



September 20, 2024

Conservatorship of: David Russell

Conservator: Catholic Charities of Winona

County of: Winona

Court File Number: 85-PR-19-1081

Account Audited: 1st Annual Account for the period ending July 15, 2023

Auditor: Libbi Zeien

Audit Findings

- The annual account was filed late.
- Not all documentation was provided for audit.
- A late fee of \$45.00 was incurred during the accounting period.
- A receivable (asset held outside the conservatorship) was omitted from the annual account.
- A debt account was incorrectly reported in MyMNConservator (MMC).
- A debt account was omitted from the annual account and documentation was not provided for audit.
- Financial accounts do not properly reflect the conservatorship.
- The ending balance of bondable assets is correct.

Audit Recommendations

CAAP makes recommendations based on the facts and findings of the case. Recommendations in this report seek to safeguard the assets of the person subject to conservatorship and provide accurate accountings to the court. The conservator may receive further instruction from the court as a result of this report.

Recommendations to the Court -

- As not all documentation was provided for audit, the court should review the Audit Summary to determine if additional explanation or documentation should be provided.
- The court should review the Audit Summary regarding the late fee to determine if additional explanation should be provided and if funds should be repaid.

Recommendations to the Conservator -

- The conservator should ensure the account is filed timely. As a court appointed conservator, you must file annual accounts within 60 days of your anniversary date of July 15th.
- All financial statements must be kept and made available upon request.
- The conservator should pay expenses of the person subject to conservatorship in a timely manner to avoid unnecessary fees and penalties.

- Due to recent enhancements, conservators are now able to report receivables (assets held outside the conservatorship) in MMC. Therefore, the conservator should add the personal needs account as a receivable on the next annual account.
- The incorrectly reported debt should be removed from MMC on the next annual account.
- The conservator should continue efforts to obtain a financial statement for the debt and add the account on the next annual account if appropriate.
- All financial account names should identify the conservatorship to prevent unauthorized access.

Bond

The ending balance of bondable assets of the person subject to conservatorship is **\$9,263.34** and currently there is no bond posted on this account. In accordance with Minnesota State Statute 524.5-416(a)(5) and the decision in the Guardianship and Conservatorship of Jeraldine J. Pates, Minn. Ct. App. A12-0660 (Nov. 13, 2012), a bond shall be posted on accounts of \$10,000.00 or greater.

Audit Objectives

Each audit shall seek to ensure the conservator has responsibly managed the assets of the person subject to conservatorship as defined in the Minnesota Statutes and Rules.

Scope

The CAAP Auditor considered all information from the Minnesota Court Information System (MNCIS) and MMC in addition to all relevant information provided by the conservator for the period ending July 15, 2023 (1st Annual Account).

Audit Summary

The CAAP Auditor reviewed financial statements, canceled check images, invoices, receipts, and additional information obtained from the conservator. The auditor was able to reconcile the information provided by the conservator to the annual account, determined the need for adjustments and an update on the next annual account, and noted:

- The annual account was due on September 13, 2023 (60 days beyond the period end date), but was not filed until February 23, 2024.
- Financial statements for the "Mayo" and "County" debt accounts were not provided for audit. According to the conservator, they have been unable to obtain documentation. The court should determine if additional explanation or documentation should be provided.
- Based on documentation provided for audit, a late fee of \$45.00 was charged due to an insurance bill not being paid in a timely manner. The court should determine if additional explanation should be provided and if funds should be repaid.
- According to the conservator, the person subject to conservatorship had a Kia Sorrento that did not run. Per the conservator, there was a loan on the vehicle. Based on information provided by the conservator, they have a note stating as of January 2023 it was charged off and up for repossession and that the full amount due of \$9,106.84 would need to be paid in order to stop the repossession. Per the conservator, the funds were not paid and she does not have any documentation. The conservator should continue efforts to obtain a financial statement for the debt and add the account on the next annual account if appropriate.
- The "MB" checking account is in the name of the conservator and the person subject to conservatorship and the three USAA accounts are only in the name of the person subject to conservatorship, none of which reference the conservatorship. According to information provided for audit, the USAA accounts were personal needs accounts that were closed in April 2024 and May 2024. Therefore, the closures will be reflected on the next annual account in MMC.

Adjustments and Update on the next annual account:

1. According to documentation provided for audit, the person subject to conservatorship owns a True Link personal needs account. The auditor noted the balance of the account was \$19.63 on July 15, 2023. The account should be added to the Receivables tab on the next annual account using the balance as of July 15, 2024.
2. Based on documentation provided for audit, the "Counseling Assc LAX" debt account balance of (\$195.00) was paid in full. In order to remove the account, the conservator should enter an income adjustment of \$195.00, categorized as "CAAP Audit Income Adjustment", to reduce the balance of the account to zero. Then the conservator should mark the account as closed in MMC.

For assistance with the adjustments and update on the next annual account, please contact the Conservator Helpline at (763) 347-4437.

It is the recommendation of CAAP that the court review the Audit Summary to determine if additional explanation or documentation should be provided and if funds should be repaid before allowing the 1st Annual Account. If the court desires the CAAP Auditor's presence at a hearing, please use the contact information below.



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