

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 875 – Capital Improvement Fund – Town Hall – Fiduciary Fund
Fund 224 – Capital Improvement Fund – Town Hall – Specific Revenue/purpose
Fund 211 – Road & Bridge Reserve Fund

1. December 2019 – Announced change of polling place to Sciota Townhall because the 1885 Town Hall did not meet the Americans Disability Act standards as passed in 1990.
2. January 2021 – three announcements
 - a. Phase 1 – Move the 1885 Town Hall to the Rice County Steam & Gas Engine Antique Village.
 - b. Phase 2 – Rent the Sciota Town Hall – less expensive than owning the 1885 Town Hall. Elections started being held at Sciota Town Hall in 2020.
 - c. Phase 3 – Renting the Sciota Town Hall will ensure the Township has adequate time to evaluate the financial aspects of building and/or renting.

Work Session – June 24, 2021

1. Clerk Wheeler reported a conversation with Minnesota Township Association Attorney Steve Fensky regarding building a Town Hall. According to Fensky, based on Minnesota State Statute 365.10, the Township cannot build a Town Hall without a vote of the electors and if the electors vote to build a Town Hall, the electors decide on the amount of money that can be raised for that purpose.
2. Fund 875 – Minnesota State Statute 365.10
 - a. **Subd. 6. Build town building.** *"The electors may let the town board buy or build a town hall or other building for the use of the town. The electors must decide the amount of money to be raised for that purpose...."*

Audit Findings

1. Fund 875 is a fiduciary fund used for the 2018, 2019 & 2020 Town Hall Building Fund Levy.
 - a. Minnesota State Auditor's Office definition of fiduciary fund: *"trust or 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. Using the correct fund is necessary for the accuracy of the year end annual "City/Town Financial Report" to the State Auditor.
2. Levy for new Town Hall without vote of the electors.
 - a. 2018 - \$10,000
 - b. 2019 - \$18,000
 - c. 2020 - \$28,000
 - d. 2021 - \$30,000
3. Expenses
 - a. \$1,000 for survey of the Town Hall property
 - b. \$2,750.00 for tree trimming on the Town Hall property
4. Balance of Town Hall Building = \$82,250.00 (\$86,000 - \$3,750.00)

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5. Dakota County tax levy distribution payments for years 2018 – 2020 were all coded into Fund 100.
 - a. 2018 – the Town Hall Building Fund Levy portion \$10,000 was never transferred to Fund 875.
 - b. 2019 – the Town Hall Building Fund Levy portion \$18,000 was transferred to Fund 875
 - c. 2020 – the Town Hall Building Fund Levy portion \$28,000 was transferred to Fund 875.
6. Dakota County tax levy distribution payments for year 2021 were distributed according to the Levy into their appropriate funds.
 - a. 2021 – the Town Hall Building Fund Levy portion \$30,000 was coded directly into Fund 224.
 - i. Fund 224 – was established on the advice and recommendation of the CTAS trainer for the June 2021 Town Hall building fund until the disposition of the Town Hall funds is determined.

Recommendations

1. 2018, 2019, 2020 & 2021 Town Hall Levies were levied without a vote of the electors to build a Town Hall nor a vote of the electors as to how much to levy for a new Town Hall.
2. Utilize the \$82,250.00 levied for building a Town Hall for rehabilitation of the Town Roads.
 - a. Town Board by State Statute do levy for three major services of the Township
 - i. Roads – five-to-seven-year road plan established 2019 (first rehab was 2020)
 - ii. Fire Service - contracted and levied each year.
 - iii. Zoning - no longer needs to be levied with the establishment of Fund 286 – Revenue Fees from building permits.
 - b. Road Plan.
 - i. Rehabs completed
 1. 2020 – first rehabbed road was south Canada Avenue
 2. 2021 – next four roads (300th from Burma to TH 3, 297st, 290th & Danbury south of 297th)
 - ii. Rehab scheduled - 320th summer of 2022
 - iii. Rehabs remaining – 8.9 miles (\$40,000 to 45,000 per mile depending on road width)
 1. 313th St
 2. 315th St W west of TH 3
 3. 315th St W east of Cannon River
 4. 300th St W – east of Burma Ave
 5. Danbury Ave – north of 290th St W
 6. Canada Ave – north of CSAH 47
 7. Village
 8. Burma Ave
 9. Barnard Ave
 - c. December 2021 Newsletter to all property owners– detailed Road Plan including costs
 - i. Positive comments on road rehabs done thus far.
 - ii. No “stop funding the rehab” comments after the Newsletter.
3. Using the \$82,250.00 will rehab approximately two miles of road.
4. Two miles of road funded will shorten the five-to-seven-year time span allowing the levy to be reduced sooner than later as well as reduce maintenance expenses sooner than later.
5. Transfer \$82,250.00 to Fund 211. Close and inactivate Fund 875.

Fund 875 Townhall Fund Levies--> Fund 211 Reserve - Road & Bridge			
	As of Date	Detail	Balance
Fund 875 Receipts (Levies for 2019 & 2020) Ending Balance	12/23/2021		\$ 46,000.00
Fund 875 Disbursements (Expenses in 2021)	4/12/2021	\$ 3,750.00	\$ 42,250.00
Adjustments for Coding Error (2018 Levy coded to Fund 100 instead of Fund 875)	12/31/2018	\$ 10,000.00	\$ 52,250.00
2021 Levy Coded to Correct Fund (can't put in a fiduciary fund)	12/31/2021	\$ 30,000.00	\$ 82,250.00
Levy 2018, 2019, 2020, & 2021 minus expenses - Transfer Balance to Fund 211 Due to MN Statute 365.10			\$ 82,250.00

Fund 875 --> Fund 224 Capital Improvement Fund - Townhall (Town Property Fund)

	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 224 Town Property Fund	Fund 875 Cap Imp T-Hall
1	7/5/2018	Dakota County	levy deposit (this is where the \$ came from that should have been set aside for Fund 885)	100-31010	12235		\$ 70,000.76		\$ 70,000.76		
	12/3/2018	Dakota County	levy deposit (this is where the \$ came from that should have been set aside for Fund 885)	100-31010	12258		\$ 57,916.97		\$ 57,916.97		
			Disburse \$ from Fund 100 General to be put into Fund 224 (old 875) Townhall Reserve	100-49102-		JEDMMDDYY-01		\$ 10,000.00	\$ (10,000.00)		
			Receive \$ into Fund 224 Township Property Fund	224-39401	JERMMDDYY-01		\$ 10,000.00			\$ 10,000.00	
Change in Fund Balances After Proposed Correcting Entries									\$ (10,000.00)	\$ 10,000.00	\$ -

	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 224 Town Property Fund	Fund 875 Cap Imp T-Hall	
2	12/3/2019	Dakota County	Ad valorem taxes	100-31010	12329		\$ 56,724.64		\$ 56,724.64			
	1/21/2020	Waterford Township	transfer from checking to savings reserve for Town Hall capital improvement from 2019 levy	875-39203	tsfr10		\$ 18,000.00				\$ 18,000.00	
	1/21/2020	Waterford Township	transfer from checking to savings 2019 levy set aside for Town Hall capital improvement	100-49360-720		tsfr15		\$ 18,000.00	\$ (18,000.00)			
	Change in Fund Balances After Original Entries									\$ 38,724.64	\$ -	\$ 18,000.00
				Disburse from Fund 875 to be put the \$ in Fund 224 Township Property Fund	875-49102-		JEDMMDDYY-01		\$ 18,000.00			\$ (18,000.00)
				Receive \$ into Fund 224 Township Property Fund	224-39401	JERMMDDYY-01		\$ 18,000.00			\$ 18,000.00	
Change in Fund Balances After Proposed Correcting Entries									\$ 38,724.64	\$ 18,000.00	\$ -	

	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 224 Town Property Fund	Fund 875 Cap Imp T-Hall	
3	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 Cap Imp - Town Hall	875-39203	tsfr23		\$ 14,000.00				\$ 14,000.00	
	7/13/2020	Waterford Township	transfer from checking to savings - 2020 one half Town Hall reserve	100-49360-720		tsfr29		\$ 14,000.00	\$ (14,000.00)			
	Change in Fund Balances After Original Entries									\$ 69,557.04	\$ -	\$ 14,000.00
				Disburse from Fund 875 to be put the \$ in Fund 224 Township Property Fund	875-49102-		JEDMMDDYY-01		\$ 14,000.00			\$ (14,000.00)
				Receive \$ into Fund 224 Township Property Fund	224-39401	JERMMDDYY-01		\$ 14,000.00			\$ 14,000.00	
Change in Fund Balances After Proposed Correcting Entries									\$ 69,557.04	\$ 14,000.00	\$ -	

	Date	Remitter	Description From CTAS Entries	Fund	Receipt #	Check #	Receipt \$	Check \$	Fund 100 General Fund	Fund 224 Town Property Fund	Fund 875 Cap Imp T-Hall	
4	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 for Capital Improvement - Town Hall	875-39203	tsfr 33		\$ 14,000.00				\$ 14,000.00	
	1/13/2021	Waterford Township	transfer from checking to savings one half 2020 levy for Capital Improvement - Town Hall	100-49360-720		tsfr 38		\$ 14,000.00	\$ (14,000.00)			
	4/12/2021	Rapp Land Surveying Inc.	Survey of Townhall Parcel 418340003010	875-41991-303		8210		\$ 1,000.00			\$ (1,000.00)	
	4/12/2021	Cannon River Tree Care	Prune and remove dead limbs and trees Invoice # 8361-2	875-41991-428		8214		\$ 2,750.00			\$ (2,750.00)	
	7/6/2021	Dakota County	July 6, 2021 Settlement Summary Collection Period 01/01/21 thru 07/01/21	224-31010	\$ 21,053.00		\$ 15,000.00			\$ 15,000.00		
	Change in Fund Balances After Original Entries									\$ 52,674.89	\$ 15,000.00	\$ 10,250.00
				Disburse from Fund 875 to be put the \$ in Fund 224 Township Property Fund	875-49102-		JEDMMDDYY-01		\$ 14,000.00			\$ (14,000.00)
				Receive \$ into Fund 224 Township Property Fund	224-39401	JERMMDDYY-01		\$ 14,000.00			\$ 14,000.00	
				Receive \$ into Fund 875 to offset check 8210 (to move expense to Fund 224)	224-39401	JERMMDDYY-02		\$ 1,000.00				\$ 1,000.00
				Disburse from Fund 224 the to move the expense to 224	875-49102-		JEDMMDDYY-02		\$ 1,000.00			\$ (1,000.00)
				Receive \$ into Fund 875 to offset check 8214 (to move expense to Fund 224)	224-39401	JERMMDDYY-03		\$ 2,750.00				\$ 2,750.00
				Disburse from Fund 224 the to move the expense to 224	875-49102-		JEDMMDDYY-03		\$ 2,750.00			\$ (2,750.00)
12/1/2021	Dakota County	Receive \$ into Fund 224 Township Property Fund for the second half of 2021	224-31010	21094		\$ 15,000.00			\$ 15,000.00			
Change in Fund Balances After Proposed Correcting Entries									\$ 52,674.89	\$ 40,250.00	\$ -	
Total from 2018 thru 2021										\$ 82,250.00		

Fund Name: 224 - 224 Capital Improvement Fund -

Date Range: 01/01/2010 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	224-31010-	\$ 15,000.00
								\$ 15,000.00
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	224-31010-	\$ 15,000.00
								\$ 15,000.00
Total for Selected Receipts								\$ 30,000.00

Fund Name: 224 - 224 Capital Improvement Fund - Townhall

Date Range: 01/01/2010 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	IAD41	Deposit Into Saving	N	Purchase of Investments	224-49350-800-	\$ 30,000.00
		Total For Check	IAD41				\$ 30,000.00
Total For Selected Checks							\$ 30,000.00

Fund Name: 875 - 875 apital Improvement Fund - T

Date Range: 01/01/2010 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>
01/21/2020	Waterford Township	tsfr10	transfer from checking to savings reserve for Town Hall capital improvement from 2019 levy	(01/21/2020) -	N	Transfer From Governmental Fund	875-39203-	\$ 18,000.00
								\$ 18,000.00
07/14/2020	Waterford Township	tsfr23	transfer to savings from checking - 2020 one half of Cap Imp - Town Hall	(07/14/2020) -	N	Transfer From Governmental Fund	875-39203-	\$ 14,000.00
								\$ 14,000.00
01/17/2021	Waterford Township	tsfr 33	transfer to savings from checking one half 2020 levy for Capital Improvement - Town Hall	(01/17/2021) -	N	Transfer From Governmental Fund	875-39203-	\$ 14,000.00
								\$ 14,000.00
Total for Selected Receipts								\$ 46,000.00

Fund Name: 875 - 875 apital Improvement Fund - Townhall ->

Date Range: 01/01/2010 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>
04/12/2021	Rapp Land Surveying, Inc.	8210	Survey of Townhall Parcel 418340003010	N	Township Property Maintenance	875-41991-303-	\$ 1,000.00
		Total For Check	8210				\$ 1,000.00
04/12/2021	Cannon River Tree Care	8214	Prune and remove dead limbs and trees Invoice # 8361-2	N	Township Property Maintenance	875-41991-428-	\$ 2,750.00
		Total For Check	8214				\$ 2,750.00
12/01/2021	Saving	IAD47	Deposit Into Saving	N	Purchase of Investments	875-49350-800-	\$ 42,250.00
		Total For Check	IAD47				\$ 42,250.00
Total For Selected Checks							\$ 46,000.00