

# 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 505 – Solar Decommissioning – Close fund  
Fund 862 – Escrow Account for Solar Decommission – Open fund

## Audit findings of Fund 505

1. 10/08/2020 – Received an escrow of \$35,000 from Lyman Solar Garden as required by the IUP
  - a. Treasurer coded to Fund 100.
  - b. Township Attorney Couri and CTAS trainer Lucinda Messman told Town Clerk that the \$35,000 must be coded as a fiduciary fund (801 -899). Clerk Wheeler reported Couri & Messman's recommendations and the reasons for those recommendations at the 11/09/2020 Board meeting.
    - i. Do not retain the \$35,000 in the Township's savings account – will make visibility for thirty-six years difficult.
    - ii. Purchase an investment. Suggested a Certificate of Deposit.
    - iii. Create a fiduciary fund in CTAS to record the escrow
      1. Fiduciary funds trust and 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.
      2. A fiduciary fund is not permanent – in this instance the \$35,000 is to be held for decommissioning purposes. Once the array is decommissioned, the \$35,000 is returned. If the array is not decommissioned at the end of the 36 years, the Township uses the \$35,000 to have the array decommissioned.
      3. The interest accrued from the purchase of a CD belongs to the Township.
    - iv. Record the quarterly interest payments in the same fiduciary fund with the appropriate accounting number for visibility and accountability.
2. 01/06/2020 – Purchase and coding transactions of CD
  - a. The purchase of the CD was not approved through the monthly claims process but the \$35,000 was removed from the checking account at the Castle Rock bank to purchase the \$35,000 CD.
  - b. Treasurer recorded the purchase of the CD in the investment module of CTAS.
    - i. The original \$35,000 was coded to Fund 100.
    - ii. The purchase of the CD was coded to Fund 505.
    - iii. Both Fund 100 and Fund 505 were distorted.
      1. Fund 100 retained the \$35,000 in its Fund balance
      2. Fund 505 showed a -\$35,000 (purchase of CD)

## Result of Audit

1. Transfer \$35,000 from Fund 100 to Fund 862.
2. Change investment fund module coding from Fund 505 to Fund 862. (2021 hasn't been closed out yet)
3. Close Fund 505.
4. All quarterly interest (1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> qtr) interest was coded to 862-36210 (interest earned from Lyman CD).

Fund 505 Escrow Account for Solar Decommissioning --> Fund 862 (a fiduciary fund) Escrow - Solar Decommissioning

	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 505 Escrow Acct for Solar Decommissioning	Fund 862 Escrow - Solar Decommissioning	
1	10/8/2020	Nokomis Wenonah LLC	escrow deposit for decommission of Solar Farm	100-36231	12396		\$ 35,000.00		\$ 35,000.00			
	1/6/2021	Waterford Township	CD for escrow funds - decommission solar garden	505-49350-800		IAD30		\$ 35,000.00		\$ (35,000.00)	\$ -	
	<b>Change in Fund Balances After Original Entries</b>									\$ 35,000.00	\$ (35,000.00)	\$ -
				Disburse \$ from Fund 100 to be put in Fund 862 Escrow - Solar Decommissioning	100-49102-		JEDMMDDYY-01		\$ 35,000.00	\$ (35,000.00)		
				Receive \$ into Fund 505 Escrow Account for Solar Decommissioning to correct neg. balance	505-39401	JERMMDDYY-01		\$ 35,000.00			\$ 35,000.00	
				Receive \$ into Fund 862 Escrow - Solar Decommissioning Program Code 801 (Nokomis)	862-39401-801	JERMMDDYY-02		\$ 35,000.00				\$ 35,000.00
<b>Change in Fund Balances After Proposed Correcting Entries</b>									\$ -	\$ -	\$ 35,000.00	

The Certificate of Deposit conversion is made the same way as moving \$ from checking to savings except in this case the \$ are moved into a CD. A board motion is made to purchase the CD.

Fund Name: 505 - 505 Escrow Account for solar decommission

Date Range: 01/01/2021 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>
01/06/2021	certificate of deposit	IAD30	Deposit Into certificate of deposit	N	Purchase of Investments	505-49350-800-	\$ 35,000.00
		<b>Total For Check</b>	<b>IAD30</b>				<b>\$ 35,000.00</b>
<b>Total For Selected Checks</b>							<b>\$ 35,000.00</b>

Fund 505

There are no receipt records for the selected date range

Fund Name: 862 - 862 Escrow - Solar Decommissio

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>
04/06/2021	Castle Rock Bank	21024	CD interest Jan Thru March	(04/06/2021) -	N	Interest Earning	862-36210-10	\$ 86.30
								<b>\$ 86.30</b>
07/06/2021	Castle Rock Bank	21051	Quarterly Interest on CD	(07/06/2021) -	N	Interest Earning	862-36210-	\$ 87.48
								<b>\$ 87.48</b>
10/06/2021	Castle Rock Bank	21079	Quarterly Int on CD July, Aug, Sep 2021	(11/06/2021) -	N	Interest Earning	862-36210-	\$ 88.66
								<b>\$ 88.66</b>
<b>Total for Selected Receipts</b>								<b>\$ 262.44</b>