

Abdo LLP

10/2/2023

Daneil O'Leary, Mayor, Sunfish Lake:

We have two recommendations to consider for small city accounting software.

The first is Banyon fund accounting software. Many of the municipalities we work with use this software as it's the most common software used for smaller cities. This software would allow the city to set up different funds for General, Debt Service and Escrow. Sage Intacct is another option. It's a newer software that some cities have begun to use. If needed Abdo can assist further in software implementation.

As for accounting for escrows moving forward, the city should set up a new fund that accounts for only Escrows within their new system. The fund would have all the cash and individual escrow accounts for each homeowner or developer. Every time an escrow project begins a new account would be set up for that project. When money is deposited from a homeowner or developer the project account would be credited and cash in the escrow fund would be debited. The expenditures for the project would then be debited within each project account and the cash in the escrow fund would be credited. This method would allow the city to track each project individually within their system.

Sincerely,

Tyler See

9/27/23 Balance		Positive number is a deficit - negative is a surplus (homeowner depoists in excess of expenses)		
From 2021 - 2023 detail review				
MEC LLC	100 Windy Hill	(1,129)		
Steve and Elizabeth Bulach	118 Salem Church Road	27		
Charlton Road LLC	2150 Charlton Road	(1,135)	(98,629)	
Timothy Becker	245 Salem Church Road	(2,048)		
James and Jeannine Naves	32 55th St W	(6,547)		
Jonathan and Jill Riley	75 Windy Hill Road	3,697	48,583	
John Johannson	1 Sunfish Lane	3,136		
Stephen Ettinger	2158 Charlton Road	(760)	92,671	ACCOUNTS REC-PASS THRU FEES
James and Sharon Adams	369 Salem Church Road	12,618	(16,006)	UNBILLED PASS THRU FEES
David and Kristel Barber	410 Salem Church Road	(6,316)	76,665	Amount per boooks
				Carrying amount per detail review of escrow activity from 2021 - 2023 with reliance on Ann's
Linval Joseph	2 Sunfish Lane	1,275	34,375.15	2013 - 2020 spreadsheet
Al Werthausen	2154 Charlton Road	(692)	42,290	difference - likely due to pre 2013 activity
Roger and Shari Wilsey	300 Salem Church Road	2,917		
	2 Acorn Drive	2,971		
	2570 Delaware Ave	(266)		
Kent and Tami Mattson	39 Windy Hill Rd	5,184		
Howard and Julie Punch	15 Sunnyside Lane	1,914		
Amanda Henke		(14,751)		
Erik and Kathy Weis		(10,780)		
David Carlson		(3,431)		
Michael and Suzanne Macdonald	2184 Charolton Road	(5,222)		
Cody and Adele Langeness	11 Salem Lane	12,121		
Mark Sullivan	205 Salem Church Road	(4,491)		
Jenny Vier		737		
Bollig and Sons		(1,225)		
Hage Homes		(12,500)		
Jeff Lindgre		(5,000)		
Allen & Judy R		692.25		

John Prange	2144 Charlton Road	(5,715)	
Kampmeyer	260 Salem Road	1,000	
Ylinen	114 Salem Road	(3,621)	
Fitzer	415 Salem Road	(13,000)	
Johnson	116 Salem Road	296	(50,047)

2020 Escrow Summary

Seidel		(1,151.50)	
Stotts		1,050.00	
Kampmeyer		(1,000.00)	84,421.74
Rocco/Uhrich		(3,079.00)	(28,893.14)
Vitale		(1,200.00)	
Charlton Rd LLC		(793.25)	(6,173.75)

2019 Escrow Summary

Nelson		5,476.67	
Johannson		20,674.96	
Wu		(7.32)	
Rubenzer		121.50	
Wu		3,031.89	
Adams		15,224.30	
Lee		(292.69)	44,229.31

2018 Escrow Summary

Telander		4,264.79	
Segal		(105.69)	
Baillon		(59.59)	
Eben		(160.24)	
Wilsey		2,232.85	
Segal		40.49	
Joseph		11,761.36	17,973.97

2017 Escrow Summary		
Fitzer	3,248.24	
McMahon	224.01	
Flynn	(708.83)	
Iridium	(712.86)	
Noble	209.44	
Spaulding	(420.87)	1,839.13
2016 Escrow Summary		
Seidel	59.42	
Birch	5,047.43	
Connors	36.71	
Kihtir	445.45	
Escoto	854.89	
Schadegg	500.62	
St. Anne's	325.10	7,269.62
2015 Escrow Summary		
Stowell	1,821.00	
Schlehuber	4,398.73	
Schlehuber	978.11	
McSweeney	3,067.31	
Votel	1,939.11	
Gehrig/Werb	(1,394.00)	
Hurley	(1,148.90)	
Spaulding	881.72	10,543.08
2014 Escrow Summary		
MABM LLC	43.06	

Owens	(3,050.00)	
Schaefer	2,384.58	
Boyle	2,308.11	
Herlache/Ruchs	300.47	
Owens	(2,250.00)	
Casagrande	994.30	
Hall	(1,851.19)	
St. Anne's	1,904.73	
L1B1 Bancroft/Riley	2,133.44	
Gergen/Werb	3,866.07	6,783.57

2013 Escrow Summary

Schadegg	363.00	
Brown	702.16	
Schacker	891.65	1,956.81

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 23-_____

**RESOLUTION CANCELLING CERTAIN ESCROW OBLIGATIONS AND
UNDERLYING OBLIGATIONS RELATING TO SPECIFIC PROJECTS OCCURRING
IN CALENDAR YEARS 2013 THROUGH 2020**

WHEREAS, when land use projects such as variances, conditional use permits, and site-plans are approved, the landowner is required to place into escrow with the City an amount sufficient to reimburse the City for the cost of planning and engineering reviews, zoning inspections, publications of legal notices, and other costs arising because of the projects.

If the costs exceed the escrow, the escrow becomes a negative amount until paid by the applicant.

WHEREAS, the City has identified that for the years 2013 through 2020, a number of negative accounts have arisen. The data and information relating to the projects would require substantial research to reconstruct and identify the tasks.

WHEREAS, the projects that have a current negative escrow balance for the years 2013 through 2020 are identified on the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sunfish Lake, Minnesota as follows:

1. The negative sums owed identified on the attached Exhibit A are hereby deemed uncollectible and the obligations for reimbursement by the landowners are hereby cancelled, and the write-offs for such obligations shall be reflected in the Sunfish Lake financial reports.

Passed this 7th day of November, 2023.

Dan O'Leary, Mayor

ATTEST:

Christy Wilcox, City Clerk

Whereas the City has outstanding escrow balances as listed below that are deemed no longer collectible.

Therefore the City Council approves writing off the balances.

Project #	Homeowner	Balance
13.02	Schadegg	(363.00)
13.06	Brown	(702.16)
13.08	Schacker	(891.65)
14.01	MABM LLC	(43.06)
14.06	Schaefer	(2,384.58)
14.07	Boyle	(2,308.11)
14.08	Herlache/Ruchs	(300.47)
14.1	Casagrande	(994.30)
14.11	Hall	1,851.19
14.15	St. Anne's L1B1	(1,904.73)
14.16	Bancroft/Riley	(2,133.44)
14.18	Gergen/Werb	(3,866.07)
15.01	Stowell	(1,821.00)
15.02	Schlehuber	(4,398.73)
15.03	Schlehuber	(978.11)
15.04	McSweeney	(3,067.31)
15.05	Votel	(1,939.11)
15.08	Spaulding	(881.72)
16.01	Seidel	(59.42)

16.02	Birch	(5,047.43)
16.03	Connors	(36.71)
16.04	Kihtir	(445.45)
16.07	Escoto	(854.89)
16.08	Schadegg	(500.62)
16.09	St. Anne's	(325.10)
17.01	Fitzer	(3,248.24)
17.02	McMahon	(224.01)
17.05	Noble	(209.44)
18.01	Telander	(4,264.79)
18.05	Wilsey	(2,232.85)
18.06	Segal	(40.49)
18.07	Joseph	(11,761.36)
19.03	Johannson	(20,674.96)
19.05	Rubenzer	(121.50)
19.06	Wu	(3,031.89)
19.07	Adams	(15,224.30)
15743	Stotts	(1,050.00)

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 23-_____

**RESOLUTION CANCELLING CERTAIN ESCROW OBLIGATIONS AND
UNDERLYING OBLIGATIONS RELATING TO PROJECT 19.01 LOCATED ON
PROPERTY AT 357 SALEM CHURCH ROAD, OCCURING IN CALENDAR YEARS
2019 AND 2020**

WHEREAS, when land use projects such as variances, conditional use permits, and site-plans are approved, the landowner is required to place into escrow with the City an amount sufficient to reimburse the City for the cost of planning and engineering reviews, zoning inspections, publications of legal notices, and other costs arising because of the projects.

If the costs exceed the escrow, the escrow becomes a negative amount until paid by the applicant.

WHEREAS, the City has identified that for the years 2019 and 2020, a negative account has arisen at property located at 357 Salem Church Road. The data and information relating to the project would require substantial research to reconstruct and identify the tasks.

WHEREAS, the project has a current negative escrow balance as identified on the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sunfish Lake, Minnesota as follows:

1. The negative sums owed identified on the attached Exhibit A are hereby deemed uncollectible and the obligations for reimbursement by the landowners are hereby cancelled, and the write-offs for such obligations shall be reflected in the Sunfish Lake financial reports.
2. Councilmember Nelson did not participate in the vote concerning this Resolution.

Passed this 7th day of November, 2023.

Dan O'Leary, Mayor

ATTEST:

Christy Wilcox, City Clerk

19.01 357 Salem Church Road
Shannon Nelson
13527

Date	Description	Deposit	Lillie	Planner NAC	Engineer WSB
3/27/19	Deposit ck231432	3,800.00			
2/14/19	WSB Invoice 013527-1				635.00
3/6/19	NAC Invoice 24120			1,238.80	
3/14/19	WSB Invoice 013527-2				2,121.00
4/15/19	WSB Invoice 013527-3				725.50
4/4/19	NAC Invoice 24172-1			1,211.87	
9/17/19	WSB Invoice 013527-4				433.75
10/2/19	NAC Invoice 24487-2			75.00	
10/2/19	NAC Invoice 24485-1			7.60	
10/21/19	WSB Invoice 013527-5				813.75
5/15/20	WSB Invoice 013527-6				305.00
7/14/20	WSB Invoice 013527-7				954.00
11/11/20	WSB Invoice 013527-8				128.25
12/15/20	WSB Invoice 013527-9				634.75
		3,800.00	-	2,525.67	6,751.00
Total Expenses					9,276.67
TotaDeposits					3,800.00
Total owed to City					(5,476.67)

 0

EXHIBIT A