

WATERFORD TOWNSHIP



"where the path from the past and the future meets"

DATE: January 27, 2022
TO: Waterford Town Supervisors
FROM: Town Clerk Elizabeth Wheeler
 Town Treasurer Steven Wheeler
RE: Fund 213 – Legal Reserve
 Fund 885 – Legal Reserve

Audit Findings

1. 2018 – 2019 – Levy Reserves
 - a. Annexation - City of Northfield versus Waterford Township
 - i. District Court – Summary Judgement – 12/17/2018
 - ii. Court of Appeals – 08/12/2019
 - b. 2017 – 2019 – Legal expense for Attorney = \$52,708.75
 - c. 2018 & 2019 – Levy for legal totaled \$60,000
 - d. Balance of: Levy – Expenses = \$7,291.25**
2. 2018 – 2019 Levy & Expense CTAS Coding
 - a. Receipts (levy reserves) were coded to Fund 100
 - b. Disbursements (attorney) were coded to Fund 100
 - c. Balance of Levy Reserve remains in Fund 100
3. 2020 & 2021 – Levy Reserves
 - a. 2020 Legal Reserve (\$5,000) was coded to Fund 885
 - i. Fund 885 (fiduciary) is the wrong fund for a Legal Reserve
 - ii. Definition – 800 funds are trust & agency funds used to account for assets held by a governmental unit in a trustee capacity or as an agent. Fiduciary funds cannot be used to support the government’s own programs.
 - b. 2021 Legal Reserve (\$5,000) was coded to Fund 213
 - i. Fund 213 is a fund to account for revenues derived from specific revenue sources (Levy for Legal Reserve) that are legally restricted for a specific purpose. To move money from this fund to another fund requires a “unanimous” vote of the Town Board.

LEGAL RESERVES - FUND 100 & FUND 885 & FUND 213			
	As of Date	Detail	Balance
2018 & 2019 - Levied Legal Reserve - coded to Fund 100		\$ 60,000.00	\$ 60,000.00
2017 - 2019 Annexation Legal Expenses		\$ (52,708.75)	\$ 7,291.25
2020 - Levied Legal Reserve - coded to Fund 885 (fiduciary fund)		\$ 5,000.00	\$ 12,291.25
2021 - Levied Legal Reserve - coded to Fund 213		\$ 5,000.00	\$ 17,291.25
Code all Legal Reserve (\$17,291.25) to Fund 213 - Close & inactivate 885	12/31/2021		\$ 17,291.25
213 Legal Reserve Beginning Balance for 2022			\$ 17,291.25

Recommendation

1. 2018 – 2021 Legal Reserves (17,291.25) were levied and must be in Fund 213.
2. No legal reserve was budget for 2022. \$2,760 was budgeted in Fund 100 for normal legal expenses in 2022.
3. If the Board wants to reduce the \$17,291.25, it must make a motion, vote unanimously & be recorded.
4. Zero out Fund 885. Close & inactive.
5. Fund 885 will not show on the Cash Control Statement or Schedule 1.
6. Fund 213 will show on the Cash Control Statement and Schedule 1 as \$17,291.25 investment.

WEBSITE: waterfordtownshipmn.org EMAIL: waterfordtownship@gmail.com
 3847 321ST St. W. – P.O. Box 531 - Northfield, MN 55057
 PHONE: 651-346-8467 (leave a message – clerk will return your call)

2017 Legal	Annexation	2018 Legal	Annexation	2019 Legal	Annexation
1/9/2017	\$ 315.00	1/8/2018	\$ 185.00	2/11/2019	\$ 1,187.50
2/13/2017	\$ 1,620.00	3/12/2018	\$ 142.50	3/11/2019	\$ 1,150.00
4/10/2017	\$ 92.50	4/9/2018	\$ 855.00	4/8/2019	\$ 2,550.00
7/10/2017	\$ 1,063.75	5/14/2018	\$ 1,368.75	5/13/2019	\$ 10,100.00
8/14/2017	\$ 92.50	7/9/2018	\$ 972.50	6/10/2019	\$ 5,250.00
10/9/2017	\$ 878.75	8/13/2018	\$ 3,277.50	TOTAL	\$ 20,237.50
11/13/2017	\$ 277.50	9/10/2018	\$ 2,422.50		
TOTAL	\$ 4,340.00	10/18/2018	\$ 7,680.00		
		11/13/2018	\$ 11,227.50		
		TOTAL	\$ 28,131.25		

TOTAL	LEGAL COSTS
2017	\$ 4,340.00
2018	\$ 28,131.25
2019	\$ 20,237.50
TOTAL	\$ 52,708.75
LEVY	FOR LEGAL
2017	\$ -
2018	\$ 30,000.00
2019	\$ 30,000.00
TOTAL	\$ 60,000.00

UNEXPENDED	LEVY FOR LEGAL	
TOTAL	LEVY	\$ 60,000.00
TOTAL	LEGAL COSTS	\$ 52,708.75
	DIFFERENCE	\$ 7,291.25

CTAS Disbursements From 2017 Thru 2019 for Legal Fees with Annexation Specific Expenditures Broken Out From Others

Check_Date	Check_Number	Vendor_Name	Description	Annexation	All Other	Check_Total	
10/10/2016 0:00	7177	Couri & Ruppe, PLLP	Legal services Invoice September 29th 2016	\$ -	\$ 630.00	\$ 630.00	
1/9/2017 0:00	7258	Couri & Ruppe, PLLP	Annexation	\$ 315.00	\$ -	\$ 315.00	
2/13/2017 0:00	7280	Couri & Ruppe, PLLP	Annexation \$1,620.00 General \$180.00	\$ 1,620.00	\$ 180.00	\$ 1,800.00	
4/10/2017 0:00	7363	Couri & Ruppe, PLLP	Annexation \$92.50; Pole barn useage \$46.25	\$ 92.50	\$ 46.25	\$ 138.75	
7/10/2017 0:00	7399	Couri & Ruppe, PLLP	Annexation matters	\$ 1,063.75	\$ -	\$ 1,063.75	
8/14/2017 0:00	7420	Couri & Ruppe, PLLP	Annexation matters invoice dated 07/19/2017	\$ 46.25	\$ -	\$ 46.25	
8/14/2017 0:00	7421	Couri & Ruppe, PLLP	Annexation matters invoice dated 08/07/2017	\$ 46.25	\$ -	\$ 46.25	
10/9/2017 0:00	7480	Couri & Ruppe, PLLP	Annexation and general matters invoice dated 09/15/2017	\$ 878.75	\$ 277.50	\$ 1,156.25	
11/13/2017 0:00	7492	Couri & Ruppe, PLLP	Annexation and general matters invoice dated 10/16/2017	\$ 277.50	\$ 323.75	\$ 601.25	
1/8/2018 0:00	7539	Couri & Ruppe, PLLP	Annexation, well, open meetings, tiny house and general matters invoice dated 12/12/17	\$ 185.00	\$ 472.50	\$ 657.50	
3/12/2018 0:00	7572	Couri & Ruppe, PLLP	Annexation, general and Langer/Israel	\$ 142.50	\$ 570.00	\$ 712.50	
4/9/2018 0:00	7584	Couri & Ruppe, PLLP	Annexation and zoning services invoice dated 03/02/18	\$ 712.50	\$ 95.00	\$ 807.50	
4/9/2018 0:00	7585	Couri & Ruppe, PLLP	Annexation and general services invoice dated 03/29/18	\$ 142.50	\$ -	\$ 142.50	
5/14/2018 0:00	7615	Couri & Ruppe, PLLP	Annexation and general services invoice dated 01/05/18 - previously unbilled	\$ 38.75	\$ 100.00	\$ 138.75	
5/14/2018 0:00	7616	Couri & Ruppe, PLLP	Annexation and general services invoice dated 05/08/18	\$ 1,330.00	\$ -	\$ 1,330.00	
7/9/2018 0:00	7643	Couri & Ruppe, PLLP	Annexation services invoice dated 06/11/18	\$ 972.50	\$ -	\$ 972.50	
8/13/2018 0:00	7653	Couri & Ruppe, PLLP	Annexation services invoice dated 07/20/18	\$ 3,277.50	\$ -	\$ 3,277.50	
9/10/2018 0:00	7666	Couri & Ruppe, PLLP	Annexation, Bridge and General services invoice dated 08/13/2018	\$ 2,422.50	\$ 1,045.00	\$ 3,467.50	
10/8/2018 0:00	7699	Couri & Ruppe, PLLP	Annexation, Bridge and General services invoice dated 09/13/2018	\$ 7,680.00	\$ 380.00	\$ 8,060.00	
11/13/2018 0:00	7710	Couri & Ruppe, PLLP	Annexation and General services invoice dated 10/12/2018	\$ 11,227.50	\$ 47.50	\$ 11,275.00	
11/13/2018 0:00	7711	Couri & Ruppe, PLLP	General services invoice dated 11/02/2018	\$ -	\$ 427.50	\$ 427.50	
1/14/2019 0:00	7753	Couri & Ruppe, PLLP	General services invoice dated 12/03/18	\$ -	\$ 142.50	\$ 142.50	
2/11/2019 0:00	7770	Couri & Ruppe, PLLP	Annexation and General services invoice dated 01/14/19	\$ 1,187.50	\$ 95.00	\$ 1,282.50	
3/11/2019 0:00	7782	Couri & Ruppe, PLLP	Annexation Services invoice dated 02/12/2019	\$ 1,150.00	\$ -	\$ 1,150.00	
4/8/2019 0:00	7799	Couri & Ruppe, PLLP	Annexation and General Services invoice dated 03/12/2019	\$ 2,550.00	\$ 350.00	\$ 2,900.00	
5/13/2019 0:00	7840	Couri & Ruppe, PLLP	Annexation and General Services invoice dated 04/12/2019	\$ 10,100.00	\$ 900.00	\$ 11,000.00	
6/10/2019 0:00	7850	Couri & Ruppe, PLLP	Annexation, General Services and Solar Farm IUP invoice dated 5/14/2019	\$ 5,250.00	\$ 365.00	\$ 5,615.00	
7/8/2019 0:00	7865	Couri & Ruppe, PLLP	General Services invoice dated 6/14/2019	\$ -	\$ 50.00	\$ 50.00	
9/9/2019 0:00	7894	Couri & Ruppe, PLLP	General Services invoice dated 08/20/2019	\$ -	\$ 250.00	\$ 250.00	
10/14/2019 0:00	7913	Couri & Ruppe, PLLP	General Services invoice dated 09/10/2019	\$ -	\$ 250.00	\$ 250.00	
				TOTALS	\$ 52,708.75	\$ 6,997.50	\$ 59,706.25

Fund 885 Reserve Funnds for Legal Fees ---> Fund 213 Reserve - Legal

1	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 213 Reserve - Legal	Fund 885 Reserve - Legal
	5/27/2020	Dakota County	First half of 2020 levy (early payment - CoVid19 impact on economy)	100-31010	12351		\$ 83,557.04		\$ 83,557.04		
	7/14/2020	Waterford Township	transfer to savings from checking - 2020 one half of legal reserve	885-39203	tsfr18		\$ 2,500.00				\$ 2,500.00
	7/13/2020	Waterford Township	transfer from checking to savings - 2020 levy one half of legal reserve	100-49360-720		tsfr24		\$ 2,500.00	\$ (2,500.00)		
Change in Fund Balances After Original Entries									\$ 81,057.04	\$ -	\$ 2,500.00
Change in Fund Balances After Proposed Correcting Entries											

2	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 213 Reserve - Legal	Fund 885 Reserve - Legal
	10/26/2020	Dakota County	Current Ad Valorum tax	100-31010	12399		\$ 47,515.13		\$ 47,515.13		
	12/1/2020	Dakota County	Current Ad Valorum tax	100-31010	12408		\$ 19,159.76		\$ 19,159.76		
	1/17/2021	Waterford Township	transfer to savings from checking one half 2020 levy legal fees reserve	885-39203	tsfr 30		\$ 2,500.00				\$ 2,500.00
	1/13/2021	Waterford Township	transfer from checking to savings half of 2020 levy for legal fees	100-49360-720		tsfr 35		\$ 2,500.00	\$ (2,500.00)		
	7/6/2021	Dakota County	July 6, 2021 Settlement Summary Collection Period 01/01/21 thru 07/01/21	213-31010	21053		\$ 2,500.00			\$ 2,500.00	
	12/9/2021	Dakota County	December 1, 2021 Settlement Summary, Collection Period 6/18/2021 thru 11/20/2021	213-31010	21094		\$ 2,500.00			\$ 2,500.00	
										\$ 64,174.89	\$ 5,000.00
										\$ 5,000.00	\$ 5,000.00

Fund Total as of 12/31/2021

Fund Name: 213 - 213 Reserve - Legal

Date Range: 01/01/2011 To 12/31/2021

<u>Date</u>	<u>Remitter</u>	<u>Receipt #</u>	<u>Description</u>	<u>Deposit ID</u>	<u>Void</u>	<u>Account Name</u>	<u>F-A-P</u>	<u>Total</u>
07/06/2021	Dakota County	21053	July 6, 2021 Settlement Summary Collection Period 01/01/21 thru 07/01/21	(07/06/2021) -	N	Current Ad Valorem Taxes	213-31010-	\$ 2,500.00
								\$ 2,500.00
12/01/2021	Dakota County	21094	July 6, 2021 Settlement Summary Collection Period 06/18/21 thru 11/20/21	(12/01/2021) -	N	Current Ad Valorem Taxes	213-31010-	\$ 2,500.00
								\$ 2,500.00
Total for Selected Receipts								\$ 5,000.00

Fund Name: 213 - 213 Reserve - Legal

Date Range: 01/01/2011 To 12/31/2021

<u>Date</u>	<u>Vendor</u>	<u>Check #</u>	<u>Description</u>	<u>Void</u>	<u>Account Name</u>	<u>F-A-O-P</u>	<u>Total</u>
12/01/2021	Saving	IAD39	Deposit Into Saving	N	Purchase of Investments	213-49350-800-	\$ 5,000.00
		Total For Check	IAD39				\$ 5,000.00
Total For Selected Checks							\$ 5,000.00

Fund Name: 885 - 885 Reserve funds for Legal Fees

Date Range: 01/01/2011 To 12/31/2021

<u>Date</u>	<u>Remitter</u>	<u>Receipt #</u>	<u>Description</u>	<u>Deposit ID</u>	<u>Void</u>	<u>Account Name</u>	<u>F-A-P</u>	<u>Total</u>
07/14/2020	Waterford Township	tsfr18	transfer to savings from checking - 2020 one half of legal reserve	(07/14/2020) -	N	Transfer From Governmental Fund	885-39203-	\$ 2,500.00
								\$ 2,500.00
01/17/2021	Waterford Township	tsfr 30	transfer to savings from checking one half 2020 levy legal fees reserve	(01/17/2021) -	N	Transfer From Governmental Fund	885-39203-	\$ 2,500.00
								\$ 2,500.00
Total for Selected Receipts								\$ 5,000.00

Fund 885

There are no disbursement records for the selected date range

Total For Check