

**13. CONSIDERATION OF THE WRITE-OFF OF CERTAIN UNCOLLECTIBLE UTILITY ACCOUNTS**

Several years ago, our auditor (Creedle, Jones & Alga, P.C.) suggested that we periodically write-off certain uncollectible utility accounts so that our annual financial report doesn't overstate the accounts receivable in our enterprise fund. We last did this in 2008.

Attached for your reference, please find a spreadsheet containing approximately 24 water and sewer accounts, all of which have been disconnected for 5 years or more. Despite diligent attempts by our staff to collect the accounts, most of them are now deemed uncollectible for various reasons (deceased, moved into a nursing home, moved out of state, moved with no forwarding address, etc.).

The collective principal sum of the accounts is slightly less than \$3,000, but with accrued penalties and interest, is reflected in our annual audit as an accounts receivable of more than \$6,000.

It is the recommendation of our auditor that the Board write the accounts off as bad debt to avoid overstating the enterprise revenues in the annual audit.

Notwithstanding this action, should any of these customers ever return to open another account, we will collect all charges, penalties, and accrued interest through the date that the Board writes off the debt.

**MOTION REQUIRED:** A motion is required to write off the attached accounts as bad debt.