

Village of Voorheesville

Water and Sewer Charges

AUGUST 2019



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Village of Voorheesville

Audit Objective

Determine whether Village officials effectively managed the billing, collection and enforcement of water and sewer charges.

Audit Results

Village officials:

- Accurately billed users for water and sewer charges.
- Deposited water and sewer collections intact and in a timely manner.
- Enforced unpaid bills and correctly assigned interest and penalties.

There were no recommendations as a result of this audit.

Village officials agreed with our report.

Background

The Village of Voorheesville (Village) is located in the Town of New Scotland in Albany County (County).

The Village is governed by an elected Board (Board) consisting of four trustees and a Mayor. The Board is responsible for the general management and control of the Village's finances and operations. The Clerk-Treasurer (Clerk) is the Village's chief fiscal officer, responsible for the custody of all Village money, maintaining accounting records and preparing financial reports. She is aided in these responsibilities by the Deputy Clerk-Treasurer (Deputy).

Water and sewer operations are primarily funded by user charges. The Clerk and her Deputy share the duties of billing, collecting, depositing and recording water and sewer user charges.

Quick Facts

Number of Water Bills as of June 1, 2018	1,233
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Total Amount for Water Billed	\$450,255
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Number of Sewer Bills as of June 1, 2018	408
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Total Amount for Sewer Billed	\$211,010
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Audit Period

June 1, 2017 – March 31, 2019

Water and Sewer Charges

How Should a Board Effectively Manage Water and Sewer Charges?

A board should provide guidance through the adoption of written policies and procedures, fee schedules and billing calendars. This guidance should clearly outline all billing rates, fees and penalties to be assessed on late payments and any special billing situations. Bills should be calculated based upon board-established rates and recorded usage, and late penalties and fees should be applied when necessary. Upon an established cut-off date, unpaid bills should be re-levied on the customers' property tax bills. Collections should be deposited as soon as possible to minimize risk, and Village Law¹ requires collections to be deposited no later than 10 days after receipt. All collections should be deposited in the same form (i.e., cash or check) as they were collected.

The Village Accurately Bills and Collects Water and Sewer Charges

The Village has written policies and procedures which define the frequency of water and sewer charges, billing rates, collection periods, timing and amount of late charges, and enforcement of unpaid accounts. Procedures are detailed in the water and sewer regulations adopted by the Board and posted on the Village website. Water meters are read annually by the Department of Public Works (DPW) Supervisor through an automated system. Users are then billed by June 1 for the prior year's usage at the adopted rate. Water users can pay their bills without penalty within 60 days. Sewer users are billed a flat rate on June 1 and have the option to pay quarterly by the end of July, October, January and April without incurring a penalty.

We examined 50 randomly² selected water bills from the June 1, 2018 master billing. We recalculated them based on the applicable rate and recorded usage, and found they were all billed at the correct amount. We selected and reviewed 20 additional bills to include Village employees, Board members and officials involved with billing and collection, and found they were also billed correctly. We also selected 30 sewer bills from the June 1, 2018 master billing. We recalculated them based on the applicable rate and found they were accurately billed. For all 100 bills, we traced the payments received to bank deposits and determined they were deposited intact and in a timely manner.

The Village appropriately monitored and enforced late penalties, interest and unpaid bills. Five of the 50 randomly selected water bills and three of the 30 sewer bills were unpaid as of the end of field work. The appropriate penalties and fees were added to their outstanding balance due. We examined the water and sewer re-levy lists for the June 1, 2017 billing cycle, recalculated the unpaid

¹ Village Law Section 4-408 b. requires the Treasurer to deposit all funds received, within 10 days after receipt, in the Village's name, in a bank or trust company designated by the Board.

² Refer to Appendix B for information on our sampling methodology.

amounts and additional interest and penalties due and found they were all correctly calculated. We then compared the list of unpaid bills to the 2018 tax roll and determined the unpaid amounts were correctly re-levied on the customers' corresponding tax bills.

Overall, the Board and officials established effective controls over the billing, collection and enforcement of water and sewer charges.

Appendix A: Response From Village Officials

VILLAGE OF VOORHEESVILLE

ROBERT D. CONWAY
MAYOR

RICHARD A. BERGER
DEPUTY MAYOR

JOHN J. STEVENS, JR.
RICHARD A. STRAUT.
SARITA WINCHELL



August 15, 2019

██████████
Office of the State Comptroller
One Broad Street Plaza
Glens Falls, NY 12801

Dear ██████████

The Village is pleased with your report regarding your recent audit of billing, collection and enforcement of water and sewer charges.

The Village Board views audits as an opportunity to improve the Village's financial practices in all areas. As in the past, the Village will implement recommendations made by the Comptroller's Office either while during an audit or in a training session attended by the staff.

I would like to thank the Comptroller's staff for providing helpful information to the Board, myself and the staff.

Sincerely,

Robert D. Conway, Mayor

29 Voorheesville Ave. • Voorheesville, N.Y. 12186

Appendix B: Audit Methodology and Standards

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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed key officials including the Clerk-Treasurer and Deputy. We reviewed existing Village regulations, Board resolutions and the Village website for policies and procedures relevant to water and sewer billing.
- Using a random number generator, we randomly selected 50 bills from the June 1, 2018 master billing. We then used our professional judgment to select an additional 20 water bills, based on risk associated with status as a Village employee, Board member or key official. We recalculated the amounts billed based on Village regulations, water rates and recorded consumption.
- We traced the collections for these bills to deposits listed on the bank statements and the receipts general ledger. If the bills were still unpaid, we determined whether they were on the list of unpaids and had interest and penalties added.
- Using a random number generator, we randomly selected 30 sewer bills from the June 1, 2018 master billing and recalculated the amounts billed based on Village regulations and sewer rates.
- We traced the collections for these bills to deposits listed on the bank statements and the receipts general ledger. If the bills were still unpaid, we determined whether they were on the list of unpaids and had interest and penalties added.
- We recalculated the unpaid re-levy list from June 1, 2017 water and sewer bills based on Village regulations and rates and traced the total unpaid amounts to the re-levied amounts on the tax roll.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). 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 size of the relevant population and the sample selected for examination.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

Contact

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