



**February 28, 2017**

## **Board of Audit Report for 2016**

In accordance with Minnesota Statute § 367.36, Ideal Township is required to conduct an outside audit annually. For fiscal year 2016, the audit was performed by the CPA firm of Justin Clasen & Company, LTD.

A Board of Audit Meeting was held on February 28<sup>th</sup>, 2017 at 10 am with all Town Board members and the Clerk-Treasurer in attendance. Representatives of Justin Clasen & Company, LTD. were also present.

Chairman Peterson presented the 2016 Annual Audit document to the Board for review. As shown on page 5 of the document, the total Governmental Funds receipts from all sources totaled \$1,080,921 with disbursements of \$1,603,662. This indicates a deficit from operations in 2016 of \$522,741. This deficit includes a bond issue to finance a fire truck of \$288,000 and a lease-purchase of SCBA equipment of \$136,392. There was also significant road construction expense paid with carryover fund balance.

The 2016 beginning balances of all funds was \$602,032; minus the 2016 deficit, and the financed amount, leaves a beginning balance for 2017 of \$498,683.

A report of all 2016 Property Tax Settlements paid to the Township from the Crow Wing County Auditor was presented by the Clerk. Total amount paid for the 2016 levy was \$936,228.

A comparison report was presented showing net tax capacity rate (NTC) and total taxable market value (TMV) for the Township since 2004. Values for 2016 tax year show TMV of \$835,303,600 which calculates to a tax capacity of \$8,830,756 meaning the Township operated with a NTC of 10.61% of tax capacity.

The Clerk gave the Board a demonstration of process procedures and document filing including computerized accounting system (CTAS), monthly reporting process, and year-end procedures. The demonstration indicated compliance with generally accepted practices and that all required filing & reporting has been completed including; annual financial reports to the Minnesota State Auditor, periodic and year-end payroll filings and tax payments, workers compensation insurance audit, sufficient deposit account security pledges, and 2017 tax levy certification.

The Financial Statements and Independent Auditor's Report for 2016 is posted to the [idealtownship.com](http://idealtownship.com) website. Detailed & complete reports on receipts and disbursements for the year are available to the public upon request from the Clerk-Treasurer.

John Plein  
Ideal Township Clerk-Treasurer  
February 28<sup>th</sup>, 2017