

**BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA**

AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

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	6
Statement of Activities	7
Fund Financial Statements:	
Governmental Funds	
Balance Sheet - Governmental Funds	9
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	15
Fire Department	16
Road and Bridge	17
Building Permits	18
Proprietary Funds	
Statement of Net Position	19
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	20
Statement of Cash Flows	21
Notes to the Basic Financial Statements	22
SUPPLEMENTAL INFORMATION SECTION	
Nonmajor Governmental Funds:	
Combining Balance Sheet	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	42
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	44
Nonmajor Capital Project Funds:	
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	47
General Fund:	
Balance Sheet	49
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	50
Proprietary Funds:	
Sewer Utility:	
Schedule of Net Position	54
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	55
OTHER REQUIRED REPORTS:	
Independent Auditor's Report on Minnesota Legal Compliance	57
Independent Auditor's Report on Internal Control	58
Schedule of Findings and Responses on Internal Control and Legal Compliance	59
Summary Schedule of Prior Findings	65

BALDWIN TOWNSHIP, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2024

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jay Swanson	Chairperson	December 31, 2026
Jeff Holm	Supervisor	December 31, 2026
Scott Case	Supervisor	December 31, 2024
Tom Rush	Supervisor	December 31, 2024
Alan Walker	Supervisor	December 31, 2028

APPOINTED

<u>Name</u>	<u>Title</u>
Joan Heinen	Clerk/Treasurer
Zachary Good	Public Works Supervisor
Scott Case	Fire Chief
Sam Jochum	City Engineer
Robert Ruppe	City Attorney



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

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Experienced... Over 40 years combined experience

Affordable... Exceptional value for a reasonable price

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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, 2024, 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, 2024, 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, 2024, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the Township implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. Our opinion is not modified with respect to this matter.

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 18, 2025

BASIC FINANCIAL STATEMENTS

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 990,891	\$ 100,036	\$ 1,090,927
Investments	1,042,616	0	1,042,616
Receivables:			
Interest	29,342	0	29,342
Accounts	21,796	14,351	36,147
Property Taxes	51,914	0	51,914
Special Assessments	0	48,751	48,751
Other Governments	2,178	0	2,178
Leases	14,492	0	14,492
Internal Balances	120,000	(120,000)	0
Inventory	1,626	0	1,626
Prepaid Expenses	52,305	449	52,754
TOTAL ASSETS	<u><u>\$ 2,327,160</u></u>	<u><u>\$ 43,587</u></u>	<u><u>\$ 2,370,747</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Accrued Expenses	\$ 244,368	\$ 4,924	\$ 249,292
Unearned Revenues	27,500	0	27,500
Noncurrent Liabilities:			
Due Within One Year	190,894	50,911	241,805
Due in More Than One Year	730,988	87,788	818,776
Total Liabilities	<u>1,193,750</u>	<u>143,623</u>	<u>1,337,373</u>
Deferred Inflows of Resources:			
Lease Deferrals	<u>13,089</u>	<u>0</u>	<u>13,089</u>
Net Position			
Restricted	552,761	0	552,761
Unrestricted	567,560	(100,036)	467,524
Total Net Position	<u>1,120,321</u>	<u>(100,036)</u>	<u>1,020,285</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 2,327,160</u></u>	<u><u>\$ 43,587</u></u>	<u><u>\$ 2,370,747</u></u>

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

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,183,400	\$ 428,027	\$ 0	\$ 0
Public Safety	336,721	67,465	21,762	0
Public Works	1,385,304	3,602	0	0
Park and Recreation	129,593	0	12,000	0
Interest on Long-term Debt	29,147	0	0	0
Total Governmental Activities	<u>3,064,165</u>	<u>499,094</u>	<u>33,762</u>	<u>0</u>
BUSINESS-TYPE ACTIVITIES:				
Sewer	<u>83,513</u>	<u>50,621</u>	<u>0</u>	<u>6,361</u>
Total Primary Government	<u>\$ 3,147,678</u>	<u>\$ 549,715</u>	<u>\$ 33,762</u>	<u>\$ 6,361</u>

General Revenues:
Property Taxes:
Levied for General Purposes
Levied for Debt Service
Levied for Other Purposes
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
\$ (755,373)	\$ 0	\$ (755,373)
(247,494)	0	(247,494)
(1,381,702)	0	(1,381,702)
(117,593)	0	(117,593)
(29,147)	0	(29,147)
<u>(2,531,309)</u>	<u>0</u>	<u>(2,531,309)</u>
 0	 (26,531)	 (26,531)
<u>(2,531,309)</u>	<u>(26,531)</u>	<u>(2,557,840)</u>
 450,609	 0	 450,609
206,551	0	206,551
945,000	0	945,000
94,203	0	94,203
72,739	263	73,002
71,526	0	71,526
<u>1,840,628</u>	<u>263</u>	<u>1,840,891</u>
 (690,681)	 (26,268)	 (716,949)
<u>1,811,002</u>	<u>(73,768)</u>	<u>1,737,234</u>
<u>\$ 1,120,321</u>	<u>\$ (100,036)</u>	<u>\$ 1,020,285</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, 2024

	General	Fire Department	Road and Bridge
ASSETS			
Cash and Cash Equivalents	\$ (1,027,719)	\$ 141,989	\$ 631,296
Investments	1,042,616	0	0
Receivables:			
Interest	29,342	0	0
Accounts	7,761	40	0
Property Taxes	51,914	0	0
Lease	14,492	0	0
Due from Other Governments	0	2,178	0
Inventory	0	1,092	534
Prepaid Expense	3,005	20,434	26,714
Advance To Other Funds	0	0	0
TOTAL ASSETS	<u><u>\$ 121,411</u></u>	<u><u>\$ 165,733</u></u>	<u><u>\$ 658,544</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 22,065	\$ 40,267	\$ 105,379
Accrued Expenses	5,195	41,037	3,328
Unearned Revenues	0	0	0
Total Liabilities	<u>27,260</u>	<u>81,304</u>	<u>108,707</u>
Deferred Inflows of Resources:			
Unavailable Revenue	17,714	0	0
Lease Deferments	13,089	0	0
Total Deferred Inflows of Resources	<u>30,803</u>	<u>0</u>	<u>0</u>
Fund Balance:			
Nonspendable	3,005	21,526	27,248
Restricted	0	0	0
Committed	0	62,903	522,589
Unassigned	60,343	0	0
Total Fund Balance	<u>63,348</u>	<u>84,429</u>	<u>549,837</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 121,411</u></u>	<u><u>\$ 165,733</u></u>	<u><u>\$ 658,544</u></u>

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

Building Permits	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 180,258	\$ 559,144	\$ 124,071	\$ 381,852	\$ 990,891
0	0	0	0	1,042,616
0	0	0	0	29,342
1,995	0	0	12,000	21,796
0	0	0	0	51,914
0	0	0	0	14,492
0	0	0	0	2,178
0	0	0	0	1,626
0	0	0	2,152	52,305
0	0	120,000	0	120,000
<u>\$ 182,253</u>	<u>\$ 559,144</u>	<u>\$ 244,071</u>	<u>\$ 396,004</u>	<u>\$ 2,327,160</u>
\$ 13,029	\$ 0	\$ 0	\$ 7,685	\$ 188,425
0	0	0	0	49,560
0	0	0	27,500	27,500
<u>13,029</u>	<u>0</u>	<u>0</u>	<u>35,185</u>	<u>265,485</u>
0	0	0	0	17,714
0	0	0	0	13,089
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,803</u>
0	0	0	2,152	53,931
0	559,144	0	0	559,144
169,224	0	244,071	358,667	1,357,454
0	0	0	0	60,343
<u>169,224</u>	<u>559,144</u>	<u>244,071</u>	<u>360,819</u>	<u>2,030,872</u>
<u>\$ 182,253</u>	<u>\$ 559,144</u>	<u>\$ 244,071</u>	<u>\$ 396,004</u>	<u>\$ 2,327,160</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, 2024

Total Fund Balances - Governmental Funds	\$ 2,030,872
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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.

Certificates of indebtedness	(913,139)
Compensated absences	(8,743)

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	17,714
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Governmental funds do not report a liability for accrued interest payable until due and payable.

(6,383)

Total Net Position - Governmental Activities	<u>\$ 1,120,321</u>
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BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General	Fire Department	Road and Bridge
Revenues:			
Taxes	\$ 476,062	\$ 205,000	\$ 500,000
Intergovernmental	17,566	16,009	60,628
Charges for Services	151,998	10,183	5,884
Fines and Fees	6,257	0	0
Other Revenues	13,112	21,802	0
Interest Earnings	45,055	2,160	16,257
Total Revenues	<u>710,050</u>	<u>255,154</u>	<u>582,769</u>
Expenditures:			
Current:			
General Government	739,218	0	0
Public Safety	2,146	285,321	0
Public Works	102,198	0	346,295
Parks and Recreation	0	0	0
Capital Outlay:			
General Government	235,943	0	0
Public Safety	0	37,124	0
Public Works	0	0	936,811
Parks and Recreation	0	0	0
Debt Service:			
Principal	0	0	0
Interest	0	0	13,200
Total Expenditures	<u>1,079,505</u>	<u>322,445</u>	<u>1,296,306</u>
Excess of Revenues Over (Under) Expenditures	(369,455)	(67,291)	(713,537)
Other Financing Sources (Uses):			
Sale of Bonds	0	0	381,024
Transfers In	0	13,666	0
Transfers Out	0	(50,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(36,334)</u>	<u>381,024</u>
Change in Fund Balance	<u>(369,455)</u>	<u>(103,625)</u>	<u>(332,513)</u>
Fund Balance - January 1 (As Previously Stated)	432,803	188,054	882,350
Change from Nonmajor to Major Fund	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - January 1 (As Restated)	<u>432,803</u>	<u>188,054</u>	<u>882,350</u>
Fund Balance - December 31	<u>\$ 63,348</u>	<u>\$ 84,429</u>	<u>\$ 549,837</u>

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

Building Permits	Debt Service	Capital Projects	Nonmajor Governmental Funds	Formerly Nonmajor Fund	Total Governmental Funds
\$ 0	\$ 206,551	\$ 120,000	\$ 120,000	\$ 0	\$ 1,627,613
0	0	0	0	0	94,203
265,872	0	0	55,778	0	489,715
0	0	0	0	0	6,257
0	0	0	52,645	0	87,559
0	4,764	1,511	2,992	0	72,739
<u>265,872</u>	<u>211,315</u>	<u>121,511</u>	<u>231,415</u>	<u>0</u>	<u>2,378,086</u>
206,016	0	0	0	0	945,234
0	0	0	0	0	287,467
0	0	0	0	0	448,493
0	0	0	45,206	0	45,206
0	0	0	0	0	235,943
0	0	0	12,130	0	49,254
0	0	0	0	0	936,811
0	0	0	84,387	0	84,387
0	189,089	0	0	0	189,089
0	18,290	0	0	0	31,490
<u>206,016</u>	<u>207,379</u>	<u>0</u>	<u>141,723</u>	<u>0</u>	<u>3,253,374</u>
59,856	3,936	121,511	89,692	0	(875,288)
0	16,976	0	0	0	398,000
0	0	0	189,254	0	202,920
0	0	0	(152,920)	0	(202,920)
<u>0</u>	<u>16,976</u>	<u>0</u>	<u>36,334</u>	<u>0</u>	<u>398,000</u>
<u>59,856</u>	<u>20,912</u>	<u>121,511</u>	<u>126,026</u>	<u>0</u>	<u>(477,288)</u>
109,368	538,232	122,560	357,353	(122,560)	2,508,160
<u>0</u>	<u>0</u>	<u>0</u>	<u>(122,560)</u>	<u>122,560</u>	<u>0</u>
<u>109,368</u>	<u>538,232</u>	<u>122,560</u>	<u>234,793</u>	<u>0</u>	<u>2,508,160</u>
<u>\$ 169,224</u>	<u>\$ 559,144</u>	<u>\$ 244,071</u>	<u>\$ 360,819</u>	<u>\$ 0</u>	<u>\$ 2,030,872</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, 2024

Net Change in Fund Balances - Governmental Funds	\$	(477,288)
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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
Bond proceeds		(398,000)

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.

2,343

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		(4,602)
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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>(2,222)</u>
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Change in Net Position - Governmental Activities	\$	<u>(690,681)</u>
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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, 2024

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 466,100	\$ 476,062	\$ 9,962
Intergovernmental	14,300	17,566	3,266
Fines and Fees	0	6,257	6,257
Charges for Services	31,035	151,998	120,963
Other Revenues	2,000	13,112	11,112
Interest Earnings	100	45,055	44,955
Total Revenues	<u>513,535</u>	<u>710,050</u>	<u>196,515</u>
Expenditures:			
Current:			
General Government	737,886	739,218	1,332
Public Safety	2,080	2,146	66
Public Works	21,783	102,198	80,415
Capital Outlay:			
General Government	0	235,943	235,943
Total Expenditures	<u>761,749</u>	<u>1,079,505</u>	<u>317,756</u>
Change in Fund Balance	<u>\$ (248,214)</u>	(369,455)	<u>\$ (121,241)</u>
Fund Balance - January 1		<u>432,803</u>	
Fund Balance - December 31		<u>\$ 63,348</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, 2024

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 205,000	\$ 205,000	\$ 0
Intergovernmental	12,400	16,009	3,609
Charges for Services	5,680	10,183	4,503
Other Revenues	5,000	21,802	16,802
Interest Earnings	20	2,160	2,140
Total Revenues	<u>228,100</u>	<u>255,154</u>	<u>27,054</u>
Expenditures:			
Current:			
Wages and Benefits	147,416	179,035	31,619
Office Supplies	7,925	7,793	(132)
Operating Supplies	36,244	24,264	(11,980)
Training and Education	18,460	20,837	2,377
Insurance	8,580	8,965	385
Utilities	5,720	4,973	(747)
Repairs and Maintenance	20,925	35,594	14,669
Other Expenditures	4,472	3,860	(612)
Capital Outlay	<u>10,400</u>	<u>37,124</u>	<u>26,724</u>
Total Expenditures	<u>260,142</u>	<u>322,445</u>	<u>62,303</u>
Excess of Revenues Over (Under) Expenditures	(32,042)	(67,291)	(35,249)
Other Financing Sources (Uses):			
Transfers In	0	13,666	13,666
Transfers Out	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(36,334)</u>	<u>(36,334)</u>
Change in Fund Balance	<u>\$ (32,042)</u>	(103,625)	<u>\$ (71,583)</u>
Fund Balance - January 1		<u>188,054</u>	
Fund Balance - December 31		<u>\$ 84,429</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, 2024

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Taxes	\$ 500,000	\$ 500,000	\$ 0
Intergovernmental	30,000	60,628	30,628
Charges for Services	14,400	5,884	(8,516)
Other Revenues	100	0	(100)
Interest Earnings	1,000	16,257	15,257
Total Revenues	<u>545,500</u>	<u>582,769</u>	<u>37,269</u>
Expenditures:			
Current:			
Wages and Salaries	202,561	130,108	(72,453)
Office Supplies	1,305	1,098	(207)
Operating Supplies	36,348	23,695	(12,653)
Training and Education	416	1,124	708
Professional Services	104,312	86,594	(17,718)
Insurance	4,160	9,838	5,678
Repairs and Maintenance	46,280	93,210	46,930
Other Expenditures	234	628	394
Capital Outlay	3,328	936,811	933,483
Debt Service:			
Interest and Fees	0	13,200	13,200
Total Expenditures	<u>398,944</u>	<u>1,296,306</u>	<u>897,362</u>
Excess of Revenues Over (Under) Expenditures	146,556	(713,537)	(860,093)
Other Financing Sources (Uses):			
Sale of Bonds	<u>0</u>	<u>381,024</u>	<u>381,024</u>
Change in Fund Balance	<u>\$ 146,556</u>	(332,513)	<u>\$ (479,069)</u>
Fund Balance - January 1		<u>882,350</u>	
Fund Balance - December 31		<u>\$ 549,837</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 - BUILDING PERMITS FUND
For The Year Ended December 31, 2024

	Original and Final Budget	Actual Amount	Over (Under) Budget
Revenues:			
Charges for Services	0	265,872	265,872
Expenditures:			
Current:			
General Government	<u>0</u>	<u>206,016</u>	<u>206,016</u>
Change in Fund Balance	<u>\$ 0</u>	59,856	<u>\$ 59,856</u>
Fund Balance - January 1		<u>109,368</u>	
Fund Balance - December 31		<u>\$ 169,224</u>	

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

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BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	<u>Sewer Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 100,036
Accounts Receivable	14,351
Special Assessment Receivable	24,375
Prepaid Expense	<u>449</u>
Total Current Assets	139,211
Noncurrent Assets:	
Special Assessment Receivable	<u>24,376</u>
TOTAL ASSETS	<u><u>\$ 163,587</u></u>
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accrued Expenses	\$ 4,924
Current Portion of Long-term Debt	<u>50,911</u>
Total Current Liabilities	55,835
Long-term Liabilities:	
Advance from Other Funds	120,000
Bonds Payable, Net of Current Portion	<u>87,788</u>
Total Liabilities	<u>263,623</u>
Net Position:	
Unrestricted	<u>(100,036)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 163,587</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, 2024

	Sewer Fund
Operating Revenues:	
Charges for Services	<u>\$ 50,621</u>
Operating Expenses:	
Salaries	10,061
Office Expense	407
Supplies	5,344
Professional Fees	52,822
Repairs and Maintenance	4,228
Utilities	5,031
Insurance	831
Other Expenses	495
Total Operating Expenses	<u>79,219</u>
Income (Loss) From Operations	<u>(28,598)</u>
Nonoperating Revenues (Expenses):	
Interest Earnings	263
Special Assessments	6,361
Interest Expense	<u>(4,294)</u>
Total Nonoperating Revenues (Expenses)	<u>2,330</u>
Change in Net Position	(26,268)
Net Position - January 1	<u>(73,768)</u>
Net Position - December 31	<u><u>\$ (100,036)</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, 2024

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts From Customers and Users	\$ 46,712
Payments to Suppliers	(69,788)
Payments to Employees	(10,061)
Net Cash From Operating Activities	<u>(33,137)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Payment Received on Interfund Advance	<u>120,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest Paid on Debt	(4,925)
Principal Paid on Debt	(50,911)
Special Assessments	34,475
Net Cash from Capital and Related Financing Activities	<u>(21,361)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received	<u>263</u>
Net Change in Cash and Cash Equivalents	65,765
Cash and Cash Equivalents - January 1	<u>34,271</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 100,036</u></u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:	
Operating Income (Loss)	\$ (28,598)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:	
(Increase) Decrease in Accounts Receivable	(3,909)
(Increase) Decrease in Prepaid Expense	(339)
Increase (Decrease) in Accounts Payable	(961)
Increase (Decrease) in Accrued Expenses	670
Net Cash From Operating Activities	<u><u>\$ (33,137)</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, 2024

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, 2024

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 collection and use of resources dedicated to the maintenance, repair, and improvement of the Township's roads and bridge infrastructure.

The *Building Permits Fund* tracks revenues and expenditures associated with the issuance and regulation of building permits within the Township.

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

The *Capital Projects fund* accounts for resources accumulated for acquisition or improvement of capital assets.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

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.

See Note 3 for the Township's recurring fair value measurements as of December 31, 2024.

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, 2024

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 2024. 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.

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

The Township provides paid leave benefits to employees, including vacation, sick leave, and other compensated absences, in accordance with its personnel policies. Employees earn leave based on the number of months worked during the year. Upon termination, employees are entitled to receive compensation for unused leave balances based on the Township’s policy. Employees accrue leave based on the years of service per the Township’s policy, with a maximum accrual limit of 15 days. The liability for compensated absences is recognized when earned and measured using an expected payout approach, considering historical usage patterns and projected future payments.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

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, 2024

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, Building Permit, 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, 2024, the General, Fire Department, Road and Bridge, and Building Permits funds had expenditures over appropriations of \$317,756, \$62,303, \$897,362, and \$206,016, respectively. Excess expenditures over appropriations were 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	\$ 100,036

The fund deficits are planned to be eliminated with future rate increases.

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, 2024

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, 2024, the carrying amount of the Township's deposits was \$2,133,543 and the bank balance was \$2,139,389. 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%
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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.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

As of December 31, 2024, the Township had the following investments that are insured or registered, or securities held by the Township's agent in the Township's name:

Investment	Credit Risk		Fair Value	Interest	Total
	Rating	Agency	Measurements Using	Rate Risk Maturity	
Investments at amortized cost					
Directly placed certificates of deposits	N/R	N/A	Cost	Less than 1 year	\$ 1,042,616

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	\$ 990,891	\$ 100,036
Time deposits	-	-
Total cash and cash equivalents as shown on the Statement of Net Position	990,891	100,036
Investments	1,042,616	-
Total cash and investments	<u>\$ 2,033,507</u>	<u>\$ 100,036</u>

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	\$ 17,714	\$ -
Contract revenue	-	27,500
Total deferred inflows of resources/unearned revenue	<u>\$ 17,714</u>	<u>\$ 27,500</u>

The only receivables not expected to be collectible within one year are the following: General Fund: \$2,000 of delinquent taxes.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

C. Interfund receivables, payables, and transfers

Interfund transfers

Interfund transfers for the year ended December 31, 2024, consisted of the following:

<u>Transferred From</u>	<u>Transferred To</u>		
	<u>Fire Department</u>	<u>Nonmajor</u>	<u>Total</u>
Fire Department	\$ -	\$ 50,000	\$ 50,000
Nonmajor	13,666	139,254	152,920
Total	<u>\$ 13,666</u>	<u>\$ 189,254</u>	<u>\$ 202,920</u>

Transfers from the Fire Department Fund to the Nonmajor Funds were made to reimburse capital purchases. Transfers between Nonmajor Funds represent the allocation of levy and contract revenues to reserve funds for future use.

Internal Balances

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Capital projects	Sewer	\$ 120,000
Total		<u>\$ 120,000</u>

The Capital Project Fund provided a short-term loan to the Sewer Fund to support working capital needs. The resulting interfund balance is considered a short-term borrowing and is expected to be repaid within the following fiscal year.

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, 2024, the Township recognized \$14,756 and \$901 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:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 14,492	\$ 291

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

E. Long-term debt

Certificates of Participation

The Township issues certificates of participation to finance the acquisition and construction of major capital assets. These certificates are direct obligations of the Township, backed by its full faith and credit, and partly financed by ad valorem tax levies.

In 2017, the Township issued certificates of participation to fund improvements to a community septic system and to acquire capital equipment. A portion of the debt service on this issuance is being financed with net revenues of the Sewer Fund.

In 2024, the Township issued additional certificates to finance the purchase of a fire truck and a front-end loader. Certificates of participation outstanding at year-end 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	\$ 653,838
Certificate of					
Participation, 2024A	\$ 398,000	4.35%	2/8/24	2/1/30	398,000
Total certificates of participation					<u>\$ 1,051,838</u>

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
2025	\$ 189,089	\$ 38,251	\$ 50,911	\$ 3,397
2026	262,089	22,670	50,911	1,870
2027	212,961	14,539	36,877	553
2028	79,000	9,113	-	-
2029	83,000	5,590	-	-
2030	87,000	1,892	-	-
Total	<u>\$ 913,139</u>	<u>\$ 92,055</u>	<u>\$ 138,699</u>	<u>\$ 5,820</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3 DETAILED NOTES ON ALL FUNDS – (Continued)

Changes in long-term liabilities

During the year ended December 31, 2024, the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Certificate of participation	\$ 704,228	\$ 398,000	\$ (189,089)	\$ 913,139	\$ 189,089
Compensated absences	6,521	2,222 *	-	8,743	1,805
Governmental activity long-term liabilities	<u>\$ 710,749</u>	<u>\$ 400,222</u>	<u>\$ (189,089)</u>	<u>\$ 921,882</u>	<u>\$ 190,894</u>
Business-type activities:					
Certificate of participation	\$ 189,610	\$ -	\$ (50,911)	\$ 138,699	\$ 50,911
Business-type activity long-term liabilities	<u>\$ 189,610</u>	<u>\$ -</u>	<u>\$ (50,911)</u>	<u>\$ 138,699</u>	<u>\$ 50,911</u>

*The change in the compensated absences liability is presented as a net change.

F. Net Position/Fund Balance

Governmental Fund Balances

Governmental fund balances reported on the Governmental Funds Balance Sheet on December 31, 2024, include the following:

	General	Fire Department	Road and Bridge	Building Permits	Debt Service	Nonmajor Governmental Funds	Total Fund Balance
Nonspendable:							
Prepaid expenses	\$ 3,005	\$ 20,434	\$ 534	\$ -	\$ -	\$ -	\$ 23,973
Inventory	-	1,092	26,714	-	-	2,152	29,958
Total nonspendable	<u>3,005</u>	<u>21,526</u>	<u>27,248</u>	<u>-</u>	<u>-</u>	<u>2,152</u>	<u>53,931</u>
Restricted:							
Debt service	-	-	-	-	559,144	-	559,144
Committed:							
Public works	-	-	522,589	-	-	-	522,589
Building permits	-	-	-	169,224	-	-	169,224
Fire protection	-	62,903	-	-	-	-	62,903
Cemetery	-	-	-	-	-	14,169	14,169
Parks and recreation	-	-	-	-	-	83,602	83,602
Capital projects	-	-	-	-	-	244,071	244,071
Fire equipment	-	-	-	-	-	260,896	260,896
Total committed	<u>-</u>	<u>62,903</u>	<u>522,589</u>	<u>169,224</u>	<u>-</u>	<u>602,738</u>	<u>1,357,454</u>
Unassigned:							
General fund	60,343	-	-	-	-	-	60,343
Total unassigned	<u>60,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,343</u>
Total fund balance	<u>\$ 63,348</u>	<u>\$ 84,429</u>	<u>\$ 549,837</u>	<u>\$ 169,224</u>	<u>\$ 559,144</u>	<u>\$ 604,890</u>	<u>\$ 2,030,872</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, includes the following:

Restricted for debt service	\$ 552,761
Unrestricted	<u>567,560</u>
Total Governmental Activities Net Position	<u>\$ 1,120,321</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, 2024

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 2024, 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 2024, 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, 2024, 2023 and 2022 were \$19,502, \$16,489, and \$16,283, 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, 2024

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 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$1,179	\$1,179	5%	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 \$913,139 of general obligation debt outstanding subject to this 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.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 6 OTHER INFORMATION – (Continued)

D. Commitments

Construction commitments

As of December 31, 2024, the Township had one signed contract in place for a construction project. The following summarizes this commitment:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
305th Ave NW Reconstruction	\$ 645,485	\$ 37,929

Note 7 SUBSEQUENT EVENT

The Township evaluated subsequent events through July 18, 2025, the date the financial statements were available to be issued. Effective January 1, 2025, the Township formally changed its organizational structure and was incorporated as a city pursuant to Minnesota Statutes. As a result of the incorporation, governance responsibilities transitioned from the Township Board to the newly established City Council. Beginning in 2025, the City will operate under the statutory framework applicable to Minnesota cities, which will impact future financial reporting, budgeting, and regulatory compliance.

Note 8 ADOPTION OF NEW STANDARD

The Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending previously required disclosures. The Township adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The beginning fund balance/net position was not restated due to the implementation of GASB 101.

The Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Township adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The beginning fund balance/net position was unchanged due to the implementation of GASB 100.

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 8 ADOPTION OF NEW STANDARD – (Continued)

During 2024, the Capital Project fund changed from being reported as a nonmajor fund to a major fund due to revenues and expenditures exceeding the threshold for major fund classification. The beginning fund balances of the nonmajor funds were reduced by \$122,560 as seen below:

	12/31/2023 As Previously Stated	Change to or within the financial reporting entity	12/31/2024 As restated
Governmental funds			
General	\$ 432,803	\$ -	\$ 432,803
Fire Department	188,054	-	188,054
Road and Bridge	882,350	-	882,350
Building Permits	109,368	-	109,368
Debt Service	538,232	-	538,232
Capital Project	-	122,560	122,560
Nonmajor	357,353	(122,560)	234,793
Total governmental funds	<u>\$ 2,508,160</u>	<u>\$ -</u>	<u>\$ 2,508,160</u>

SUPPLEMENTARY INFORMATION SECTION

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 85,922	\$ 295,930	\$ 381,852
Accounts Receivable	12,000	0	12,000
Prepaid Expenses	<u>2,152</u>	<u>0</u>	<u>2,152</u>
TOTAL ASSETS	<u>\$ 100,074</u>	<u>\$ 295,930</u>	<u>\$ 396,004</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 151	\$ 7,534	\$ 7,685
Unearned Revenues	<u>0</u>	<u>27,500</u>	<u>27,500</u>
Total Liabilities	<u>151</u>	<u>35,034</u>	<u>35,185</u>
Fund Balance:			
Nonspendable	2,152	0	2,152
Committed	<u>97,771</u>	<u>260,896</u>	<u>358,667</u>
Total Fund Balance	<u>99,923</u>	<u>260,896</u>	<u>360,819</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100,074</u>	<u>\$ 295,930</u>	<u>\$ 396,004</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	Special Revenue	Capital Project	Formerly Nonmajor Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 60,000	\$ 60,000	\$ 0	\$ 120,000
Charges for Service	778	55,000	0	55,778
Contributions	12,000	0	0	12,000
Interest Earnings	1,256	1,736	0	2,992
Other Revenues	40,645	0	0	40,645
Total Revenue	<u>114,679</u>	<u>116,736</u>	<u>0</u>	<u>231,415</u>
Expenditures:				
Current:				
Wages and Salaries	35,438	0	0	35,438
Operating Supplies	440	0	0	440
Professional Services	555	0	0	555
Insurance	1,153	0	0	1,153
Utilities	687	0	0	687
Repairs and Maintenance	5,880	0	0	5,880
Other Expenditures	1,053	0	0	1,053
Capital Outlay	84,387	12,130	0	96,517
Total Expenditures	<u>129,593</u>	<u>12,130</u>	<u>0</u>	<u>141,723</u>
Excess of Revenues Over (Under) Expenditures	(14,914)	104,606	0	89,692
Other Financing Sources (Uses)				
Transfers In	0	189,254	0	189,254
Transfers Out	0	(152,920)	0	(152,920)
Total Other Financing Sources (Uses)	<u>0</u>	<u>36,334</u>	<u>0</u>	<u>36,334</u>
Change in Fund Balance	<u>(14,914)</u>	<u>140,940</u>	<u>0</u>	<u>126,026</u>
Fund Balance - January 1 (As Previously Stated)	114,837	119,956	122,560	357,353
Change from Nonmajor to Major Fund	<u>0</u>	<u>0</u>	<u>(122,560)</u>	<u>(122,560)</u>
Fund Balance - January 1 (As Restated)	<u>114,837</u>	<u>119,956</u>	<u>0</u>	<u>234,793</u>
Fund Balance - December 31	<u>\$ 99,923</u>	<u>\$ 260,896</u>	<u>\$ 0</u>	<u>\$ 360,819</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
December 31, 2024

	Cemetery	Parks and Recreation	Total Special Revenue Funds
ASSETS			
Cash and Cash Equivalents	\$ 14,269	\$ 71,653	\$ 85,922
Accounts Receivable	0	12,000	12,000
Prepaid Expenses	<u>340</u>	<u>1,812</u>	<u>2,152</u>
TOTAL ASSETS	<u><u>\$ 14,609</u></u>	<u><u>\$ 85,465</u></u>	<u><u>\$ 100,074</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	<u>\$ 100</u>	<u>\$ 51</u>	<u>\$ 151</u>
Fund Balance:			
Nonspendable	340	1,812	2,152
Committed	<u>14,169</u>	<u>83,602</u>	<u>97,771</u>
Total Fund Balance	<u><u>14,509</u></u>	<u><u>85,414</u></u>	<u><u>99,923</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 14,609</u></u>	<u><u>\$ 85,465</u></u>	<u><u>\$ 100,074</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, 2024

	Cemetery	Parks and Recreation	Total Special Revenue Funds
Revenues:			
Taxes	\$ 0	\$ 60,000	\$ 60,000
Charges for Services	0	778	778
Contributions	0	12,000	12,000
Interest Earnings	330	926	1,256
Other Revenues	3,900	36,745	40,645
Total Revenues	<u>4,230</u>	<u>110,449</u>	<u>114,679</u>
Expenditures:			
Current:			
Wages and Salaries	5,341	30,097	35,438
Operating Supplies	195	245	440
Professional Services	555	0	555
Insurance	180	973	1,153
Utilities	0	687	687
Repairs and Maintenance	0	5,880	5,880
Other Expenditures	0	1,053	1,053
Capital Outlay	0	84,387	84,387
Total Expenditures	<u>6,271</u>	<u>123,322</u>	<u>129,593</u>
Change in Fund Balance	(2,041)	(12,873)	(14,914)
Fund Balance - January 1	<u>16,550</u>	<u>98,287</u>	<u>114,837</u>
Fund Balance - December 31	<u>\$ 14,509</u>	<u>\$ 85,414</u>	<u>\$ 99,923</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
December 31, 2024

	Capital Reserve	Fire Capital Project	Fire Apparatus Infrastructure
ASSETS			
Cash and Cash Equivalents	\$ 26,998	\$ 8,499	\$ 200,587
TOTAL ASSETS	<u>\$ 26,998</u>	<u>\$ 8,499</u>	<u>\$ 200,587</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 0	\$ 7,534	\$ 0
Unearned Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	0	7,534	0
Fund Balance:			
Committed	<u>26,998</u>	<u>965</u>	<u>200,587</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 26,998</u>	<u>\$ 8,499</u>	<u>\$ 200,587</u>

Fire Contracted Services	Total Capital Projects Funds
<u>\$ 59,846</u>	<u>\$ 295,930</u>
<u><u>\$ 59,846</u></u>	<u><u>\$ 295,930</u></u>
\$ 0	\$ 7,534
<u>27,500</u>	<u>27,500</u>
27,500	35,034
<u>32,346</u>	<u>260,896</u>
<u><u>\$ 59,846</u></u>	<u><u>\$ 295,930</u></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, 2024

	Capital Reserve	Fire Capital Project	Fire Apparatus Infrastructure
Revenues:			
Taxes	\$ 0	\$ 60,000	\$ 0
Charges for Services	0	0	55,000
Interest Earnings	349	965	422
Total Revenues	<u>349</u>	<u>60,965</u>	<u>55,422</u>
Expenditures:			
Capital Outlay	<u>0</u>	<u>8,988</u>	<u>3,142</u>
Excess of Revenues Over (Under) Expenditures	349	51,977	52,280
Other Financing Sources (Uses):			
Transfers In	0	22,654	111,600
Transfers Out	0	(75,266)	(55,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(52,612)</u>	<u>56,600</u>
Change in Fund Balance	<u>349</u>	<u>(635)</u>	<u>108,880</u>
Fund Balance - January 1 (As Previously State)	26,649	1,600	91,707
Change from Nonmajor to Major Fund	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - January 1 (As Restated)	<u>26,649</u>	<u>1,600</u>	<u>91,707</u>
Fund Balance - December 31	<u>\$ 26,998</u>	<u>\$ 965</u>	<u>\$ 200,587</u>

Fire Contracted Services	Formerly Nonmajor Fund	Total Capital Project Funds
\$ 0	\$ 0	\$ 60,000
0	0	55,000
0	0	1,736
<u>0</u>	<u>0</u>	<u>116,736</u>
0	0	12,130
0	0	104,606
55,000	0	189,254
<u>(22,654)</u>	<u>0</u>	<u>(152,920)</u>
<u>32,346</u>	<u>0</u>	<u>36,334</u>
<u>32,346</u>	<u>0</u>	<u>140,940</u>
0	122,560	242,516
<u>0</u>	<u>(122,560)</u>	<u>(122,560)</u>
<u>0</u>	<u>0</u>	<u>119,956</u>
<u>\$ 32,346</u>	<u>\$ 0</u>	<u>\$ 260,896</u>

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

BALANCE SHEET
GENERAL FUND
December 31, 2024

(With Comparative Amounts for December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Checking	\$ (1,027,719)	\$ (524,239)
Investments	1,042,616	1,000,000
Receivables:		
Interest	29,342	33,485
Accounts	7,761	1,600
Property Taxes	51,914	58,782
Lease	14,492	29,248
Prepaid Expense	<u>3,005</u>	<u>551</u>
TOTAL ASSETS	<u><u>\$ 121,411</u></u>	<u><u>\$ 599,427</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 22,065	\$ 111,942
Accrued Expenses	<u>5,195</u>	<u>4,999</u>
Total Liabilities	<u><u>27,260</u></u>	<u><u>116,941</u></u>
Deferred Inflows of Resources:		
Unavailable Revenue - Delinquent Taxes	17,714	22,315
Lease Deferments	<u>13,089</u>	<u>27,368</u>
Total Deferred Inflows of Resources	<u><u>30,803</u></u>	<u><u>49,683</u></u>
Fund Balance:		
Nonspendable	3,005	551
Unassigned	<u>60,343</u>	<u>432,252</u>
Total Fund Balance	<u><u>63,348</u></u>	<u><u>432,803</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 121,411</u></u>	<u><u>\$ 599,427</u></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, 2024
(With Comparative Amounts for the Year Ended December 31, 2023)

	2024 Budget	2024 Actual	Over (Under) Budget	2023 Actual
Revenues:				
Taxes:				
General Property Taxes	\$ 450,000	\$ 435,254	\$ (14,746)	\$ 234,480
Delinquent Property Taxes	0	17,857	17,857	(618)
Penalties & Int-Delinq Taxes	0	2,100	2,100	324
Franchise Fee	16,100	20,851	4,751	19,372
Total Taxes	<u>466,100</u>	<u>476,062</u>	<u>9,962</u>	<u>253,558</u>
Intergovernmental:				
State Grants and Aids	2,700	5,227	2,527	5,950
Election Allocation	0	4,290	4,290	0
Other County Grants and Aids	11,600	8,049	(3,551)	6,839
Total Intergovernmental	<u>14,300</u>	<u>17,566</u>	<u>3,266</u>	<u>12,789</u>
Charges for Services:				
Charges for Services	8,100	6,418	(1,682)	5,773
Assessment Searches	435	40	(395)	50
Cell Tower Rent	22,000	31,213	9,213	29,725
Filing Fee	500	51	(449)	8
Charges for Services	0	14,095	14,095	10,900
Zoning & Subdivision Fees	0	1,000	1,000	800
Preliminary Plat Fees	0	99,181	99,181	119,093
Charges for Services	0	0	0	5,131
Preliminary Plat Fees	0	0	0	9,871
Total Charges for Services	<u>31,035</u>	<u>151,998</u>	<u>120,963</u>	<u>181,351</u>
Fines and Fees	<u>0</u>	<u>6,257</u>	<u>6,257</u>	<u>0</u>
Other Revenues:				
Other Revenues	0	0	0	180,063
Miscellaneous	2,000	13,112	11,112	16,549
Interest Earnings	100	45,055	44,955	35,799
Total Other Revenues	<u>2,100</u>	<u>58,167</u>	<u>56,067</u>	<u>232,411</u>
Total Revenues	<u>513,535</u>	<u>710,050</u>	<u>196,515</u>	<u>680,109</u>
Expenditures:				
Current:				
Governance:				
Wages and Salaries	31,200	30,622	(578)	35,371
PERA Contributions	4,160	1,179	(2,981)	1,313
FICA Contributions	1,248	1,322	74	1,520
Medicare Contributions	1,248	452	(796)	607
Federal Tax Withheld	1,248	0	(1,248)	0
State Tax Withheld	832	0	(832)	0
Workers Compensation	520	443	(77)	0
Continuing Education	130	125	(5)	0
Mileage	260	238	(22)	292

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, 2024
(With Comparative Amounts for the Year Ended December 31, 2023)

	2024 Budget	2024 Actual	Over (Under) Budget	2023 Actual
Expenditures: (Continued)				
Clerk/Treasurer:				
Wages and Salaries	\$ 78,000	\$ 89,937	\$ 11,937	\$ 82,931
PERA Contributions	15,600	6,430	(9,170)	6,169
FICA Contributions	13,520	5,471	(8,049)	6,684
Medicare Contributions	3,120	1,279	(1,841)	1,581
Federal Tax Withheld	10,400	0	(10,400)	0
State Tax Withheld	3,640	3,018	(622)	0
Health	3,145	5,996	2,851	2,016
Workers Compensation	120	710	590	0
Continuing Education	104	439	335	570
Cell Phone	540	537	(3)	492
Mileage	156	390	234	405
Office Supplies	3,120	3,276	156	2,510
Other Supplies	416	979	563	777
Postage	208	752	544	289
Office Equipment	5,720	245	(5,475)	0
Deputy Clerk/Treasurer:				
Wages and Salaries	52,000	38,048	(13,952)	68,478
PERA Contributions	8,320	2,847	(5,473)	4,854
FICA Contributions	6,240	2,440	(3,800)	5,238
Medicare Contributions	1,664	571	(1,093)	1,239
Federal Tax Withheld	2,080	0	(2,080)	0
State Tax Withheld	1,144	0	(1,144)	0
Health	3,145	4,319	1,174	2,016
Workers Compensation	0	633	633	0
Continuing Education	104	150	46	279
Mileage	182	135	(47)	413
General Government:				
Professional Services	54,000	140,004	86,004	60,066
Employment Ads	364	469	105	576
Legal Notices	291	182	(109)	522
General Notices	1,248	2,833	1,585	48
Newsletter	520	43	(477)	19
Dues and Subscriptions	3,120	1,140	(1,980)	5,559
Interest	0	59	59	1,186
Professional Services	30,000	40,000	10,000	25,098
County Charges	0	1,615	1,615	25,816
Legal Fees	198,000	162,158	(35,842)	45,610
Professional Services	2,000	0	(2,000)	1,675
Bank Charge	0	1,197	1,197	781
Miscellaneous	0	0	0	641
Cleaning Supplies	1,040	0	(1,040)	33
Maintenance	5,200	11,270	6,070	3,147
Repair & Maint. Supplies	400	2,296	1,896	373
Architects Fees	0	0	0	180,000

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, 2024
(With Comparative Amounts for the Year Ended December 31, 2023)

	2024 Budget	2024 Actual	Over (Under) Budget	2023 Actual
Expenditures: (Continued)				
General Government: (Continued)				
Part-Time Employees	\$ 64,920	\$ 5,565	\$ (59,355)	\$ 0
PERA Contributions	0	417	417	0
FICA Contributions	0	345	345	0
Medicare Contributions	0	81	81	0
Telephone	4,680	3,205	(1,475)	3,547
Internet Service	1,872	2,791	919	2,030
Fuel	135	101	(34)	51
Electric Utilities	5,200	4,675	(525)	4,503
Gas Utilities	2,600	2,893	293	3,377
Refuse Disposal	468	597	129	497
Office Equipment	1,040	1,927	887	1,165
Software Support	2,600	11,419	8,819	6,748
Bank Charge	0	0	0	80
Professional Services	0	0	0	12,574
General Liability Insurance	2,288	6,097	3,809	0
Property Insurance	6,240	2,855	(3,385)	1,802
County Fees	0	598	598	552
Legal Fees	17,000	3,408	(13,592)	3,281
Legal Fees	0	0	0	1,631
Elections:				
Wages and Salaries	26,575	22,745	(3,830)	917
PERA Contributions	0	211	211	0
FICA Contributions	0	1,410	1,410	0
Medicare Contributions	0	330	330	0
Health	0	751	751	0
Other Supplies	1,500	5,789	4,289	0
Repair & Maint. Supplies	700	910	210	217
Mileage	520	1,066	546	0
Printing and Binding	1,600	82	(1,518)	576
Legal Notices	416	0	(416)	0
Election Notices	104	624	520	0
Office Equipment	4,680	550	(4,130)	0
Planning and Zoning:				
Wages and Salaries	0	477	477	0
Part-Time Employees	0	2,352	2,352	0
Other Pay	2,600	5,940	3,340	4,058
PERA Contributions	0	212	212	0
FICA Contributions	0	175	175	0
Medicare Contributions	0	41	41	0
Health	0	34	34	0
Office Supplies	3,000	677	(2,323)	454
Professional Services	0	5,250	5,250	10,384
Continuing Education	520	0	(520)	0
Postage	0	355	355	236

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, 2024
(With Comparative Amounts for the Year Ended December 31, 2023)

	2024 Budget	2024 Actual	Over (Under) Budget	2023 Actual
Expenditures: (Continued)				
General Government: (Continued)				
Mileage	\$ 104	\$ 0	\$ (104)	\$ 3
Legal Notices	47	156	109	455
Wages and Salaries	6,240	0	(6,240)	65
Professional Services	30,000	39,654	9,654	31,969
Mileage	520	0	(520)	0
Legal Notices	0	1,090	1,090	316
Legal Notices	0	1,494	1,494	1,255
Professional Services	0	33,615	33,615	28,799
Postage	0	5	5	0
Total General Government	<u>737,886</u>	<u>739,218</u>	<u>1,332</u>	<u>698,736</u>
Public Safety:				
Operating Supplies	0	0	0	502
Animal Impounding	1,040	1,100	60	500
Mileage	0	88	88	71
Gopher	1,040	958	(82)	936
Total Public Safety	<u>2,080</u>	<u>2,146</u>	<u>66</u>	<u>2,009</u>
Public Works:				
Wages and Salaries	4,160	15,297	11,137	8,625
PERA Contributions	260	1,005	745	630
FICA Contributions	250	948	698	670
Medicare Contributions	57	222	165	158
Health	0	363	363	0
Engineering Fees	2,496	24,385	21,889	13,339
Refuse Disposal	14,560	11,524	(3,036)	16,097
Engineering Fees	0	14,849	14,849	28,939
Road Signs	0	406	406	1,458
Refunds & Reimbursements	0	32,656	32,656	134,316
Engineering Fees	0	0	0	620
Engineering Fees	0	0	0	6,205
Engineering Fees	0	543	543	540
Total Public Works	<u>21,783</u>	<u>102,198</u>	<u>80,415</u>	<u>211,597</u>
Total Current Expenditures	761,749	843,562	81,813	912,342
Capital Outlay:				
General Government	<u>0</u>	<u>235,943</u>	<u>235,943</u>	<u>132,727</u>
Total Expenditures	<u>761,749</u>	<u>1,079,505</u>	<u>317,756</u>	<u>1,045,069</u>
Change in Fund Balance	<u>\$ (248,214)</u>	(369,455)	<u>\$ (121,241)</u>	(364,960)
Fund Balance - January 1		<u>432,803</u>		<u>797,763</u>
Fund Balance - December 31		<u>\$ 63,348</u>		<u>\$ 432,803</u>

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BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF NET POSITION
SEWER FUND
December 31, 2024
(With Comparative Amounts for December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 100,036	\$ 34,271
Accounts Receivable	14,351	10,444
Special Assessment Receivable	24,375	25,621
Prepaid Expense	449	110
Total Current Assets	<u>139,211</u>	<u>70,446</u>
Noncurrent Assets:		
Special Assessment Receivable	<u>24,376</u>	<u>51,244</u>
TOTAL ASSETS	<u><u>\$ 163,587</u></u>	<u><u>\$ 121,690</u></u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accrued Expenses	\$ 4,924	\$ 5,848
Current Portion of Long-term Debt	<u>50,911</u>	<u>50,911</u>
Total Current Liabilities	<u>55,835</u>	<u>56,759</u>
Long-term Liabilities:		
Advance from Other Funds	120,000	0
Bonds Payable, Net of Current Portion	<u>87,788</u>	<u>138,699</u>
Total Liabilities	<u>263,623</u>	<u>195,458</u>
Net Position:		
Unrestricted	<u>(100,036)</u>	<u>(73,768)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 163,587</u></u>	<u><u>\$ 121,690</u></u>

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, 2024
(With Comparative Amount for the Year ended December 31, 2023)

	Budget	Actual	Over (Under) Budget	2023 Actual
Operating Revenues:				
Charges for Services	\$ 0	\$ 50,621	\$ 50,621	\$ 37,234
Operating Expenses:				
Wages	770	10,061	9,291	12,124
Office Expense	1,082	407	(675)	583
Operating Supplies	0	5,344	5,344	9,942
Insurance	624	831	207	259
Professional Fees	0	52,822	52,822	25,178
Utilities	5,200	5,031	(169)	3,962
Repairs and Maintenance	0	4,228	4,228	4,983
Other Expenses	0	495	495	440
Total Operating Expenses	<u>7,676</u>	<u>79,219</u>	<u>71,543</u>	<u>57,471</u>
Income (Loss) from Operations	<u>(7,676)</u>	<u>(28,598)</u>	<u>(20,922)</u>	<u>(20,237)</u>
Nonoperating Revenues (Expenses):				
Interest Earnings	0	263	263	869
Special Assessments	0	6,361	6,361	5,050
Interest Expense	<u>(5,345)</u>	<u>(4,294)</u>	<u>1,051</u>	<u>(7,404)</u>
Total Nonoperating Revenues (Expenses)	<u>(5,345)</u>	<u>2,330</u>	<u>7,675</u>	<u>(1,485)</u>
Change in Net Position	<u>\$ (13,021)</u>	(26,268)	<u>\$ (13,247)</u>	(21,722)
Net Position - January 1		<u>(73,768)</u>		<u>(52,046)</u>
Net Position - December 31		<u>\$ (100,036)</u>		<u>\$ (73,768)</u>

OTHER REQUIRED REPORTS



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

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Experienced... Over 40 years combined experience

Affordable... Exceptional value for a reasonable price

Friendly... Family owned and run since 1990

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, 2024, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2025.

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*, except as described in the schedule of findings and responses as items 2024-004, 2024-005, and 2024-006. 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 18, 2025



Burkhardt & Burkhardt, Ltd.

Certified Public Accountants

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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, 2024, 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 2024-001.

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 2024-002 and 2024-003.

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 18, 2025

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SCHEDULE OF FINDINGS AND RESPONSES ON
LEGAL COMPLIANCE AND INTERNAL CONTROL
December 31, 2024

CURRENT YEAR FINANCIAL STATEMENT FINDINGS

Material Weakness

Finding 2024-001. 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, 2025

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, 2024

Significant Deficiencies

Finding 2024-002. 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, 2025

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, 2024

Finding 2024-003. 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, 2025

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, 2024

CURRENT YEAR MINNESOTA LEGAL COMPLIANCE FINDINGS

2024-004. Prompt Payment of Local Government Bills

MSA 471.425 subd. 2 (Prompt Payment of Local Government Bills) requires all bills to be paid within 35 days from receipt for government boards that meet at least once a month, or within the period set by the contract terms.

During 2024, the Township did not pay all claims within the time period set by contract or the standard payment period.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township will utilize a date stamp for all invoices received to ensure proper notation of the date received and will review invoices for timeliness as the payment date approaches.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2025

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, 2024

Finding 2024-005. Failure to Receive the Responsible Contractor's Affidavit

Minn. Stat. § 16C.285 (Responsible Contractor Requirement) requires that for each construction contract in excess of \$50,000, awarded pursuant to a lowest responsible bidder or best value process, the successful contractor submit a verification of compliance signed under oath by an owner or officer verifying compliance with the minimum criteria set forth in Minn. Stat. § 16C.285.

During 2024, the Township awarded a contract for construction in excess of \$50,000 pursuant to a lowest responsible bidder process and did not receive the Responsible Contractor's Affidavit.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township will develop a policy to ensure that contracts awarded by a lowest responsible bidder process receive a Responsible Contractor's Affidavit form.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2025

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, 2024

Finding 2024-006. Failure to Acquire Public Safety Equipment by Competitive Bidding or Proposals

Minn. Stat. § 471.345 requires if equipment was acquired pursuant to this statute without competitive bidding or proposals, that the public safety equipment be used and that the equipment, defined as vehicles and specialized equipment used by a fire department, as defined in Minn. Stat. § 299N.01, subdivision 2, in firefighting, ambulance and emergency medical treatment services, rescue, and hazardous materials response, be clearly and legitimately limited to a single source of supply.

During 2024, the Township purchased a new fire truck and did not use competitive bidding or receive proposals.

Corrective Action Plan (CAP)

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Township will develop a policy to ensure that when purchasing a new public safety equipment, they use either competitive bidding or receive proposals.

Official Responsible for Ensuring CAP:

Joan Heinen, Township Clerk/Treasurer

Planned Completion Date for CAP:

December 31, 2025

Plan to Monitor Completion of CAP:

Township Board

BALDWIN TOWNSHIP
SHERBURNE COUNTY, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2024

<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:				
2023-001	Material Audit Adjustments	Not Corrected	2022	See Current Year Finding 2024-001
2023-002	Auditor Preparation of Financial Statements	Not Corrected	2007	See Current Year Finding 2024-002
2023-003	Limited Segregation of Duties	Not Corrected	2007	See Current Year Finding 2024-003

Minnesota Legal Compliance Findings:

None