

**BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA**

AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

BALDWIN TOWNSHIP, MINNESOTA

TABLE OF CONTENTS

	<u>Page</u>
ELECTED AND APPOINTED OFFICIALS	1
INDEPENDENT AUDITOR'S REPORT	2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds	
Balance Sheet - Governmental Funds	8
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	11
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	14
Fire Department	15
Road and Bridge	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	18
Statement of Cash Flows	19
Notes to the Basic Financial Statements	20
SUPPLEMENTAL INFORMATION SECTION	
Nonmajor Governmental Funds:	
Combining Balance Sheet	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	38
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	40
Nonmajor Capital Project Funds:	
Combining Balance Sheet	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	42
General Fund:	
Balance Sheet	43
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	44
Proprietary Funds:	
Sewer Utility:	
Schedule of Net Position	48
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	49
OTHER REQUIRED REPORTS:	
Independent Auditor's Report on Minnesota Legal Compliance	51
Independent Auditor's Report on Internal Control	52
Schedule of Findings and Responses on Internal Control and Legal Compliance	53
Summary Schedule of Prior Findings	56

BALDWIN TOWNSHIP, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2023

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jay Swanson	Chairperson	December 31, 2023
Jeff Holm	Supervisor	December 31, 2023
Scott Case	Supervisor	December 31, 2024
Bryan Lawrence	Supervisor	December 31, 2025
Tom Rush	Supervisor	December 31, 2024

APPOINTED

<u>Name</u>	<u>Title</u>
Joan Heinen	Clerk/Treasurer
Zachary Good	Public Works Supervisor



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

Website: www.bnbcpas.com

Annandale Office:

35 Oak Ave. N, P.O. Box N

Annandale, MN 55302

P: 320.274.1040

F: 320.274.2260

Experienced... Over 40 years combined experience

Affordable... Exceptional value for a reasonable price

Friendly... Family owned and run since 1990

Mankato Office:

430 S. Broad St., Ste. 100

Mankato, MN 56001

P: 507.387.1338

F: 507.387.5199

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and
Supervisors of Baldwin Township
Sherburne County, Minnesota

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Baldwin Township, Sherburne County, Minnesota (the Township), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities, Business-type Activities, and the Sewer fund

In our opinion, except for the effects of the matter described in the "Basis for Qualified and Unmodified Opinions" section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the Sewer fund of the Township, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund, and the Aggregate Remaining Fund Information.

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 Township, as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General fund and Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on Governmental Activities, Business-type Activities, and the Sewer fund

Management has not adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* for purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense and Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments* for recording capital assets. The effect on the governmental activities, business-type activities, and the Sewer fund for not implementing GASB Statement No. 68 and 34, although not reasonably determinable, is presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental information, as listed in the table of contents under supplemental section, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Burkhardt & Burkhardt, Ltd
Mankato, Minnesota
July 15, 2024

BASIC FINANCIAL STATEMENTS

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 1,665,140	\$ 34,271	\$ 1,699,411
Investments	1,000,000	0	1,000,000
Receivables:			
Interest	33,485	0	33,485
Accounts	1,855	10,444	12,299
Property Taxes	58,782	0	58,782
Special Assessments	0	76,865	76,865
Leases	29,248	0	29,248
Inventory	3,445	0	3,445
Prepaid Expenses	8,085	110	8,195
TOTAL ASSETS	<u>\$ 2,800,040</u>	<u>\$ 121,690</u>	<u>\$ 2,921,730</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Accrued Expenses	\$ 223,421	\$ 5,848	\$ 229,269
Compensated Absences	6,521	0	6,521
Unearned Revenues	27,500	0	27,500
Current Portion of Long-term Debt	189,089	50,911	240,000
Long-term Debt, Net of Current Portion	515,139	138,699	653,838
Total Liabilities	<u>961,670</u>	<u>195,458</u>	<u>1,157,128</u>
Deferred Inflows of Resources:			
Lease Deferrals	<u>27,368</u>	<u>0</u>	<u>27,368</u>
Net Position			
Restricted	529,507	0	529,507
Unrestricted	1,281,495	(73,768)	1,207,727
Total Net Position	<u>1,811,002</u>	<u>(73,768)</u>	<u>1,737,234</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 2,800,040</u>	<u>\$ 121,690</u>	<u>\$ 2,921,730</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,165,752	\$ 493,958	\$ 0	\$ 0
Public Safety	197,895	5,705	0	0
Public Works	837,283	10,854	0	0
Park and Recreation	31,594	0	0	0
Interest on Long-term Debt	27,497	0	0	0
Total Governmental Activities	<u>2,260,021</u>	<u>510,517</u>	<u>0</u>	<u>0</u>
BUSINESS-TYPE ACTIVITIES:				
Sewer	<u>64,875</u>	<u>37,234</u>	<u>0</u>	<u>5,050</u>
Total Primary Government	<u>\$ 2,324,896</u>	<u>\$ 547,751</u>	<u>\$ 0</u>	<u>\$ 5,050</u>

General Revenues:
Property Taxes:
Levied for General Purposes
Levied for Debt Service
Intergovernmental
Interest and Investment Earnings
Other Revenues
Total General Revenues

Changes in Net Position

Net Position - January 1

Net Position - December 31

The Notes to the Financial Statements are an Integral Part of this Statement.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (671,794)	\$ 0	\$ (671,794)
(192,190)	0	(192,190)
(826,429)	0	(826,429)
(31,594)	0	(31,594)
(27,497)	0	(27,497)
<u>(1,749,504)</u>	<u>0</u>	<u>(1,749,504)</u>
 0	 (22,591)	 (22,591)
<u>(1,749,504)</u>	<u>(22,591)</u>	<u>(1,772,095)</u>
 1,097,073	 0	 1,097,073
289,800	0	289,800
79,147	0	79,147
66,724	869	67,593
249,769	0	249,769
<u>1,782,513</u>	<u>869</u>	<u>1,783,382</u>
 33,009	 (21,722)	 11,287
<u>1,777,993</u>	<u>(52,046)</u>	<u>1,725,947</u>
<u>\$ 1,811,002</u>	<u>\$ (73,768)</u>	<u>\$ 1,737,234</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Fire Department	Road and Bridge
ASSETS			
Cash and Cash Equivalents	\$ (524,239)	\$ 228,377	\$ 913,936
Investments	1,000,000	0	0
Receivables:			
Interest	33,485	0	0
Accounts	1,600	0	255
Property Taxes	58,782	0	0
Lease	29,248	0	0
Inventory	0	1,707	1,738
Prepaid Expense	551	1,283	5,790
	<u>551</u>	<u>1,283</u>	<u>5,790</u>
TOTAL ASSETS	<u><u>\$ 599,427</u></u>	<u><u>\$ 231,367</u></u>	<u><u>\$ 921,719</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 111,942	\$ 6,818	\$ 36,644
Accrued Expenses	4,999	36,495	2,725
Unearned Revenues	0	0	0
Total Liabilities	<u>116,941</u>	<u>43,313</u>	<u>39,369</u>
Deferred Inflows of Resources:			
Unavailable Revenue	22,315	0	0
Lease Deferrals	27,368	0	0
Total Deferred Inflows of Resources	<u>49,683</u>	<u>0</u>	<u>0</u>
Fund Balance:			
Nonspendable	551	2,989	7,528
Restricted	0	0	0
Committed	0	0	874,822
Assigned	0	185,065	0
Unassigned	432,252	0	0
Total Fund Balance	<u>432,803</u>	<u>188,054</u>	<u>882,350</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 599,427</u></u>	<u><u>\$ 231,367</u></u>	<u><u>\$ 921,719</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

Building Permits	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 124,155	\$ 538,233	\$ 384,678	\$ 1,665,140
0	0	0	1,000,000
0	0	0	33,485
0	0	0	1,855
0	0	0	58,782
0	0	0	29,248
0	0	0	3,445
0	0	461	8,085
<u>\$ 124,155</u>	<u>\$ 538,233</u>	<u>\$ 385,139</u>	<u>\$ 2,800,040</u>
\$ 14,787	\$ 0	\$ 285	\$ 170,476
0	0	0	44,219
0	0	27,500	27,500
<u>14,787</u>	<u>0</u>	<u>27,785</u>	<u>242,195</u>
0	0	0	22,315
0	0	0	27,368
<u>0</u>	<u>0</u>	<u>0</u>	<u>49,683</u>
0	0	461	11,529
0	538,233	0	538,233
0	0	0	874,822
0	0	356,893	541,958
109,368	0	0	541,620
<u>109,368</u>	<u>538,233</u>	<u>357,354</u>	<u>2,508,162</u>
<u>\$ 124,155</u>	<u>\$ 538,233</u>	<u>\$ 385,139</u>	<u>\$ 2,800,040</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

Total Fund Balances - Governmental Funds	\$ 2,508,162
--	--------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds	(704,228)
Compensated absences	(6,521)

Long-term receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.

Delinquent property taxes	22,315
---------------------------	--------

Governmental funds do not report a liability for accrued interest payable until due and payable.

(8,726)

Total Net Position - Governmental Activities	<u>\$ 1,811,002</u>
--	---------------------

THIS PAGE IS LEFT
BLANK INTENTIONALLY

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General	Fire Department	Road and Bridge
Revenues:			
Taxes	\$ 253,558	\$ 195,000	\$ 500,000
Intergovernmental	12,789	12,261	54,097
Charges for Services	181,343	5,705	10,854
Other Revenues	196,620	7,647	164
Interest Earnings	35,799	3,188	13,928
Total Revenues	<u>680,109</u>	<u>223,801</u>	<u>579,043</u>
Expenditures:			
Current:			
General Government	698,736	0	0
Public Safety	2,009	176,638	0
Public Works	211,597	0	524,230
Parks and Recreation	0	0	0
Capital Outlay:			
General Government	132,727	0	0
Public Safety	0	19,248	0
Public Works	0	0	101,456
Parks and Recreation	0	0	0
Debt Service:			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,045,069</u>	<u>195,886</u>	<u>625,686</u>
Change in Fund Balance	(364,960)	27,915	(46,643)
Fund Balance - January 1	<u>797,763</u>	<u>160,139</u>	<u>928,993</u>
Fund Balance - December 31	<u><u>\$ 432,803</u></u>	<u><u>\$ 188,054</u></u>	<u><u>\$ 882,350</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

Building Permits	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 0	\$ 289,800	\$ 145,000	\$ 1,383,358
0	0	0	79,147
312,615	0	0	510,517
0	0	45,338	249,769
1,461	7,401	4,947	66,724
<u>314,076</u>	<u>297,201</u>	<u>195,285</u>	<u>2,289,515</u>
255,185	0	0	953,921
0	0	0	178,647
0	0	0	735,827
0	0	26,695	26,695
0	0	82,373	215,100
0	0	0	19,248
0	0	0	101,456
0	0	4,899	4,899
0	189,089	0	189,089
0	24,354	0	24,354
<u>255,185</u>	<u>213,443</u>	<u>113,967</u>	<u>2,449,236</u>
58,891	83,758	81,318	(159,721)
<u>50,477</u>	<u>454,475</u>	<u>276,036</u>	<u>2,667,883</u>
<u>\$ 109,368</u>	<u>\$ 538,233</u>	<u>\$ 357,354</u>	<u>\$ 2,508,162</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds	\$ (159,721)
--	--------------

Amounts reported for governmental activities in the Statement of Activities are different because:

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position.

Principal repayments	189,089
----------------------	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.

	(3,143)
--	---------

Certain revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	3,516
---------------------------	-------

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	<u>3,269</u>
----------------------	--------------

Change in Net Position - Governmental Activities	<u><u>\$ 33,009</u></u>
--	-------------------------

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 282,600	\$ 253,558	\$ (29,042)
Intergovernmental	14,300	12,789	(1,511)
Charges for Services	30,535	181,343	150,808
Other Revenues	2,500	196,620	194,120
Interest Earnings	100	35,799	35,699
Total Revenues	<u>330,035</u>	<u>680,109</u>	<u>350,074</u>
Expenditures:			
Current:			
General Government	341,218	698,736	357,518
Public Safety	2,000	2,009	9
Public Works	20,945	211,597	190,652
Capital Outlay:			
General Government	0	132,727	132,727
Total Expenditures	<u>364,163</u>	<u>1,045,069</u>	<u>680,906</u>
Change in Fund Balance	<u>\$ (34,128)</u>	(364,960)	<u>\$ (330,832)</u>
Fund Balance - January 1		<u>797,763</u>	
Fund Balance - December 31		<u>\$ 432,803</u>	

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FIRE DEPARTMENT FUND
For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 195,000	\$ 195,000	\$ 0
Intergovernmental	10,000	12,261	2,261
Charges for Services	5,680	5,705	25
Other Revenues	0	7,647	7,647
Interest Earnings	21	3,188	3,167
Total Revenues	<u>210,701</u>	<u>223,801</u>	<u>13,100</u>
Expenditures:			
Current:			
Wages and Salaries	127,323	96,642	(30,681)
Office Supplies	7,620	5,867	(1,753)
Operating Supplies	18,850	24,292	5,442
Training and Education	17,750	11,809	(5,941)
Professional Services	0	1,469	1,469
Insurance	8,250	2,981	(5,269)
Utilities	5,500	4,880	(620)
Repairs and Maintenance	20,120	21,380	1,260
Other Expenditures	4,300	7,318	3,018
Capital Outlay	26,000	19,248	(6,752)
Total Expenditures	<u>235,713</u>	<u>195,886</u>	<u>(39,827)</u>
Change in Fund Balance	<u>\$ (25,012)</u>	27,915	<u>\$ 52,927</u>
Fund Balance - January 1		<u>160,139</u>	
Fund Balance - December 31		<u>\$ 188,054</u>	

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 480,000	\$ 500,000	\$ 20,000
Intergovernmental	30,000	54,097	24,097
Charges for Services	14,400	10,854	(3,546)
Other Revenues	0	164	164
Interest Earnings	114	13,928	13,814
Total Revenues	<u>524,514</u>	<u>579,043</u>	<u>54,529</u>
Expenditures:			
Current:			
Wages and Salaries	195,070	116,649	(78,421)
Office Supplies	1,255	1,311	56
Operating Supplies	34,950	33,593	(1,357)
Training and Education	400	100	(300)
Professional Services	100,000	144,102	44,102
Insurance	4,000	10,846	6,846
Utilities	0	75	75
Repairs and Maintenance	184,500	215,929	31,429
Other Expenditures	225	1,625	1,400
Capital Outlay	3,200	101,456	98,256
Total Expenditures	<u>523,600</u>	<u>625,686</u>	<u>102,086</u>
Change in Fund Balance	<u>\$ 914</u>	(46,643)	<u>\$ (47,557)</u>
Fund Balance - January 1		<u>928,993</u>	
Fund Balance - December 31		<u>\$ 882,350</u>	

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	<u>Sewer Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 34,271
Accounts Receivable	10,444
Special Assessment Receivable	25,621
Prepaid Expense	<u>110</u>
Total Current Assets	70,446
Noncurrent Assets:	
Special Assessment Receivable	<u>51,244</u>
TOTAL ASSETS	<u><u>\$ 121,690</u></u>
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accrued Expenses	\$ 5,848
Current Portion of Long-term Debt	<u>50,911</u>
Total Current Liabilities	56,759
Long-term Liabilities:	
Bonds Payable, Net of Current Portion	<u>138,699</u>
Total Liabilities	<u>195,458</u>
Net Position:	
Unrestricted	<u>(73,768)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 121,690</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	Sewer Fund
Operating Revenues:	
Charges for Services	<u>\$ 37,234</u>
Operating Expenses:	
Salaries	12,124
Office Expense	583
Supplies	9,942
Professional Fees	25,178
Repairs and Maintenance	4,983
Utilities	3,962
Insurance	259
Other Expenses	440
Total Operating Expenses	<u>57,471</u>
Income (Loss) From Operations	<u>(20,237)</u>
Nonoperating Revenues (Expenses):	
Interest Earnings	869
Special Assessments	5,050
Interest Expense	<u>(7,404)</u>
Total Nonoperating Revenues (Expenses)	<u>(1,485)</u>
Change in Net Position	(21,722)
Net Position - January 1	<u>(52,046)</u>
Net Position - December 31	<u><u>\$ (73,768)</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2023

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers and Users	\$ 33,257
Payments to Suppliers	(47,331)
Payments to Employees	(12,124)
Net Cash From Operating Activities	<u>(26,198)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest Paid on Debt	(6,557)
Principal Paid on Debt	(50,911)
Special Assessments	35,725
Net Cash from Capital and Related Financing Activities	<u>(21,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>869</u>
Net Change in Cash and Cash Equivalents	(47,072)
Cash and Cash Equivalents - January 1	<u>81,343</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 34,271</u></u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:	
Operating Income (Loss)	\$ (20,237)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:	
(Increase) Decrease in Accounts Receivable	(3,977)
(Increase) Decrease in Prepaid Expense	(36)
Increase (Decrease) in Accounts Payable	(1,948)
Net Cash From Operating Activities	<u><u>\$ (26,198)</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Township is governed by a five-member Board of Supervisors, (the Board) who is elected to three-year terms. The Board appoints a Clerk/Treasurer responsible for the proper administration of all affairs relating to the Township. The Township has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the Township's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the Township and its component units, entities for which the Township is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Township's operations and so data from these units are combined with the data of the primary government. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the Township. The Township has no blended or discretely presented component unit.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all nonfiduciary activities of the Township. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregate information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are measurable and available only when cash is received by the Township.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on an accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the Township receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Township must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred inflows of resources in the fund financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Township reports the following major governmental funds:

The *General fund* is the Township's primary operating fund. It accounts for all the financial resources of the Township, except those required to be accounted for in another fund.

The *Fire Department fund* accounts for revenues and expenses associated with providing fire protection within the Township.

The *Road and Bridge fund* accounts for the accumulation of resources and revenues related to the maintenance and repair of the Township's road and bridge infrastructure.

The *Building Permits fund* accounts for the accumulation of resources and revenues related to the Township's building permit activity.

The *Debt Service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

The Township reports the following major proprietary funds:

The *Sewer fund* accounts for the costs associated with the Township's sewer utility system and ensures that user charges are sufficient to meet those costs.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are charges between the Township's sewer function and various other functions of the Township. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance

Deposits and investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds based on applicable cash balance participation by each fund.

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost.

The Township categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

See Note 3 for the Township’s recurring fair value measurements as of December 31, 2023.

The Township may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated “A” or better; revenue obligations rated “AA” or better.
4. General obligations of the Minnesota Housing Finance Agency rated “A” or better.
5. Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks, corporations, or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Township has not adopted a formal investment policy.

Property taxes

The Township Board annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the Township. These taxes attach an enforceable lien on taxable property within the Township on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the Township during January, June, and December each year.

Taxes payable on homestead property, as defined by Minnesota statutes, were partially reduced by a market value credit aid. The credit is paid to the Township by the State in lieu of taxes levied against the homestead property. The State remits this credit in two equal installments in October and December each year.

Delinquent taxes receivable includes the past six years’ uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Accounts receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2023. The Township annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

statements.

Special assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessment receivables are offset by a deferred inflow of resources in the fund financial statements.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Deferred outflows/inflows of resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In addition to assets, the statement of financial position and fund financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of resources that is applicable to future reporting period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Compensated absences

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate governmental compensated absences payable.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are delayed and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

Lease receivables

The Township determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Township's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The Township has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

Lease liabilities

The Township determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Township's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Township's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Entity will exercise that option.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

The Township has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. Significant lease terms are disclosed in note 3.

Net position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board, which is the Township’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board itself or by an official to which the governing body delegates the authority. The Board has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Township Clerk/Treasurer.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The Township considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Township would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The Township has formally adopted a fund balance policy for the General fund.

The Township’s policy is to maintain a minimum unassigned fund balance of 20-25 percent of budgeted operating expenditures for cash-flow timing needs.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General, Fire Department, and Road and Bridge funds. All annual appropriations lapse at fiscal year-end. The Township does not use encumbrance accounting.

The Township's electors vote to authorize the amount of money to be raised for a given year through tax levies for Township purposes in accordance with Minnesota statutes 365.10 and 365.431. This vote occurs at the Township's annual meeting in March. No budget amendments were made during the year.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2023, the General and Road and Bridge funds had expenditures over appropriations of \$680,906 and \$102,086, respectively. Excess expenditures over appropriations was funded with additional revenues and available fund balance.

C. Deficit Fund Equity

The following had fund equity deficits at year end:

Fund	Amount
Business-type	
Major	
Sewer	\$ 73,768

The fund deficits are planned to be eliminated with future interfund transfers.

Note 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Township's deposits and investments may not be returned, or the Township will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board the Township maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all Township deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

On December 31, 2023, the carrying amount of the Township's deposits was \$2,699,411 and the bank balance was \$2,702,642. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance was covered by collateral held by the Township's agent in the Township's name.

Investments

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Township would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form and, therefore, are not subject to custodial credit risk disclosures. Although the Township's investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statute 118A.07 limits the Township's investments.

Concentration Risk – This is the risk associated with investing a significant portion of the Township's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Township's investment policies address concentration risk by diversifying the investment portfolio so the Township does not invest all its funds into one type of investment.

Nonnegotiable certificates of deposit:

Bremer Bank	100%
-------------	------

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Township's investment policies do address this risk by minimizing the Township's exposure by investing on both short-term and long-term investments to evenly time cash flows from maturities.

As of December 31, 2023, the Township had the following investments that are insured or registered, or securities held by the Township's agent in the Township's name:

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

Deposit/Investments	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years		Total
	Rating	Agency		Less Than 1	1 to 5	
Pool investment at amortized cost						
Directly placed certificates of deposits	N/R	N/R	Cost	1,000,000	-	\$ 1,000,000
Total investments						\$ 1,000,000
N/A - Not applicable						
N/R - Not rated						

A reconciliation of cash and investments as shown on the Statement of Net Position for the Township follows:

	Governmental Funds	Proprietary Funds
Carrying amount of demand deposits	\$ 1,665,140	\$ 34,271
Time deposits	-	-
Total cash and cash equivalents as shown on the Statement of Net Position	1,665,140	34,271
Investments	1,000,000	-
Total cash and investments	\$ 2,665,140	\$ 34,271

B. Receivables

Taxes receivable as of the year end for the Township are reported on the Statement of Net Position. There are no estimates for allowances for uncollectible property tax and special assessment receivables.

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes	\$ 22,315	\$ 27,500
Total deferred inflows of resources/unearned revenue	\$ 22,315	\$ 27,500

The only receivables not expected to be collectible within one year are the following: General Fund: 15,000 of delinquent taxes.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

C. Interfund receivables, payables, and transfers

There were no interfund receivables and payables on December 31, 2023.

There were no interfund transfers for the year ended December 31, 2023.

D. Lease Receivables

The Township, acting as lessor, leases certain real property under a long-term, noncancelable lease agreement. The lease contains discount rates of 4.00% and expires on November 30, 2025 and provides for a renewal option of two five-year periods. During the year ended December 31, 2023, the Township recognized \$13,732 and \$1,469 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 14,756	\$ 901
2025	14,492	291
Total	<u>\$ 29,248</u>	<u>\$ 1,192</u>

E. Long-term debt

Certificate of Participation

The Township issues certificates of participation to provide funds for the acquisition and construction of major capital facilities. In 2017, the Township issued a certificate of participation to finance improvements to a community septic system and purchase capital equipment. Certificates of participation currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Certificate of					
Participation, 2017A	\$ 2,235,000	3.00%	8/21/17	2/1/27	<u>\$ 893,838</u>
Total certificates of participation					<u><u>\$ 893,838</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

Annual debt service requirements to maturity for general obligation bonds/notes are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 189,089	\$ 18,290	\$ 50,911	\$ 4,925
2025	189,089	12,618	50,911	3,397
2026	189,089	6,945	50,911	1,870
2027	136,961	2,054	36,877	553
Total	<u>\$ 704,228</u>	<u>\$ 39,907</u>	<u>\$ 189,610</u>	<u>\$ 10,745</u>

Changes in long-term liabilities

During the year ended December 31, 2023, the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Certificate of indebtedness	\$ 893,317	\$ -	\$ (189,089)	\$ 704,228	\$ 189,089
Compensated absences	9,790	5,429	(8,698)	6,521	-
Governmental activity long-term liabilities	<u>\$ 903,107</u>	<u>\$ 5,429</u>	<u>\$ (197,787)</u>	<u>\$ 710,749</u>	<u>\$ 189,089</u>
Business-type activities:					
Certificate of indebtedness	\$ 240,521	\$ -	\$ (50,911)	\$ 189,610	\$ 50,911
Business-type activity long-term liabilities	<u>\$ 240,521</u>	<u>\$ -</u>	<u>\$ (50,911)</u>	<u>\$ 189,610</u>	<u>\$ 50,911</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

F. Net Position/Fund Balance

Governmental Fund Balances

Governmental fund balances reported on the Governmental Funds Balance Sheet on December 31, 2023, includes the following:

	General General	Fire Department	Road Road and Bridge	Building Permits	Debt Service	Nonmajor Governmental Funds	Total Fund Balance
Nonspendable:							
Prepaid expenses	\$ 551	\$ 1,282	\$ 5,790	\$ -	\$ -	\$ -	\$ 7,623
Inventory	-	1,707	1,738	-	-	461	3,906
Total nonspendable	551	2,989	7,528	-	-	461	11,529
Restricted:							
Debt service	-	-	-	-	538,233	-	538,233
Committed:							
Public works	-	-	874,822	-	-	-	874,822
Assigned:							
Fire protection	-	185,065	-	-	-	-	185,065
Cemetery	-	-	-	-	-	16,419	16,419
Parks and recreation	-	-	-	-	-	97,958	97,958
Capital projects	-	-	-	-	-	149,209	149,209
Fire equipment	-	-	-	-	-	93,307	93,307
Total assigned	-	185,065	-	-	-	356,893	541,958
Unassigned:							
General fund	432,252	-	-	-	-	-	432,252
Building permits	-	-	-	109,368	-	-	109,368
Total unassigned	432,252	-	-	109,368	-	-	541,620
Total fund balance	\$ 432,803	\$ 188,054	\$ 882,350	\$ 109,368	\$ 538,233	\$ 357,354	\$ 2,508,162

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

Governmental Activities Net Position

Governmental activities net position reported on the government-wide statement of net position on December 31, 2023, includes the following:

Restricted for debt service	\$ 529,507
Unrestricted	<u>1,281,495</u>
Total Governmental Activities Net Position	<u><u>\$ 1,811,002</u></u>

Note 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION

A. Plan Description

All full-time and certain part-time employees of the Township 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), the Public Employees Police and Fire Retirement Plan (accounted for in the Police and Fire Fund), and the Local Government Correctional Service Retirement Plan, called the Public Employees Correctional Plan (accounted for in the Correctional Fund), which are cost-sharing, multiple-employer retirement plans. These plans are 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. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the Police and Fire Plan. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/ dispatcher, or as a supervisor of correctional guards, officers, or joint jailers/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates are covered by the Correctional Plan.

PERA provides retirement benefits as well as disability benefits to members and survivor benefits upon death of eligible members. Benefits are established by state statute. Benefits for members of the General Employees Plan vest after five years of credited service. Benefits for the Police and Fire Plan vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years. In the Correctional Plan, benefits vest on a prorated basis from 50 percent after 5 years up to 100 percent after 10 years. The defined benefit retirement plan benefits are based on a member's highest average salary for any 5 years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. The rates are 2.2% and 2.7%, respectively, for Basic members. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service, and 2.7% for Basic members. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 4 DEFINED BENEFIT PENSION PLAN – STATEWIDE – (Continued)

For all General Employee 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. Method 2 provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989, or age 66 (the age for unreduced Social Security benefits), for those first hired on or after that date. Early retirement may begin at age 55 with an actuarial reduction (about six percent per year) for members retiring prior to full retirement age.

Normal retirement age is 55 for Police and Fire and Correctional plan members and 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 with an actuarial reduction in the member's benefit.

A full unreduced pension is earned when Police and Fire and Correctional plan members meet the following conditions: age 55 and vested or age plus years of service total at least 90 if first hired prior to July 1, 1989.

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 before retirement benefits begin.

The benefit provisions stated in the preceding 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, Police and Fire, and Correctional plans. That report may be obtained on the PERA's website at www.mnpera.org.

B. Funding policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state Legislature. In 2023, Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary of their annual covered salary.

The Township makes annual contributions to the pension plans equal to the amount required by state statutes. In 2023, the Township was required to contribute the following percentages of annual covered payroll: 7.5 percent for Coordinated Plan members.

The Township's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$16,489, \$16,283, and \$16,027, respectively.

Note 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Four board members of the Township are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by 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.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN – (Continued)

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 five 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' contributions 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 two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually. Total contributions made by the Township during fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	5%
\$1,313	\$1,313	5%	5%	

Note 6 OTHER INFORMATION

A. Risk management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to the Township's officers and employees; and natural disasters. To manage these risks, the Township participates in the Minnesota Association of Townships Insurance and Bond Trust (MATIT) program, a joint powers organization under *Minnesota Statutes* section 471.59 to provide insurance and risk management programs to eligible townships. This is a self-insurance program with approximately 1,700 townships participating.

The Township has the following types of coverage with MATIT: public officials' errors and omissions, workers compensation, property, auto, and liability. There were no significant reductions in insurance coverage from the previous year. There were no settlements more than insurance for any of the past three fiscal years.

B. Legal debt margin

In accordance with Minnesota statutes, the Township may not incur or be subject to general obligation debt in excess of three percent of the market value of taxable property within the Township. General obligation debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The Township has no general obligation debt outstanding subject to this limit.
limit.

C. Use of Estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

SUPPLEMENTARY INFORMATION SECTION

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 114,662	\$ 270,016	\$ 384,678
Prepaid Expenses	<u>461</u>	<u>0</u>	<u>461</u>
TOTAL ASSETS	<u><u>\$ 115,123</u></u>	<u><u>\$ 270,016</u></u>	<u><u>\$ 385,139</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 285	\$ 0	\$ 285
Unearned Revenues	<u>0</u>	<u>27,500</u>	<u>27,500</u>
Total Liabilities	<u>285</u>	<u>27,500</u>	<u>27,785</u>
Fund Balance:			
Nonspendable	461	0	461
Assigned	<u>114,377</u>	<u>242,516</u>	<u>356,893</u>
Total Fund Balance	<u>114,838</u>	<u>242,516</u>	<u>357,354</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 115,123</u></u>	<u><u>\$ 270,016</u></u>	<u><u>\$ 385,139</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVENMENTAL FUNDS
For the Year Ended December 31, 2023

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 65,000	\$ 80,000	\$ 145,000
Contributions	15	0	15
Interest Earnings	1,327	3,620	4,947
Other Revenues	17,315	28,008	45,323
Total Revenue	<u>83,657</u>	<u>111,628</u>	<u>195,285</u>
Expenditures:			
Current:			
Wages and Salaries	16,759	0	16,759
Office Supplies	25	0	25
Operating Supplies	102	0	102
Professional Services	4,296	0	4,296
Insurance	839	0	839
Utilities	653	0	653
Repairs and Maintenance	2,552	0	2,552
Other Expenditures	1,469	0	1,469
Capital Outlay	4,899	82,373	87,272
Total Expenditures	<u>31,594</u>	<u>82,373</u>	<u>113,967</u>
Change in Fund Balance	52,063	29,255	81,318
Fund Balance - January 1	<u>62,775</u>	<u>213,261</u>	<u>276,036</u>
Fund Balance - December 31	<u><u>\$ 114,838</u></u>	<u><u>\$ 242,516</u></u>	<u><u>\$ 357,354</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
December 31, 2023

	<u>Cemetery</u>	<u>Parks and Recreation</u>	<u>Total Special Revenue Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 16,419	\$ 98,243	\$ 114,662
Prepaid Expenses	<u>131</u>	<u>330</u>	<u>461</u>
TOTAL ASSETS	<u><u>\$ 16,550</u></u>	<u><u>\$ 98,573</u></u>	<u><u>\$ 115,123</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	<u>\$ 0</u>	<u>\$ 285</u>	<u>\$ 285</u>
Fund Balance:			
Nonspendable	131	330	461
Assigned	<u>16,419</u>	<u>97,958</u>	<u>114,377</u>
Total Fund Balance	<u><u>16,550</u></u>	<u><u>98,288</u></u>	<u><u>114,838</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 16,550</u></u>	<u><u>\$ 98,573</u></u>	<u><u>\$ 115,123</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVENMENTAL FUNDS - SPECIAL REVENUE
For the Year Ended December 31, 2023

	Cemetery	Parks and Recreation	Total Special Revenue Funds
Revenues:			
Taxes	\$ 0	\$ 65,000	\$ 65,000
Contributions	0	15	15
Interest Earnings	255	1,072	1,327
Other Revenues	3,335	13,980	17,315
Total Revenues	<u>3,590</u>	<u>80,067</u>	<u>83,657</u>
Expenditures:			
Current:			
Wages and Salaries	3,094	13,665	16,759
Office Supplies	25	0	25
Operating Supplies	51	51	102
Professional Services	985	3,311	4,296
Insurance	228	611	839
Utilities	0	653	653
Repairs and Maintenance	0	2,552	2,552
Other Expenditures	0	1,469	1,469
Capital Outlay	0	4,899	4,899
Total Expenditures	<u>4,383</u>	<u>27,211</u>	<u>31,594</u>
Change in Fund Balance	(793)	52,856	52,063
Fund Balance - January 1	<u>17,343</u>	<u>45,432</u>	<u>62,775</u>
Fund Balance - December 31	<u><u>\$ 16,550</u></u>	<u><u>\$ 98,288</u></u>	<u><u>\$ 114,838</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
December 31, 2023

	<u>Capital Projects</u>	<u>Fire Equipment</u>	<u>Total Capital Projects Funds</u>
ASSETS			
Cash and Cash Equivalents	<u>\$ 149,209</u>	<u>\$ 120,807</u>	<u>\$ 270,016</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Unearned Revenues	\$ 0	\$ 27,500	\$ 27,500
Fund Balance:			
Assigned	<u>149,209</u>	<u>93,307</u>	<u>242,516</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 149,209</u>	<u>\$ 120,807</u>	<u>\$ 270,016</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVENMENTAL FUNDS - CAPITAL PROJECTS
For the Year Ended December 31, 2023

	Capital Projects	Fire Equipment	Total Capital Project Funds
Revenues:			
Taxes	\$ 40,000	\$ 40,000	\$ 80,000
Interest Earnings	2,329	1,291	3,620
Other Revenues	28,008	0	28,008
Total Revenues	<u>70,337</u>	<u>41,291</u>	<u>111,628</u>
Expenditures:			
Capital Outlay	<u>82,373</u>	<u>0</u>	<u>82,373</u>
Change in Fund Balance	(12,036)	41,291	29,255
Fund Balance - January 1	<u>161,245</u>	<u>52,016</u>	<u>213,261</u>
Fund Balance - December 31	<u><u>\$ 149,209</u></u>	<u><u>\$ 93,307</u></u>	<u><u>\$ 242,516</u></u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

BALANCE SHEET
GENERAL FUND
December 31, 2023

ASSETS

Checking	\$ (524,239)
Investments	1,000,000
Receivables:	
Interest	33,485
Accounts	1,600
Property Taxes	58,782
Lease	29,248
Prepaid Expense	<u>551</u>
TOTAL ASSETS	<u>\$ 599,427</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 111,942
Accrued Expenses	<u>4,999</u>
Total Liabilities	<u>116,941</u>

Deferred Inflows of Resources:

Unavailable Revenue - Delinquent Taxes	22,315
Lease Deferments	<u>27,368</u>
Total Deferred Inflows of Resources	<u>49,683</u>

Fund Balance:

Nonspendable	551
Unassigned	<u>432,252</u>
Total Fund Balance	<u>432,803</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCE

\$ 599,427

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

	2023 Budget	2023 Actual	Over (Under) Budget
Revenues:			
Taxes:			
General Property Taxes	\$ 265,000	\$ 234,480	\$ (30,520)
Delinquent Property Taxes	0	(618)	(618)
Penalties & Int-Delinquent Taxes	1,500	324	(1,176)
Franchise Fee	16,100	19,372	3,272
Total Taxes	<u>282,600</u>	<u>253,558</u>	<u>(29,042)</u>
Intergovernmental:			
State Grants and Aids	2,700	5,950	3,250
Other County Grants and Aids	11,600	6,839	(4,761)
Total Intergovernmental	<u>14,300</u>	<u>12,789</u>	<u>(1,511)</u>
Charges for Services:			
Charges for Services	8,100	5,773	(2,327)
Assessment Searches	435	50	(385)
Cell Tower Rent	22,000	29,725	7,725
Developer Fees	0	10,900	10,900
Zoning & Subdivision Fees	0	800	800
Preliminary Plat Fees	0	119,093	119,093
Developer Fees - Misty Hollow	0	5,131	5,131
Preliminary Plat Fees - Misty Hollow	0	9,871	9,871
Total Charges for Services	<u>30,535</u>	<u>181,343</u>	<u>150,808</u>
Other Revenues:			
Other Revenues	0	180,063	180,063
Miscellaneous	2,500	16,557	14,057
Interest Earnings	100	35,799	35,699
Total Other Revenues	<u>2,600</u>	<u>232,419</u>	<u>229,819</u>
Total Revenues	<u>330,035</u>	<u>680,109</u>	<u>350,074</u>
Expenditures:			
Current:			
Governance:			
Wages and Salaries	30,000	35,371	5,371
PERA Contributions	4,000	1,313	(2,687)
FICA Contributions	1,200	1,520	320
Medicare Contributions	1,200	607	(593)
Federal Tax Withheld	1,200	0	(1,200)
State Tax Withheld	800	0	(800)
Workers Compensation	500	0	(500)
Continuing Education	125	0	(125)
Mileage	250	292	42
Clerk/Treasurer:			
Wages and Salaries	75,000	82,931	7,931
PERA Contributions	15,000	6,169	(8,831)
FICA Contributions	13,000	6,684	(6,316)

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

	2023 Budget	2023 Actual	Over (Under) Budget
Expenditures: (Continued)			
Clerk/Treasurer:			
Medicare Contributions	\$ 3,000	\$ 1,581	\$ (1,419)
Federal Tax Withheld	10,000	0	(10,000)
State Tax Withheld	3,500	0	(3,500)
Health	3,024	2,016	(1,008)
Workers Compensation	115	0	(115)
Continuing Education	100	570	470
Cell Phone	0	492	492
Mileage	150	405	255
Office Supplies	3,000	2,510	(490)
Other Supplies	400	777	377
Postage	200	289	89
Office Equipment	5,500	0	(5,500)
Deputy Clerk/Treasurer:			
Wages and Salaries	50,000	68,478	18,478
PERA Contributions	8,000	4,854	(3,146)
FICA Contributions	6,000	5,238	(762)
Medicare Contributions	1,600	1,239	(361)
Federal Tax Withheld	2,000	0	(2,000)
State Tax Withheld	1,100	0	(1,100)
Health Insurance	3,024	2,016	(1,008)
Continuing Education	100	279	179
Mileage	175	413	238
General Government:			
Professional Services	13,400	60,066	46,666
Employment Ads	350	576	226
Legal Notices	280	522	242
General Notices	1,200	48	(1,152)
Newsletter	500	19	(481)
Dues and Subscriptions	3,000	5,559	2,559
Interest	0	1,186	1,186
Assessor Charges	0	25,098	25,098
County Charges	0	25,816	25,816
Legal Fees	11,500	45,610	34,110
IT Support	0	1,675	1,675
Bank Charge	0	781	781
Miscellaneous	0	641	641
Cleaning Supplies	1,000	33	(967)
Maintenance	5,000	3,147	(1,853)
Repair & Maint. Supplies	10,000	373	(9,627)
Architects Fees	0	180,000	180,000
Telephone	4,500	3,547	(953)
Internet Service	1,800	2,030	230
Fuel	130	51	(79)
Electric Utilities	5,000	4,503	(497)

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

	2023 Budget	2023 Actual	Over (Under) Budget
Expenditures: (Continued)			
General Government: (Continued)			
Gas Utilities	\$ 2,500	\$ 3,377	\$ 877
Refuse Disposal	450	497	47
Office Equipment	1,000	1,165	165
Software Support	2,500	6,748	4,248
Bank Charge	0	80	80
Professional Services - Grants	0	12,574	12,574
General Liability Insurance	2,200	0	(2,200)
Property Insurance	6,000	1,802	(4,198)
County Fees	0	552	552
Legal Fees	0	3,281	3,281
Legal Fees	0	1,631	1,631
Elections:			
Wages and Salaries	10,000	917	(9,083)
Repair & Maint. Supplies	0	217	217
Mileage	500	0	(500)
Printing and Binding	200	576	376
Legal Notices	400	0	(400)
Election Notices	100	0	(100)
Office Equipment	4,500	0	(4,500)
Planning and Zoning:			
Other Pay	2,500	4,058	1,558
Office Supplies	300	454	154
Professional Services	0	10,384	10,384
Continuing Education	500	0	(500)
Postage	0	236	236
Mileage	100	3	(97)
Legal Notices	45	455	410
Wages and Salaries	6,000	65	(5,935)
Professional Services	0	31,969	31,969
Mileage	500	0	(500)
Legal Notices	0	316	316
Legal Notices	0	1,255	1,255
Professional Services	0	28,799	28,799
Total General Government	<u>341,218</u>	<u>698,736</u>	<u>357,518</u>
Public Safety:			
Operating Supplies	0	502	502
Animal Impounding	1,000	500	(500)
Mileage	0	71	71
Gopher One Call	1,000	936	(64)
Total Public Safety	<u>2,000</u>	<u>2,009</u>	<u>9</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

	2023 Budget	2023 Actual	Over (Under) Budget
Expenditures: (Continued)			
Public Works:			
Wages and Salaries	\$ 4,000	\$ 8,625	\$ 4,625
PERA Contributions	250	630	380
FICA Contributions	240	670	430
Medicare Contributions	55	158	103
Engineering Fees	2,400	13,339	10,939
Refuse Disposal	14,000	16,097	2,097
Engineering Fees	0	28,939	28,939
Road Signs	0	1,458	1,458
Refunds & Reimbursements	0	134,316	134,316
Engineering Fees	0	620	620
Engineering Fees	0	6,205	6,205
Engineering Fees	0	540	540
Total Public Works	<u>20,945</u>	<u>211,597</u>	<u>190,652</u>
Total Current Expenditures	364,163	912,342	548,179
Capital Outlay:			
General Government	<u>0</u>	<u>132,727</u>	<u>132,727</u>
Total Expenditures	<u>364,163</u>	<u>1,045,069</u>	<u>680,906</u>
Change in Fund Balance	<u>\$ (34,128)</u>	(364,960)	<u>\$ (330,832)</u>
Fund Balance - January 1		<u>797,763</u>	
Fund Balance - December 31		<u>\$ 432,803</u>	

THIS PAGE IS LEFT
BLANK INTENTIONALLY

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF NET POSITION
SEWER FUND
December 31, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 34,271
Accounts Receivable	10,444
Special Assessment Receivable	25,621
Prepaid Expense	110
Total Current Assets	<u>70,446</u>

Noncurrent Assets:

Special Assessment Receivable	<u>51,244</u>
-------------------------------	---------------

TOTAL ASSETS \$ 121,690

LIABILITIES AND NET POSITION

Current Liabilities:

Accrued Expenses	\$ 5,848
Current Portion of Long-term Debt	50,911
Total Current Liabilities	<u>56,759</u>

Long-term Liabilities:

Bonds Payable, Net of Current Portion	<u>138,699</u>
Total Liabilities	<u>195,458</u>

Net Position:

Unrestricted	<u>(73,768)</u>
--------------	-----------------

TOTAL LIABILITIES AND NET POSITION \$ 121,690

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
SEWER FUND
For the Year Ended December 31, 2023

	Budget	Actual	Over (Under) Budget
Operating Revenues:			
Charges for Services	\$ 30,000	\$ 37,234	\$ 7,234
Operating Expenses:			
Wages	740	12,124	11,384
Office Expense	1,040	583	(457)
Operating Supplies	0	9,942	9,942
Insurance	600	259	(341)
Professional Fees	0	25,178	25,178
Utilities	5,000	3,962	(1,038)
Repairs and Maintenance	0	4,983	4,983
Other Expenses	0	440	440
Total Operating Expenses	<u>7,380</u>	<u>57,471</u>	<u>50,091</u>
Income (Loss) from Operations	<u>22,620</u>	<u>(20,237)</u>	<u>(42,857)</u>
Nonoperating Revenues (Expenses):			
Interest Earnings	15	869	854
Special Assessments	35,424	5,050	(30,374)
Interest Expense	<u>(8,400)</u>	<u>(7,404)</u>	<u>996</u>
Total Nonoperating Revenues (Expenses)	<u>27,039</u>	<u>(1,485)</u>	<u>(28,524)</u>
Change in Net Position	<u>\$ 49,659</u>	<u>(21,722)</u>	<u>\$ (71,381)</u>
Net Position - January 1		<u>(52,046)</u>	
Net Position - December 31		<u>\$ (73,768)</u>	

OTHER REQUIRED REPORTS



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

Website: www.bnbcpas.com

Annandale Office:

35 Oak Ave. N, P.O. Box N

Annandale, MN 55302

P: 320.274.1040

F: 320.274.2260

Experienced... Over 40 years combined experience

Affordable... Exceptional value for a reasonable price

Friendly... Family owned and run since 1990

Mankato Office:

430 S. Broad St., Ste. 100

Mankato, MN 56001

P: 507.387.1338

F: 507.387.5199

MINNESOTA LEGAL COMPLIANCE

Independent Auditor's Report

Honorable Chairman and
Supervisors of Baldwin Township
Sherburne County, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Baldwin Township, Sherburne County, Minnesota (the Township), as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2024.

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, except tax increment financing because the Township has no tax increment districts.

In connection with our audit, nothing came to our attention that caused us to believe that the Township failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Towns*. 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 Township'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 Township and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Burkhardt & Burkhardt, Ltd.

Burkhardt & Burkhardt, Ltd
Mankato, Minnesota
July 15, 2024



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

Website: www.bnbcpas.com

Annandale Office:

35 Oak Ave. N, P.O. Box N

Annandale, MN 55302

P: 320.274.1040

F: 320.274.2260

Mankato Office:

430 S. Broad St., Ste. 100

Mankato, MN 56001

P: 507.387.1338

F: 507.387.5199

Experienced... Over 40 years combined experience

Affordable... Exceptional value for a reasonable price

Friendly... Family owned and run since 1990

Honorable Chairman and
Supervisors of Baldwin Township
Sherburne County, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Baldwin Township, Sherburne County, Minnesota (the Township), as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. As described in the accompanying schedule of findings and responses, we did identify a deficiency in internal control that we consider to be a material weakness as item 2023-001.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. As described in the accompanying schedule of findings and responses, we consider the following deficiencies in internal control to be significant deficiencies as items 2023-002 and 2023-003.

This communication is intended solely for the information and use of the Board and management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

Burkhardt & Burkhardt, Ltd.

Burkhardt & Burkhardt, Ltd
Mankato, Minnesota
July 15, 2024

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF FINDINGS AND RESPONSES ON
LEGAL COMPLIANCE AND INTERNAL CONTROL
December 31, 2023

CURRENT YEAR FINANCIAL STATEMENT FINDINGS

Material Weakness

Finding 2023-001. Material Audit Adjustments

Condition:	The audit firm proposed, and the Township approved corrections of certain misstatements.
Criteria	The Township should have controls in place to prevent and detect a material misstatement in the financial statements in a timely manner. Management is responsible for the accuracy and completeness of all financial records and related information. Their responsibility includes adjusting the financial statements to correct material misstatements.
Cause:	The Township has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.
Effect:	The design of internal control over completeness and accuracy of financial records could adversely affect the Township's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.
Recommendation:	The Township should continue to evaluate its internal controls processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township will continue to review and approve adjusting journal entries as proposed by the auditor, as well as taking responsibility for the audited financial statements.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2024

Plan to Monitor Completion of CAP:

Township Board

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF FINDINGS AND RESPONSES ON
LEGAL COMPLIANCE AND INTERNAL CONTROL
December 31, 2023

Significant Deficiencies

Finding 2023-002. Auditor Prepared Financial Statements and Related Footnotes

Condition:	The Township does have an internal control in place for the review of the drafted financial statements, however, the Township does not have an internal control system designed to provide for the preparation of the related notes being audited. Based on the degree of complexity and level of detail needed to prepare the financial statement disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP), the Township has requested the auditors prepare them.
Criteria	The preparation of the financial statements and the related notes are the responsibility of management.
Cause:	The Township has informed us they do not have the expertise to prepare the annual financial statement disclosures, although the Township has reviewed and approved the annual financial statements as prepared by the audit firm.
Effect:	This could result in a material omission of a disclosure that would not be prevented or detected and corrected as a result of the Township's current internal control.
Recommendation:	The Township should continue to request assistance to draft the financial statements and related notes and thoroughly review these financial statements after they have been prepared so the Township can take responsibility for them.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township is aware of the lack of expertise to ensure all disclosures required by GAAP are included in the financial statements, however, the Township will review the notes for accuracy and compare balances in the financial report to the general ledger and other Township reports prior to issuance of the financial statements.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2024

Plan to Monitor Completion of CAP:

Township Board

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF FINDINGS AND RESPONSES ON
LEGAL COMPLIANCE AND INTERNAL CONTROL
December 31, 2023

Finding 2023-003. Limited Segregation of Duties

Condition:	There is an absence of appropriate segregation of duties consistent with appropriate control objectives due to a limited number of employees.
Criteria	There are four general categories of duties: authorization, custody, record keeping, and reconciliation. No one person should have control over more than two of these four responsibilities.
Cause:	The Township has assigned duties to staff based on a cost-benefit relationship to the Township and the practicality of the level of staffing the Township maintains.
Effect:	The lack of adequate segregation of duties could adversely affect the Township's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.
Recommendation:	The Township should continue to monitor and evaluate the job responsibilities assigned to staff to determine whether there is an unacceptable risk.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township is aware of the limited segregation of duties and will continue to review internal controls and make changes when they can be made.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2024

Plan to Monitor Completion of CAP:

Township Board

CURRENT YEAR MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2023

<u>Finding Reference</u>	<u>Finding Title</u>	<u>Status</u>	<u>Year Finding Initially Occurred</u>	<u>If Not Corrected, Provide Planned Corrective Action or Other Explanation</u>
Financial Statement Findings:				
2022-001	Material Audit Adjustments	Not Corrected	2022	See Current Year Finding 2022-001
2022-002	Auditor Preparation of Financial Statements	Not Corrected	2007	See Current Year Finding 2022-002
2022-003	Limited Segregation of Duties	Not Corrected	2007	See Current Year Finding 2022-003

Minnesota Legal Compliance Findings:

None