5.00 %
2016	912	912			
2015	764	764			

**C. Volunteer Firefighter's Relief Association**

Plan Description

A single-employer defined benefit pension plan is administered by the Ideal Firefighter Relief Association. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The relief association determines the level of benefits with approval from the Town's Board of Supervisors. The Ideal Firefighter Relief Association issues a publicly available financial report that includes financial statements and required supplementary information for the plan.

**TOWN OF IDEAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 4 OTHER NOTES (CONTINUED)**

C. Volunteer Firefighter's Relief Association (Continued)

Funding Policy

Minnesota statutes specify minimum contributions that may be required from the Town on an annual basis. These minimum contributions are determined based on the amount required to meet the normal cost plus amortizing any prior years' service cost over a ten year period. No contribution was required for the Town for the year ended December 31, 2017. The firefighter relief association also receives funding from the State of Minnesota's two percent fire premium tax. The Town receives the contributions and is required by statute to pass this through as payment to the firefighter relief association. Investment earnings also add to the resources available for benefits within the association.

D. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Town has entered into a joint powers agreement with the Minnesota Association of Townships Insurance and Bond Trust (MATIT). The MATIT is a public entity risk pool currently operating as a common risk management and insurance program for Minnesota townships. The agreement for the formation of the MATIT provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The Town has determined that it is not possible to estimate the amount of such additional assessments; however, they are not expected to be material to the financial statements taken as a whole.

E. Related Party Transaction

During the current year the Town utilized services from a Town employee's consulting business for advertising services in the amount of \$1,845.

**NOTE 5 SUBSEQUENT EVENTS**

The Town has requested reimbursement from the State of Minnesota for 2017 storm damage. They anticipate receiving a partial reimbursement in 2018.

The Town signed a purchase agreement for a new mower in December 2017 in the amount of \$110,574, less trade-in allowance of \$24,000. The mower will be received in June 2018 and payment will be made at that time.

## **SUPPLEMENTARY INFORMATION SECTION**

**TOWN OF IDEAL  
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Beginning Cash Fund Balance - January 1	\$ 138,248	\$ 138,248	\$ 138,248	\$ -
<b>RECEIPTS</b>				
Taxes				
Property Taxes				
Current, Delinquent, Penalties, and Interest	176,250	176,250	174,749	(1,501)
Total Taxes	176,250	176,250	174,749	(1,501)
Intergovernmental				
State Grants				
Town Aid	5,750	5,750	6,229	479
Market Value Credit	525	525	534	9
PERA Aid	408	408	408	-
Other	190	190	183	(7)
County Grants				
Other	295	295	106	(189)
Total Intergovernmental	7,168	7,168	7,460	292
Charges for Services				
General Government	3,900	3,900	4,986	1,086
Miscellaneous				
Interest Earnings	470	470	550	80
Refunds and Reimbursements	-	-	2,392	2,392
Total Miscellaneous	470	470	2,942	2,472
Total Receipts	187,788	187,788	190,137	2,349
Amounts Available for Appropriation	326,036	326,036	328,385	2,349
<b>DISBURSEMENTS</b>				
General Government				
Board				
Current	-	-	30,031	(30,031)
Elections				
Current	-	-	271	(271)
Finance-Municipal Clerk/Treasurer				
Current	-	-	85,790	(85,790)
Independent Accounting and Auditing				
Current	-	-	4,800	(4,800)
Legal				
Current	-	-	185	(185)
Town Hall, General Government Buildings				
Current	175,000	175,000	18,162	156,838
Total General Government	175,000	175,000	139,239	35,761
Total Disbursements	175,000	175,000	139,239	35,761
Other Financing Uses				
Transfers To				
Transfer Station Fund	-	-	20,000	(20,000)
Total Other Financing Uses	-	-	20,000	(20,000)
Total Disbursements and Other Financing Uses	175,000	175,000	159,239	15,761
CASH FUND BALANCE - DECEMBER 31	\$ 151,036	\$ 151,036	\$ 169,146	\$ 18,110

**TOWN OF IDEAL  
 COMBINING STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2017**

	SPECIAL REVENUE FUNDS		TOTAL
	PARKS	RECYCLING	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,908	\$ -	\$ 7,908
Total Assets	\$ 7,908	\$ -	\$ 7,908
<b>LIABILITIES</b>			
Cash and Cash Equivalents Deficit	\$ -	\$ 5,870	\$ 5,870
Total Liabilities	-	5,870	5,870
<b>CASH FUND BALANCES</b>			
Assigned	7,908	-	7,908
Unassigned (Deficit)	-	(5,870)	(5,870)
Total Cash Fund Balances (Deficit)	7,908	(5,870)	2,038
Total Liabilities and Cash Fund Balances	\$ 7,908	\$ -	\$ 7,908

**TOWN OF IDEAL  
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	SPECIAL REVENUE FUNDS		TOTAL
	PARKS	RECYCLING	
<b>RECEIPTS</b>			
Property Taxes	\$ 4,947	\$ 4,970	\$ 9,917
Licenses and Permits	-	2,302	2,302
Intergovernmental	-	22,500	22,500
Charges for Services	-	2,997	2,997
Interest Earnings	28	39	67
Miscellaneous	485	442	927
Total Receipts	<u>5,460</u>	<u>33,250</u>	<u>38,710</u>
<b>DISBURSEMENTS</b>			
Public Works			
Current	-	39,235	39,235
Culture and Recreation			
Current	3,341	-	3,341
Total Disbursements	<u>3,341</u>	<u>39,235</u>	<u>42,576</u>
 NET CHANGE IN CASH FUND BALANCES	 2,119	 (5,985)	 (3,866)
 Cash Fund Balances - Beginning	 <u>5,789</u>	 <u>115</u>	 <u>5,904</u>
 CASH FUND BALANCES - ENDING (DEFICIT)	 <u>\$ 7,908</u>	 <u>\$ (5,870)</u>	 <u>\$ 2,038</u>



**TOWN OF IDEAL  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	BALANCE JANUARY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2017
<b>Island</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 766	\$ 14,066	\$ 12,166	\$ 2,666
Total Assets	<u>\$ 766</u>	<u>\$ 14,066</u>	<u>\$ 12,166</u>	<u>\$ 2,666</u>
<b>LIABILITIES</b>				
Agency Obligations	\$ 766	\$ 14,066	\$ 12,166	\$ 2,666
Total Liabilities	<u>\$ 766</u>	<u>\$ 14,066</u>	<u>\$ 12,166</u>	<u>\$ 2,666</u>
<b>Lodging Tax</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 73,357	\$ 67,499	\$ 69,785	\$ 71,071
Total Assets	<u>\$ 73,357</u>	<u>\$ 67,499</u>	<u>\$ 69,785</u>	<u>\$ 71,071</u>
<b>LIABILITIES</b>				
Agency Obligations	\$ 73,357	\$ 67,499	\$ 69,785	\$ 71,071
Total Liabilities	<u>\$ 73,357</u>	<u>\$ 67,499</u>	<u>\$ 69,785</u>	<u>\$ 71,071</u>
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 74,123	\$ 81,565	\$ 81,951	\$ 73,737
Total Assets	<u>\$ 74,123</u>	<u>\$ 81,565</u>	<u>\$ 81,951</u>	<u>\$ 73,737</u>
<b>LIABILITIES</b>				
Agency Obligations	\$ 74,123	\$ 81,565	\$ 81,951	\$ 73,737
Total Liabilities	<u>\$ 74,123</u>	<u>\$ 81,565</u>	<u>\$ 81,951</u>	<u>\$ 73,737</u>

**TOWN OF IDEAL  
SCHEDULE OF INDEBTEDNESS  
YEAR ENDED DECEMBER 31, 2017**

<u>Governmental Funds</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>	<u>OUTSTANDING JANUARY 1, 2017</u>	<u>ISSUED IN 2017</u>	<u>PAID IN 2017</u>	<u>OUTSTANDING DECEMBER 31, 2017</u>
<b>Bonds Payable</b>							
GO Bond							
Series 2016A	3.25	2/8/2016	1/1/2020	\$ 219,000	\$ -	\$ 71,000	\$ 148,000
<b>Loans Payable</b>							
Capital Lease							
Fire Equipment	2.99	11/15/2016	11/15/2021	<u>136,392</u>	<u>-</u>	<u>25,695</u>	<u>110,697</u>
Total Indebtedness				<u>\$ 355,392</u>	<u>\$ -</u>	<u>\$ 96,695</u>	<u>\$ 258,697</u>

**TOWN OF IDEAL  
SCHEDULE OF ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2017**

FUND	SOURCE OF REVENUE AND PURPOSE		AMOUNT
Fire Department	Crow Wing County	Property Tax	\$ 4,753
General	Crow Wing County	Property Tax	6,521
General	Lodging Tax	Administrative Fee	60
Parks	Crow Wing County	Property Tax	110
Recycling	Crow Wing County	Property Tax	155
Road and Bridge	Crow Wing County	Property Tax	9,728
Road and Bridge	Timothy Township	Snow Plowing	1,425
Transfer Station	Transfer Station	Billed Receipts	115
			<b>\$ 22,867</b>

**SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2017**

FUND	VENDOR NAME	ITEM AND PURPOSE	CLAIM NUMBER	AMOUNT
Fire	Arctic Air	Seasonal Checkup	21718	\$ 260
Fire	Clean Team	Cleaning Services	21719	40
Fire	Craig Wallace	Office Supplies	21731	23
Fire	Darell's Vehicle Repair	Truck Maintenance	21732	1,463
Fire	IRS	Payroll Taxes	IRS010318	3,472
Fire	Oasis Oil	Fuel	21725	406
Fire	Pequot Lakes Sanitation	Trash Pickup	21733	17
Fire	TDS Telecom	Phone & Internet	21724	86
Fire	Xcel Energy	Natural Gas	21722	182
General	Arctic Air	Seasonal Checkup	21718	140
General	Clean Team	Cleaning Services	21719	170
General	Curtis Johnson	Mileage	21711	6
General	Dave Peterson	Mileage & Meal	21709	154
General	Forum Communications	Filing Period Notice	21717	17
General	IRS	Payroll Taxes	IRS010318	813
General	John Bilek	Mileage	21710	96
General	John Plein	Mileage	21712	116
General	MN Department of Revenue	Payroll Taxes	MN010318	111
General	Northland Press	Filing Period Notice	21716	43
General	Pequot Lakes Sanitation	Trash Pickup	21733	15
General	PERA	Payroll Taxes	PERA010317	239
General	TDS Telecom	Phone & Internet	21724	75
General	Xcel Energy	Natural Gas	21722	137
Recycling	Crow Wing County Landfill, LLC	Electronics Recycle	21738	295
Recycling	IRS	Payroll Taxes	IRS010318	97
Recycling	MN Department of Revenue	Payroll Taxes	MN010318	2
Recycling	North County Roll Off Service	Recycling Disposal	21734	972
Recycling	Pequot Lakes Sanitation	Trash Pickup	21733	160
Recycling	PERA	Payroll Taxes	PERA010317	32
Road and Bridge	Ace Hardware	Shop Supplies	21736	64
Road and Bridge	Arctic Air	Seasonal Checkup	21718	250
Road and Bridge	Fastenal Company	Chain & Recovery Strap	21737	493

**TOWN OF IDEAL  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2017  
(CONTINUED)**

<u>FUND</u>	<u>VENDOR NAME</u>	<u>ITEM AND PURPOSE</u>	<u>CLAIM NUMBER</u>	<u>AMOUNT</u>
Road and Bridge	Ace Hardware	Shop Supplies	21736	64
Road and Bridge	Arctic Air	Seasonal Checkup	21718	250
Road and Bridge	Fastenal Company	Chain & Recovery Strap	21737	493
Road and Bridge	IRS	Payroll Taxes	IRS010318	1,981
Road and Bridge	MN Department of Revenue	Payroll Taxes	MN010318	349
Road and Bridge	Oasis Oil	Fuel	21725	1,219
Road and Bridge	PERA	Payroll Taxes	PERA010317	508
Road and Bridge	TDS Telecom	Phone & Internet	21724	139
Road and Bridge	Xcel Energy	Natural Gas	21722	108
Road Construction	Crow Wing County Highway Dept.	Road Signage	21727	2,000
Transfer Station	Crow Wing Power	Electric	21723	90
Transfer Station	IRS	Payroll Taxes	IRS010318	97
Transfer Station	MN Department of Revenue	Payroll Taxes	MN010318	2
Transfer Station	Nisswa Rolloff Service	Transfer Fee	21735	1,980
Transfer Station	Pequot Lakes Sanitation	Hauling	21733	376
Transfer Station	PERA	Payroll Taxes	PERA010317	32
Transfer Station	TDS Telecom	Phone & Internet	21724	40
				<u>\$ 19,367</u>

## **OTHER REPORT SECTION**



# JUSTIN CLASEN & COMPANY, LTD.

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Member:

American Institute of  
Certified Public Accountants

Minnesota Society of  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Supervisors  
Town of Ideal  
Ideal Township, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Town of Ideal, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 30, 2018.

*The Minnesota Legal Compliance Audit Guide for Towns*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Ideal failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Towns*, except that they failed to retain all bids on file. 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 Town's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the Town of Ideal and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Justin, Clasen & Company, Ltd.  
Certified Public Accountants & Consultants

Pequot Lakes, Minnesota  
January 30, 2018