

Town of Crystal Bay

Board of Audit Meeting
Clair Nelson Community Center
6866 Cramer Road Finland, M 55603

Minutes

February 20th, 2026

- I. **Attendance:** Paul Hartshorn, Michael Nikula, Stacy Breden, Lise Abazs, Roger Peterson, Dave Geist,
 - A. Supervisor Hartshorn called the meeting to order at 4:00 p.m
 - B. MOTION: To approve Board of Audit Agenda. Motioned by Supervisor Nikula , Seconded by , Peterson Passed by unanimous consent.
 - C. FY25 Year End Report to be presented at the Annual Meeting - See Reports for more details.
 - i. Income
 - a. We received 89% of our General Property Taxes for 2025: \$194,308, the same percentage as the previous year but a higher total due to the levy increase.
 - b. We also received \$85,284 Intergovernmental Revenues, which vary from year to year but we typically expect around 30% of the levy.
 - c. Service revenue totalled \$4,307 including fees and donations to Roads, Community Center, and Cemetery now tracked separately from other revenue. Interest income totalled \$797 from bank accounts and the rotating loan fund.
 - d. Miscellaneous revenue totalled \$52,746 including:
 - i. Grants for the housing project = \$22,500.
 - ii. FEMA reimbursement for administrative costs \$4,165
 - iii. IRRRB reimbursement for septic costs = \$26,500.
 - e. Total income in 2025 = \$337,442.
 - ii. Expense
 - a. General Government
 - i. Town Officers = Total Payroll \$81,276 & Travel \$752
Notable differences from previous year:
 - a. Supervisor payroll \$6,708 (+\$92)
 - b. Clerk payroll \$65,994 (-\$6,849)
 - c. Treasurer payroll \$8,574 (-\$934)
 - ii. Legal Services = \$10,180, slightly higher than previous year (+\$609)
 - iii. Other General Government = \$25,405, similar to previous year
Notable differences from previous year:
 - a. Dues & Subscriptions \$4,137 (+\$1,486)

- b. Publicity \$757 (-\$2,075)
 - c. Printer expense \$2,658 (+\$2,175)
 - d. Donations \$2,000 (-\$2,100)
 - e. Insurance \$12,958 (+\$727)
 - b. Public Safety
 - i. Finland Fire Department = \$35,279 Notable differences from previous year:
 - a. Annual Contract \$24,000 (+\$4,000)
 - b. Insurance \$11,279 (+\$1,913)
 - c. Public Works:
 - i. Road and Bridge = \$71,896, including grader loan interest \$11,236 Notable differences from previous year:
 - a. Payroll = \$36,227 (-\$24,136)
 - b. Contract Services = \$2,950 (+\$1,575)
 - c. Garage, Materials, Equipment, Fuel = \$21,486 (+\$6,551)
 - d. Culture & Recreation:
 - i. Community Center = \$88,649, including capital septic expenses \$56,500 Notable differences from previous year:
 - a. Friends of Finland contract \$11,375 (-\$8,625)
 - b. Payroll \$1,615 (+\$867)
 - c. Maintenance & Contract Services \$3,488 (-\$7,709)
 - d. Electricity/Propane \$6,071 (new expense)
 - e. Septic operational costs \$9,601 (-\$2,885)
 - ii. Triangle = \$773 for Lighting
 - iii. Events = \$1,235 for St Urho's Day buffies
 - e. Redevelopment & Housing
 - i. Housing Project = \$16,380
 - a. Grant funds from MN Age-Friendly Program and University of MN covered all expenses in this category.
 - f. Miscellaneous
 - i. Cemetery = \$5,528, including \$3,330 capital expenses Notable differences from previous year:
 - a. Payroll & Equipment Rental \$1,920 (-\$928)
 - g. Total expense this year: \$337,459

iii. 2025 Balance Sheet

a. Checking Total= \$182,596.00

i. Fund Balances

- a. At the end of the year, 50% of balances in Town Hall, Road & Bridge, Emergency Services were reallocated to General Fund to correct the \$93,000 negative balance there.
- b. The General Fund ended the year with \$5,915. This will quickly dip into the negative again but should bounce back when the 2026 levy payment arrives in July.
- c. Town Hall Building Fund = \$31,073.
- d. Road & Bridge Fund = \$52,381.
- e. Emergency Services Fund = \$15,465.
- f. Cemetery Fund = \$6,076.
- g. Community Projects Funds balance is \$45,510. This includes \$7,347 grant funds earmarked for the housing project.
- h. Capital Buildings & Grounds Fund balance is \$9,217. This fund covers the town hall septic repair costs. There is a \$30,000 reimbursement for expenditures pending.
- i. Capital Equipment Fund balance is \$16,958. This fund covers the monthly Grader Loan payment.

b. Investment Total= \$37,662

i. Savings

- a. Visa, Regular, and Patronage Savings = \$11,332
- b. Rotating Loan Fund = \$26,330
- c. This account contains funds designated for community capacity building and is replenished as existing loans are repaid.

c. Assets

- i. Nature Childcare Loan was paid off in 2025

d. Liabilities

- i. Grader Loan 2023 remaining balance due= \$133,954
 - a. Interest paid in 2025= \$11,236
 - b. Principal paid in 2025 = \$ 12,190

D. MOTION: To approve the Fiscal Year End Treasurer’s Report. Motioned by Supervisor Peterson ,
 Seconded by Supervisor Nikula, Passed by unanimous consent.

II. Board of Audit: (Supervisors Hand Written Report filed with original minutes)

- A. Review 2025 Receipt
 - 1. Supervisor Nikula
 - a) 01/31/2025 Savings Interest \$0.15
 - b) Supervisors verified the clerk and treasurer books match
 - 2. Supervisor Hartshorn
 - a) 02/27/2025 \$14,527.00 EFT Taconite Deposit
 - b) Supervisors verified the clerk and treasurer books match
 - 3. Supervisor Peterson
 - a) 07/23/2025 \$241.00 RV Deposit Split
 - b) Supervisors verified the clerk and treasurer books match
- B. Clerk & Treasurer Fund Balance Reports were verified by Supervisors
 - 1. Clerk & Treasurer Match = Total Liabilities and Equity 12/31/2025 was 220,257.62
- C. Indebtedness Grader Loan end of year 12/31/2025 = \$133,953.75
 Indebtedness was verified with statements.
- D. Review 2025 Disbursements
 - 1. Supervisor Nikula
 - a) 2/9/25 \$1,952.17 Grader Payment
 - b) Supervisors verified Clerks Physical records and Treasurers Quickbooks records match.
 - 2. Supervisor Hartshorn
 - a) 5/20/25 \$1,107.00 Security State Insurance
 - b) Supervisors verified Clerks Physical records and Treasurers Quickbooks records match.
 - 3. Supervisor Peterson
 - a) 3/18/25 \$644.25 Baptism River BBQ
 - b) Supervisors verified Clerks Physical records and Treasurers Quickbooks records match.

E. Review of FY25 and FY26 Numbers

Accounts	LEVY 2025	LEVY2026
#100 General Fund	\$60,000.00	\$130,000.00
#110 Town Hall Fund	\$27,000.00	\$32,000.00
#120 Community Projects	\$3,000.00	\$2,000.00
#201 Road & Bridge	\$70,000.00	\$75,000.00
#225 Emergency Services	\$22,500.00	\$36,000.00
#226 Cemetery	\$2,000.00	\$4,500.00
#401 Capital Buildings	\$10,000.00	\$10,000.00

#406 Capital Equipment	\$25,000.00	\$30,000.00
Total Levy	\$219,500.00	\$319,500.00

F. Supervisors Determine Proposal for FY27 Levy to be presented to the Town at the Annual Meeting

Accounts	LEVY 2027
#100 General Fund	\$130,000.00
#110 Town Hall Fund	\$32,000.00
#120 Community Projects	\$2,000.00
#201 Road & Bridge	\$75,000.00
#225 Emergency Services	\$36,000.00
#226 Cemetery	\$4,500.00
#401 Capital Buildings	\$10,000.00
#406 Capital Equipment	\$30,000.00
Total Levy	\$319,500.00

G._i. Continue with the same statement to anyone requesting donations that their requests may be granted at half of the requested amount due to other fiscal obligations this year, mainly the uncertainty of the Septic, and hopefully no natural disasters.

ii. Supervisors sign and complete a hand written board of audit report.

III. Close Meeting

MOTION: to adjourn the meeting at 4:28 pm Motioned by Supervisor Peterson , Seconded by Supervisor Nikula
Passed by unanimous consent.