

# STATE OF MINNESOTA

## Office of the State Auditor



**Patricia Anderson**  
**State Auditor**

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**TOWN OF ROGERS**  
**CASS COUNTY, MINNESOTA**

**AGREED-UPON PROCEDURES**

**JANUARY 24, 2005**

## **Description of the Office of the State Auditor**

The Office of the State Auditor serves as a watchdog for Minnesota taxpayers by helping to ensure financial integrity, accountability, and cost-effectiveness in local governments throughout the state.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 250 financial and compliance audits per year and has oversight responsibilities for over 4,300 local units of government throughout the state. The office currently maintains five divisions:

**Audit Practice** - conducts financial and legal compliance audits for local governments;

**Government Information** - collects and analyzes financial information for cities, towns, counties, and special districts;

**Legal/Special Investigations** - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

**Pension** - monitors investment, financial, and actuarial reporting for over 700 public pension funds; and

**Tax Increment Financing, Investment and Finance** - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employee's Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**TOWN OF ROGERS  
CASS COUNTY, MINNESOTA**

**January 24, 2005**



**Agreed-Upon Procedures**

**Audit Practice Division  
Office of the State Auditor  
State of Minnesota**

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# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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PATRICIA ANDERSON  
STATE AUDITOR

## INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Supervisors  
Town of Rogers

We have performed the procedures enumerated below, which were agreed to by the Town of Rogers, solely to assist you with respect to ensuring adequate accounting procedures and other practices are being followed to account for and report on the financial activities of the Town. These procedures were applied to the Town's records as of January 24, 2005. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### 1. Procedure

Determine that minutes are prepared and approved for proceedings of the Town.

### Findings

#### 04-1 Board Chair and Vice Chair

The Town Board did not appoint a Board chair or vice chair. The Board chair's signature is one of the authorizing signatures on Town checks.

We recommend that the Town Board annually designate, by motion, a Board chair and vice chair.

04-2 Compensation Limits

The Town Board did not approve compensation limits for 2004. It was noted in the review of disbursements that the per diem and the clerk/treasurer salary have not changed in the past couple of years.

We recommend that the Town Board approve compensation amounts, by motion, on an annual basis. This would include the per diem rates, the clerk/treasurer salary, and the mileage rate. An annual motion would more clearly define the current compensation rates, even if the rates did not change from the prior year.

2. Procedure

Review procedures and records used to account for the receipt and disbursement of funds, and determine if such procedures and records appear adequate for reporting on activities of the Town.

Findings

None.

3. Procedure

Review practices followed to deposit funds in the bank.

Findings

None.

4. Procedure

Determine if bank statements are reconciled in a timely manner.

Findings

None.

5. Procedure

Determine if the process for approving disbursements is adequate.

Findings

None.

6. Procedure

Determine if vendor invoices are on hand to support disbursements.

Findings

04-3 Donations

During the review of disbursements, it was noted that the Town contributed a total of \$1,700 to local emergency response services. We were unable to find statutory authority for these expenditures. Minn. Stat. § 471.476, subd. 4, relates to towns and ambulance services. It states that a town may provide general ambulance service and fund it through an annual levy. In the case of the Town of Rogers, the Town is not providing the service, but instead is donating money to local service providers.

We recommend that the Town enter into a contract with the vendors specifying what the money is to be used for before disbursing any Town funds to the providers.

7. Procedure

Determine if sufficient records are on hand to document the wages paid to employees.

Findings

None.

8. Procedure

Determine if quarterly reports on salary withholdings have been filed in a timely manner with the state and federal governments.

Findings

None.

9. Procedure

Determine if records are kept on land, buildings, and equipment of the Town.

Findings

04-4 Fixed Asset Records

It was noted that the Town clerk/treasurer was reimbursed for the purchase of a copier/scanner/fax machine.

We recommend that the Town maintain a listing of all assets, even if this is the only one, so that a record exists for future Town personnel.

10. Procedure

Determine if the Town is in compliance with the *Minnesota Legal Compliance Audit Guide for Local Government*.

Findings

None.

11. Procedure

Determine if the Town is current with filing its annual reporting forms with the Office of the State Auditor and that the amounts reported reflect the amounts recorded in the Town's records.

Findings

None.

We were not engaged to, and did not, perform an audit of the Town of Roger's financial statements, the objective of which would be the expression of an opinion on those financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Town of Rogers and is not intended to be, and should not be, used by anyone other than those specified parties.

*/s/Pat Anderson*

*/s/Greg Hierlinger*

PATRICIA ANDERSON  
STATE AUDITOR

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

End of Fieldwork: January 24, 2005