

On Tuesday, March 4, 2008, Chairperson Greg Anderson called the Board of Audit meeting to order at 6:30 p.m. Other Supervisors present were Stephanie Johnston and John Roxbury, Jr. Supervisors John Moosbrugger and Dan Minks were absent.

The Clerk reviewed the Annual Audit report prepared by Kern, DeWenter, Viere, Ltd. for Princeton Township for the year ending 2007. There were two findings on compliance with Minnesota Statutes that had been determined by the Auditors.

The findings were:

1. Lack of Segregation of Accounting duties. This finding is a weakness that shows up on the annual audit every year. This is due to the fact that it is a small office and there are not enough employees to separate all jobs within the financial aspects of the Township.
2. Material Audit Adjustments. This was due to the Clerk/Treasurer coding two receipts into the wrong account number and was adjusted when the auditor was present. This was a clerical error.

The findings from last year that were corrected and no longer appeared on the audit report were:

1. Payments to subcontractors. The Township must require contractors on Township projects to pay their subcontractors within ten days or pay interest at 1.5% per month. The Clerk explained to the Town Board that the Township had been written up on this the last couple of years and thought it had been taken care of last year. The Township portion of the problem had been taken care of but it had not been corrected with John Oliver & Associates. The Clerk talked to Todd McLouth and the issue has been taken care of and shouldn't be a problem next year.
2. Require two signatures on checks. The Township does require two signatures and each check has two lines that are always signed by both the Clerk and the Town Board Chairperson. The Clerk called the bank for them to change their records to reflect this.
3. Certified Levy to cover debt obligations. The Township levies \$21,500 each year for the Town Hall Expansion payment. This amount covers the payments to the bank in the exact amount. The auditor stated that the Board should levy 105% instead of 100% in case some resident taxes aren't paid.
4. Money Transfer amounts in approved Town Board Minutes. The Clerk would transfer money from one budget fund to another to cover the Town

Hall payment. The auditor stated that when money is to transfer from one fund to another they must be approved by the Town Board each time.

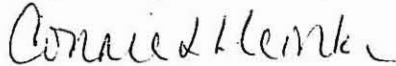
5. Consider Formal Deposit and Investment Policy. The Township was written up on this item in 2005. The Clerk brought this up to the Town Board at a meeting and the Town Board motioned not to create and adopt an investment policy. The Town Board asked the Clerk to contact the auditor and find out if the Town Board can adopt to do nothing with an investment policy and if it would then not be a write up each year.

The Clerk reported the Audit went very well. She stated the Auditors that were on site this year were very nice to work with.

A motion was made by John Roxbury, Jr. and seconded by Stephanie Johnston to accept the 2007 Audit and Financial Statements as submitted. Motion carried.

A motion was made by John Roxbury, Jr. and seconded by Stephanie Johnston to adjourn the meeting at 6:33 p.m. Motion carried.

Respectfully submitted,



Connie L. Heinks
Clerk/Treasurer

Attendees: none