New York State Comptroller
THOMAS P. DiNAPOLI

# Village of Medina

## Water and Sewer Billing and Collections

**August 2026 | Report 2026M-27**

Prepared by the Division of Local Government and School Accountability

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# Audit Results

## Village of Medina

### Audit Objective

Did the Village of Medina (Village) Village Clerk-Treasurer (Clerk-Treasurer) ensure water and sewer user rents and fees (charges) were accurately billed, collected and deposited?

### Audit Period

April 1, 2023 – May 13, 2025

### Understanding the Audit Area

A village clerk-treasurer should ensure water and sewer user rents and fees are accurately billed, collected and deposited because these revenues are often the primary source of funding for operating, maintaining and improving a village's water and sewer system. Accurate billing and collection practices help ensure all users are charged fairly and consistently, revenues are sufficient to support system operations, and taxpayers are not forced to subsidize unpaid or uncollected charges.

Proper collection and timely deposits also strengthen accountability and transparency over public funds by reducing the risk of errors, lost revenues and misuse of funds or undetected irregularities. In addition, maintaining complete and accurate records allows village officials to effectively identify delinquent accounts, support long-term infrastructure planning and make informed financial decisions. Effective oversight of water and sewer revenues also helps ensure compliance with village policies, local laws and applicable regulations which can promote public confidence in the village's financial management.

During the Village's 2023-24 fiscal year, June 1, 2023 through May 31, 2024, the Clerk-Treasurer's office billed 2,387 water and sewer user accounts (user accounts) for services and collected $2.96 million in related user charges.

### Audit Summary

Although we determined $296,867[1] of water and sewer collections were deposited timely and intact,[2] the Clerk-Treasurer did not ensure water and sewer user charges were billed accurately or that delinquent accounts were managed in accordance with Village Code and Board-adopted policies.[3] In addition, the Clerk-Treasurer did not establish clear written procedures for collecting and depositing user charges, properly segregating duties or providing adequate oversight of billing and collection activities. As a result, the inconsistent application of Board-adopted policies created inequities among water and sewer users and there was a significant increased risk that billings could be inaccurate and collections could be misappropriated.

We reviewed billing and collections for 75 water and sewer accounts totaling $296,555 for the second quarter of fiscal year 2023-24 and identified deficiencies related to setting up accounts, monitoring meter usage, billing corrections and enforcing delinquent accounts. The Clerk-Treasurer did not ensure user account parameters were accurately entered into the billing system, which caused inaccurate usage information to populate the metering and billing system. For example, one account reflected usage of 3,307,508 cubic feet when the actual reading should have been 33,075 cubic feet. In addition, officials did not adequately monitor accounts with consistently low usage that could indicate malfunctioning meters. When one faulty meter was eventually

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1 Includes $296,555 in user charges, $162 in penalties and $150 in shut-off fees.

2 In the same form as they were received, such as cash or check.

3 Village officials refer to the reconnect fee as the "shut-off fee." Therefore, for purposes of this report, we will use "shut-off fee."

replaced, billable charges increased by approximately $16 month, or $48 per quarter. Over the four years the meter was in service, Village may have collected approximately $768 in additional user charges.

The report includes 16 recommendations that, if implemented, will strengthen oversight, improve the accuracy of billing and collections, enhance accountability and ensure delinquent accounts are enforced consistently and in accordance with the Board-adopted policy. Village officials agreed with our findings and recommendations and indicated they have initiated corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of the New York State General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk-Treasurer's office.

# Water and Sewer Billing and Collections: Findings and Recommendations

A village clerk-treasurer is responsible for the accurate billing and collection of water and sewer user rents and additional water and sewer fees and penalties in accordance with board-adopted water and sewer rates and any established board-adopted policies. A village clerk-treasurer may delegate tasks related to the billing and collection of water and sewer user rents and fees to another individual, such as a deputy or clerk. However, the village clerk-treasurer remains responsible for ensuring the tasks are accurately carried out and must provide sufficient guidance and oversight. The village clerk-treasurer should design and implement clear written procedures consistent with village law, village code and board-approved policies which provide guidance and direction to staff involved with water and sewer billing and collections. In addition, periodically reviewing meter readings for reasonableness helps to ensure that meter reading equipment is working properly and that readings are converted to the billing software accurately.

Village water and sewer usage rates and all other associated fees were established by local laws and ordinances and documented in the Village Code. The Village Code also includes policies and procedures governing actions such as account reactivation resulting from water shutoffs, user account changes and water shut-off procedures.

More details on the criteria used in this report, as well as resources we make available to local officials that can help them improve operations, are included in Appendix A.

## Finding 1 – The Clerk-Treasurer did not ensure water and sewer user accounts were accurately billed.

We reviewed 75 user accounts with user charges totaling $296,555 for the second quarter billing for fiscal year 2023-24 and determined that the Clerk-Treasurer did not ensure user accounts were accurately billed for water and sewer usage. Specifically, the Clerk-Treasurer did not verify that the clerk's meter usage corrections to usage amounts were supported and reasonable or that the user accounts were set up with the proper account parameters; verify low- or zero-usage readings were reasonable or whether meters were operating accurately; and assess water shut-off fees[4] on delinquent user accounts. As a result, users were not billed accurately, and the Village may not have received all revenue due and needed to fund the water and sewer operations.

Although there are five individuals working in the Clerk-Treasurer's Office, one clerk performs most of the key duties of the water and sewer billing process. The clerk downloads a meter reading report for each route quarterly from the Village's electronic water meter system and uploads it into the billing system to generate user bills. The clerk also sets user account parameters within the billing system which were used to convert meter readings from the meter reading system and to calculate and bill usage to customers. The clerk also adjusts and corrects usage amounts without the Clerk-Treasurer's oversight or the involvement of another individual.

The Clerk-Treasurer told us when the Village started installing new meters in 2016, the Village needed to update user account parameters in the billing system. The Clerk-Treasurer did not maintain an updated list of newly installed meters and did not review user accounts to verify user account parameters were properly set up. The Clerk-Treasurer also did not request audit reports (correction reports) to verify user account corrections made by the clerk were accurate and supported or usage reports to verify usage was reasonable and supported. The clerk told us she was using her judgment to determine whether a user account needed further review and told us she was not provided with any procedures for when to investigate user accounts needing corrections or low usage and was unaware user accounts were not set up with the proper parameters.

4 Village officials refer to the reconnect fee as the "shut-off fee." Therefore, for purposes of this report, we will use "shut-off fee."

Meter Usage Corrections – The Clerk-Treasurer did not review and approve meter usage corrections. The clerk changed the usage amounts reported by the meter reading system for 32 of 875 accounts before generating the bills for these accounts. The clerk told us that she made the corrections because the billing system consistently calculated the usage amount incorrectly for some accounts and there were errors such as negative usage amounts resulting from faulty meter readings.

We reviewed the corrections made to all 32 accounts and determined 13 of the 32 corrections were made without having the meters reread to make sure meters were working properly. We determined the corrections were needed because the clerk did not set up user accounts with the correct parameters in the billing system. The clerk, without oversight or supervisory review, created and updated user accounts and account parameters in the billing system based on the type of meter installed for the user account. Because user account parameters tell the meter reading system and billing system how to populate the correct usage from the meter readings, without these corrections, users would not have been billed for the correct usage. For example, for one account, not entering the correct account parameters resulted in a reading of 3,307,508 cubic feet when the reading should have been 33,075 cubic feet. Had the clerk not made the usage reading correction in the billing system, the bill would have been $28,518 more than it should have been.

Additionally, the clerk made corrections to 19 of the 32 accounts without the review and approval of the Clerk-Treasurer or involvement of another individual. Although these corrections were needed and for appropriate purposes, such as negative usage amounts resulting from faulty meter readings, the clerk being able to make corrections to user accounts without any oversight increases the risk that errors or irregularities could occur and not be detected and corrected.

Low-Usage Readings – The Clerk-Treasurer did not review any user accounts with low usage to verify the usage billed was accurate. Of the 75 user accounts tested, 25 were billed for usage between zero and 50 cubic feet. Because user accounts with consistently low- or no-usage could indicate that the meters were not working properly, the Clerk-Treasurer should periodically review usage for reasonableness and review all user accounts with consistently low- or zero-usage readings.

We determined that the low-usage readings were reasonable for 20 of the 25 user accounts. We could not verify whether low-usage readings were reasonable for four of the user accounts and determined that the usage billed for the one remaining account was inaccurate. Specifically:

- Four user accounts had no supporting documentation or reason for the low-usage readings and the Clerk-Treasurer and the clerk told us they could not provide us with explanations for the low-usage readings. The meter reader was unable to gain access from the four property owners to verify whether the meters were working properly.

- One user account had consistently low-usage readings since the account was created in April 2021 and was billed for 15 cubic feet of usage over each three-month period. For perspective, an average person uses approximately 11 cubic feet of water per day.[5] Although the Clerk-Treasurer told us that she knew the house was occupied and that the usage should be higher, neither she nor her staff investigated the consistently low-usage readings. When we inquired about this user account, the meter reader verified the meter was not working properly resulting in low-usage readings. The meter reader installed a new meter, and usage increased from 14 cubic feet on March 5, 2025 to 432 cubic feet on April 10, 2025, increasing the amount collectible on the user account by approximately $16 for month one, or $48 for a quarter. Had the meter been working properly since the account was created, the Village may have collected approximately $768 in additional user charges.

Shut-Off Fees – The Clerk-Treasurer did not ensure water services for delinquent accounts were shut off or that shut-off fees were assessed as required by the Village Code. The Village Code states that shut-off for

5 https://www.epa.gov/watersense/understanding-your-water- bill#:~:text=What%20does%20your%20usage%20mean,can%20rely%20on%20more%20rainfall.

nonpayment of water charges will result in a shut-off fee, as set by the Board, in addition to the full payment of unpaid bills or charges, to restore water services. The Board-approved shut-off notice advises the user that their water bill is past due and unless the amount indicated in the notice is paid by the date specified, the water service will be shut off. The notice also states that if water service is shut off for nonpayment, a $75 shut-off fee would be charged when the service is reconnected. However, the clerk generally did not shut off water service or assess a shut-off fee for users with unpaid water charges.

The Clerk-Treasurer relied on the clerk to manage the shut-off process, including issuing shut-off notices and assessing shut-off fees on delinquent user accounts. The clerk sent shut-off notices to water customers after user charges remained unpaid for 30 days from the date of billing. We tested 72 user accounts that were issued shut-off notices to determine whether the account shutoff was executed in accordance with Village Code and a $75 shut-off fee was assessed. We determined the clerk did not shut off service to 70 of 72 user accounts that should have been shut off and, therefore, did not assess shut-off fees totaling $5,250.

For the two user accounts that were shut off, the clerk did not complete shutoffs in a timely manner, by the date indicated on the shut-off notice. For example, while shut-off notices stated services would be shut off if past due amounts were not paid by August 25, 2023, the clerk did not execute the first shutoff until September 6, 2023, over 10 days after the required shut-off date.

The clerk told us that there were multiple reasons why shutoffs were not completed and a shut-off fee not assessed. For example, if a user called and stated they were planning to pay and provided a payment date, the clerk told us she would not execute the shutoff and, therefore, not assess a shut-off fee. However, this is not in compliance with the Board-approved shut-off notice issued to users.

The clerk also explained that water service to user accounts in a landlord's name could not be shut off[6] and access to meters may be denied by the homeowners. In some cases, if meters were connected to a shared main line, the Village could not shut off the service as the services for other user accounts would also be shut off. However, the Village Code and shut-off notice do not address what action to take when a user account cannot be shut off due to these reasons. In addition, allowing the clerk to not enforce the Village Code's shut-off provisions without the Clerk-Treasurer's review and Board approval reduces the effectiveness of Village officials' ability to enforce collection on overdue accounts and could create the appearance of favoritism and inequity amongst water and sewer users.

The Clerk-Treasurer told us that she did not provide clear written guidance for, or monitor, water and sewer billing operations because she thought that good controls and segregation of duties were in place. Each employee was responsible for different tasks and the Clerk-Treasurer reconciled what was recorded as collected and what she deposited daily. However, there was not a proper segregation of duties because the clerk was able to bill, collect and make account adjustments without proper oversight. In addition, the Clerk-Treasurer told us she stopped maintaining account parameter records after the third-party administrator, who assisted in changing the meters, completed the installations and she did not find it necessary to maintain the records. Therefore, she was unable to provide us a detailed list of what account parameters were updated. In addition, the Clerk-Treasurer told us that the third-party administrator trained the clerk when the meters were updated in 2016 and thought all user account parameters were properly set up. However, had the Clerk-Treasurer investigated the reasons account corrections had to be made repeatedly, she may have identified the account parameter issues.

Because the Clerk-Treasurer relied on the clerk to manage all aspects of water and sewer billing without sufficient oversight and/or clear written guidance, there is risk that significant issues may go unnoticed, users may not be billed accurately and erroneous and inaccurate account corrections could be made and concealed without detection.

6 New York State Real Property Tax Law Section 235-b.

## Recommendations

The Clerk-Treasurer should:

1. Develop clear written procedures that align with New York State Village Law, Village Code and Board-approved policies for water and sewer billing, collections and enforcement activities. Procedures should clearly define employee responsibilities, provide guidance for key processes and establish compensating oversight where duties cannot be adequately segregated.

2. Review and verify that all user account parameters are accurately configured in the billing system.

3. Review billing cycle reports, including usage, correction and billing reports, to verify meter readings, ensure accurate billings and confirm rates and fees are properly applied in accordance with Village Code and Board-adopted schedules.

4. Investigate suspect billings and accounts with unusually low or zero usage to determine whether corrective action or meter testing is needed.

5. Review and approve all meter usage corrections before bills are generated and ensure all adjustments are adequately supported.

6. Review monthly shut-off reports to ensure they are handled in accordance with the Village Code and Board-approved shut-off notices.

7. Consult with legal counsel regarding collection enforcement options when shutoffs are prohibited and to recover outstanding shut-off fees owed to the Village.

The clerk should:

8. Maintain and review a list of accounts with low or zero usage, investigate potential meter issues, request meter testing when necessary and provide supporting documentation to the Clerk-Treasurer monthly.

9. Require the meter reader to reread the meters for all accounts requiring usage corrections.

10. Update billing system account parameters to reflect the meter installed at each account and maintain a current inventory of installed meters.

11. Submit all potential user account corrections to the Clerk-Treasurer for review and approval before adjustments are made.

12. Perform monthly shutoffs and assess shut-off fees in accordance with the Board-adopted policies, established procedures and shut-off notices.

## Finding 2 – The Clerk-Treasurer did not establish adequate controls to properly safeguard water and sewer collections.

Water and sewer collections were deposited in a timely manner and intact. However, the Clerk-Treasurer did not establish adequate controls to properly safeguard collections. Specifically, the Clerk-Treasurer did not require the staff in her office to record collections using unique user log-on credentials (username and password), and she did not provide adequate oversight or establish clear written procedures as guidance for those involved with the collection and deposit of water and sewer collections. Further, the Clerk-Treasurer prepared and made all deposits but did not review collection records to ensure that amounts collected agreed with amounts billed. Because the clerk responsible for all other aspects of water and sewer collections was also responsible for collections without any additional oversight, there is an increased risk that transactions could be altered and collections could be lost, stolen or not recorded without detection.

The Clerk-Treasurer and all four staff members working in her office collected and recorded water and sewer charges. While all staff members had their own unique log-on credentials, two logged-in to the two computers used to record water and sewer collections and remained logged-in for the remainder of the day. All four staff members and the Clerk-Treasurer would use the log-on credentials of the first two users logged-on to the computers for the day. Therefore, we could not determine who collected and recorded payments. Requiring employees to use their own unique log-on credentials provides individual accountability over the cash received by that person. If collections are lost or stolen, unique log-on credentials would allow the Clerk-Treasurer to trace transactions to the responsible party.

We reviewed water and sewer billing collections for 75 water and sewer user accounts and the two shut-off fees assessed to determine whether the amounts collected, including penalties, agreed with billed water and sewer user charges and fees. We also determined whether the collections were deposited in a timely manner, as required by Village Law Section 4-408, and intact (in the same form payment was received). We determined 74 user accounts with user charges totaling $296,717,[7] including 10 user accounts with penalties assessed totaling $162, were accurately collected and deposited in a timely manner and intact. User charges totaling $106 for one user account were relevied on the 2024-25 property tax bill. Shut-off fees totaling $150 were collected and deposited in a timely manner and intact.

Although the water and sewer billing collections we tested agreed with billed user charges and shut-off fees, and were deposited in a timely manner and intact, the weaknesses identified significantly increased the risk that collections and deposits could be misappropriated.

## Recommendations

The Clerk-Treasurer should:

13. Establish clear written procedures for collecting and depositing water and sewer rents and shut-off fees including a process for verifying that collections agree with amounts billed.

14. Require staff collecting and recording Village funds to use their individual log-on credentials each time transactions are posted.

15. Provide adequate oversight of collection activities and implement procedures to verify collections agree with amounts billed.

16. Comply with the Village Code, Board-adopted policies and established written procedures.

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[7] This includes $114 in user charges for a prior quarter billing.

# Appendix A: Profile, Criteria and Resources

## Profile

The Village is located within the Towns of Shelby and Ridgeway in Orleans County. The Village is governed by an elected Board of Trustees (Board) composed of the Mayor and four Trustees. The Board is responsible for the general management and oversight of Village operations, including water and sewer operations. The Board adopts policies and local laws establishing water and sewer rates and other fees, such as shut-off fees, associated with water and sewer operations.

As the Village's Chief Financial Officer (CFO), the Clerk-Treasurer is responsible for, among other things, overseeing the billing and collecting of water and sewer user charges which are commonly referred to as water and sewer rents and other associated fees as established by the Board. There are five employees working in the Clerk-Treasurer's office: the Clerk-Treasurer, Deputy Clerk-Treasurer, two senior account clerks and an account clerk. All five employees in the Clerk-Treasurer's office collect funds and record transactions in the reporting system. One senior account clerk performs most of the duties involved with billing water and sewer user rents and fees.

The Village uses an electronic water meter system to read each individual water meter to obtain water usage data that is used to generate water and sewer bills. Water and sewer users are separated into three groups based on location, which are referred to as "routes." The clerk bills water and sewer users for usage on a quarterly basis.

## Criteria

A village clerk-treasurer must bill, collect and deposit water and sewer rents in accordance with New York State Laws, Board-adopted fee schedules and policies and other local laws and/or guidance and established best practices.

If the village clerk-treasurer delegates tasks related to the billing and collection of water and sewer user rents and fees to another individual, such as a deputy or clerk, the village clerk-treasurer remains responsible for ensuring the tasks are accurately carried out and must provide sufficient oversight to ensure water and sewer usage and fees are accurately billed and recorded and collections are adequately safeguarded and deposited in a timely manner. As such, a village clerk-treasurer should design and implement controls to properly safeguard collections and clear procedures consistent with village law, village code and board-approved policies which provide guidance and direction to staff involved with water and sewer billing and collections. These procedures should address usage corrections, verify usage reported as low or zero, proper set up of user account parameters in the billing system, a process for shutting off service to delinquent user accounts and assessing shut-off fees consistent with village code. The procedures should also include a process for verifying amounts collected agree with amounts billed, including any penalties required to be assessed, and verifying collections were deposited within 10 days of collection as required by Village Law Section 4-408 (b) and in the same form as collected (intact).

The procedures should adequately segregate duties for billing, collecting and depositing water and sewer user rents and fees so that no one individual is performing all aspects of the process and identify who is responsible for each task. If staffing levels prevent adequate segregation of duties, monitoring for compliance and accuracy is particularly important. All individuals involved with the collection of water and sewer rents should be assigned unique log-on credentials and be required to use their own credentials when recording collections.

## Additional Resources

OSC *Local Government Management Guides* and other informational resources that are available on our website to help officials understand and perform their responsibilities include:

- ***Fiscal Oversight Responsibilities of the Governing Board:*** https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf
- ***The Practice of Internal Controls:*** https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf

In addition, local officials can use our website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

# Appendix B: Response From Village Officials

The content below is a reproduced copy of the original response letter issued by Village officials and is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[8] and may have included changes to spelling and grammar. The substance of the content was not changed.

July 31, 2026

Melissa Myers
Chief of Municipal Audits
Division of Local Government and School Accountability Office of the New York State Comptroller
110 State Street
Albany, New York 12236

Dear Ms. Myers:

The Village of Medina Village Board is pleased to provide a response to the recent audit - Water and Sewer Billing and Collections, conducted by your office. The Village Board is well aware of the responsibility placed upon our Clerk-Treasurer to ensure that water and sewer accounts are accurately billed and collected. The Village Board is also aware that while the Clerk-Treasurer is entrusted with oversight when the duties of the office cannot be performed by her personally, certain responsibilities are also expected of the employees who perform those duties.

Finding 1-

The Village does agree with the findings concerning inaccuracies in some of the readings reviewed. Steps to review and authenticate those and other readings have already been implemented. The Village also asserts that while procedures were in fact, introduced and reiterated to the mentioned employee verbally and via e-mails, we understand that those procedures were not in a formal written manual. The Village will be working on a comprehensive water and sewer billing policy to provide clear and concise instruction.

Finding 2-

We agree with the potential weakness noted in this finding and changes have already been implemented to alleviate this weakness.

Following the receipt of the final audit, the Village Board will more thoroughly review the recommendations and provide a Corrective Action Plan as requested.

Yours truly,

Deborah L. Padoleski
Mayor
Village of Medina

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8 https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

# Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We obtained an understanding of the water and sewer billing and collection operations by interviewing the Clerk-Treasurer, Clerk, the meter reader and five Trustees (Board members), including the Mayor and Deputy Mayor; reviewing Board meeting minutes and applicable sections of the Village Code; and observing the clerks in the Clerk-Treasurer's office using the water and sewer billing system (billing system).

- We reviewed reports generated from the billing system on March 26, 2025, compared user accounts to the Village tax roll, and held discussions with officials to determine the total population of 2,387 water and sewer user accounts which were included in one of three billing groups (Route 1 with 880 user accounts, Route 2 with 684 user accounts and Route 3 with 823 user accounts).

- We used our professional judgment to select Route 1 as the population to select our sample for testing from because it had the most user accounts (37 percent), included user accounts for the most Village officials involved in the billing process, and included the other municipalities and companies outside Village limits that contract with the Village for water. We judgmentally selected 73 user accounts from Route 1 (8 percent). We selected these accounts from the Route's 2023-24 second quarter billing (billed in September) because it was the quarter with the highest total usage. The accounts selected included 25 user accounts with zero usage or usage under 50 gallons (approximately seven cubic feet) and 48 user accounts with usage over 1,500 gallons. In addition, we judgmentally selected two user accounts from Route 3 user accounts that were associated with Village officials, for a total sample of 75 user accounts billed $296,536.

- We reviewed the 2023-24 second quarter billing for all 75 user accounts to ensure users were billed accurately. We traced the 2023-24 second quarter meter usage (consumption) populated from the meter reading system to the usage recorded in the billing register to determine whether the amounts agreed. We compared the total amounts due recorded in the billing register to the amounts billed to verify that the users' bill amount matched amount recorded. We compared the billing rate applied to the user account with the approved rate schedule to verify that the correct rates were used. We recalculated the amounts billed for each user account to verify the accuracy of the bill and discussed any discrepancies identified with the Clerk-Treasurer and clerk.

- For our testing period of September 2023 (second quarter billing), we reviewed usage reports for 25 user accounts with water usage between zero and 50 cubic feet to determine whether usage amounts were reasonable, if there was documentation to support the usage was reasonable, and if usage corrections were made. We used the United States Environmental Protection Agency (EPA) website[9] to research the average water usage per day per person in the United States to verify reasonableness of water usage. We then converted the average gallons into cubic feet. We discussed exceptions with the Clerk-Treasurer and clerk. We reviewed the user account set-up parameters in the billing system for five of these accounts with low or zero usage, including connector and multiplier set ups, that determine how the usage populates into the billing system. We had the meter reader reread the meters for the five user accounts. We compared the usage read by the meter reader to the usage populated in the billing system and documented any differences for the five user accounts. We investigated any differences between what was read and what was transferred from the reader into the billing system for all user accounts that were corrected but not reread during the billing period.

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[9] https://www.epa.gov/watersense/understanding-your-water-bill#:~:text=What%20does%20your%20usage%20mean,can%20rely%20on%20more%20rainfall.

- We reviewed the September 2023 (second quarter) correction report to identify any meter usage corrections. We determined 32 user accounts out of the 875 billed had usage corrections. We discussed with the clerk the reasons for the corrections and whether meters were reread by the meter reader before corrections were made. Using our professional judgment, we considered corrections legitimate when user accounts were reread by the meter reader and support was provided to show the meter was reread. If meters were not reread, we considered corrections to not be legitimate as there was not enough support to determine whether the correction was necessary and required. We compared the correction report of September 2023 with the correction reports of July 2023 and December 2023 to determine whether the user accounts with usage corrections identified in September 2023 were also corrected for July and December 2023.

- We reviewed the account status report (shut-off report) of Route 1 populated on August 29, 2023, after the shut-off notice payment period of August 25, 2023. From 99 user accounts included in the shut-off report, we used our professional judgment to remove user accounts that only had outstanding penalties (14 user accounts), had a 30 day or more balance of less than $1 (one user account), and any user accounts with outstanding balances but with no 30-day balance as these user accounts should have been assessed the $75 shut-off fee in a prior period (12 user accounts). We tested all 72 user accounts remaining on the shut-off report. We verified whether the user account shutoff was executed. If a shutoff was not executed, we discussed the reason with the Clerk-Treasurer and clerk. If the shutoff was completed, we verified that the shut-off fee was collected and deposited timely and intact.

- We held discussions with the Clerk-Treasurer, Clerk and staff to determine the process for logging into the system to record collections. We observed staff recording water and sewer collections to verify the process. We reviewed daily cash reports from the system to verify the number of users documented as receiving collections.

- We compared the total amount due recorded in the billing register to the amount recorded as collected on water and sewer bill stubs to verify amounts collected were accurate according to water and sewer bills issued including any required penalties. We reviewed relevy lists to verify that any user accounts that were not collected were relevied.

- We compared the collection date recorded on bill stubs to the deposit date to verify whether collections were deposited in a timely manner. We compared the amount and payment type recorded on water and sewer bills to bank compositions to determine whether collections were deposited intact (in the same form and amount as received).

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

# Questions?

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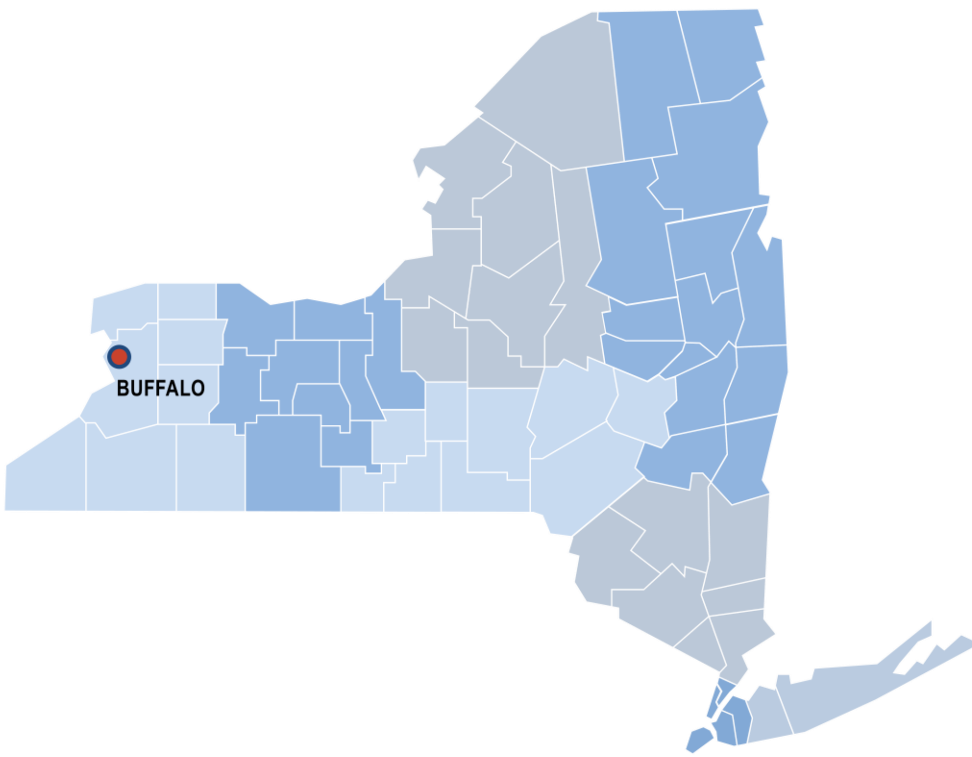

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