

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 219 – American Rescue Plan – H.R. 1319

Audit Findings

1. The American Rescue Plan includes \$350 billion in aid to states, cities, tribal governments, and U.S. territories. These funds are designated to help replace lost tax revenue due to the pandemic. Analysis by The Washington Post found that a majority (26) of states experienced revenue declines between December 2019 and December 2020.
2. Clerk Wheeler applied for the American Rescue Plan funding and received the Township's first of two installment payments on 09/21/2021.
 - a. An additional \$868.04 dollars arrived on 11/23/2021
 - i. The additional was due to other governmental entities not meeting the application deadline. The funds not expended were divided among those that had met the deadline, thus the second payment.
3. The second installment totaling \$27,375.21 is scheduled to arrive in the summer of 2022.
4. Funds do not have to be obligated until December 31, 2024, and unexpended funds are not subject to recapture or return until December 31, 2026.
5. Clerk Wheeler has been participating in Dakota County Zoom calls and Minnesota Township Association Zoom calls to keep updated on the constantly changing regulations, management responsibilities and the expenditure criteria.
 - a. Initially, the Township's ability to meet the criteria for "lost revenue" was going to be cumbersome and difficult if not impossible for the Township.
 - b. However, Minnesota Township Association Attorney Steve Fensky, during an ARP training session announced a recent regulation change that ensures that all Townships can use the ARP funds under the "lost revenue" category. The Township no longer has to prove "lost revenue".
 - c. The regulations for "what" the funds can be spent on hasn't changed.
 - d. Numerous reporting requirements and financial accountability remain.

Recommendation

1. Fund 219 was established 09/21/2021. This fund will be self-balancing for receipts & disbursements, thus meeting one of many reporting criteria.
2. MN State Auditor requires government entities use the following coding when receiving or expending funds.
 - e. Receipts – 219-33180 – Federal Grants - COVID
 - f. Disbursements – 219-43190 – Streets – COVID
3. During the February 24, 2022 Work Session on the 2023 budget & levy, the ARP project will be discussed.
 - i. A project must be obligated (reported) by no later than December 31, 2024.
 - ii. Funds must be expended on the project by December 31, 2026.
 - iii. MAT Attorney Fensky stated that road projects like the Village Drainage would qualify for ARP funds.
 1. One project instead of several smaller projects will make the financial reporting more manageable.
 2. The engineering is already done for this project – all ARP funds can be used to do the project.
 3. Estimates to complete the project:
 - a. Drainage – estimated at \$75,000
 - b. Rehab the roads – estimated at \$15,000

Fund Name: 219 - 219 American Rescue Plan of 2021

Date Range: 01/01/2021 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>
09/21/2021	State of Minnesota	21077*	2021 American Rescue Plan HR 1319, first half payment	(09/29/2021) - ACH	N	Federal and State Grants- CARES Act	219-33180-	\$ 26,507.17
								\$ 26,507.17
11/23/2021	State of Minnesota	21092	American Rescue Plan	(11/23/2021) -	N	Federal and State Grants- CARES Act	219-33180-	\$ 868.04
								\$ 868.04
Total for Selected Receipts								\$ 27,375.21

01/01/2021 To 12/31/2021

Fund Name: 219 American Rescue Plan of 2021 - HR 13 **Budget** \$0.00
Account Number: 219-49350-800
Account Name: Purchase of Investments
Object Code Name: Investments Purchased

<u>Date</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount Paid</u>	<u>Year To Date Paid</u>	<u>Budget Balance</u>
12/1/2021	Saving	IAD40	\$5,000.00	\$5,000.00	(\$5,000.00)

219 American Rescue Plan of 2021 - HR 1319 Totals

Total Payments for the Year	\$5,000.00
Total Budget	\$0.00
(-) Over / Under Budget	(\$5,000.00)

Fund
219

To
Vendor ID: 0000199623
Vendor Location: 001
Vendor Name: WATERFORD TOWN OF
Vendor Address: PO BOX 531
NORTHFIELD, MN 55057-0531

Reference Information

Pay Cycle: DLYEFT
Pay Cycle Seq Number: 2626

Payment Information

Payment Reference: 0007060502
Payment Date: 11/22/2021
Payment Method: Automated Clearing House

Agency Code / Description	Contact Phone	Voucher ID / Payment Message	Invoice Date	Invoice Number	Customer Account	Paid Amt
G90 / REVENUE/INTERGOVT	651/556-6092	00 09150756	11/23/2021	22607A31900203I00 1	TOWN-190020 ARPA_COVID19	868.04
<u>AMERICAN RESCUE PLAN</u>						
Total:						868.04 USD

To
Vendor ID: 0000199623
Vendor Location: 001
Vendor Name: WATERFORD TOWN OF
Vendor Address: PO BOX 531
NORTHFIELD, MN 55057-0531

Reference Information
Pay Cycle: DLYEFT
Pay Cycle Seq Number: 2582

Payment Information
Payment Reference: 0006944293
Payment Date: 09/20/2021
Payment Method: Automated Clearing House

Agency Code / Description	Contact Phone	Voucher ID / Payment Message	Invoice Date	Invoice Number	Customer Account	Paid Amt
G90 / REVENUE/INTERGOVT	651/556-6092	00 08884389	09/21/2021	22544A31900203E00 1	TOWN-190020 ARPA_COVID19	26,507.17
AMERICAN RESCUE PLAN						
Total:						26,507.17 USD