

The changes and revised accounting procedures and internal controls are as follows:

1. Daily time sheets for the Water/Sewer Operators have been filled out with work separated between the water and sewer divisions since September of 2021. On a daily basis, the Operators record a job description and time used for each sewer related job that was accomplished.
2. Bi-Weekly, the office staff computes the time spent for the Sewer Division, for each field employee and uses that information to charge the appropriate expense to the Sewer Division. Wages for the Office staff will be allocated based on the percentage of customers in each division. The manager's labor expense will be allocated based on the percentage of labor for all other employees charged to each division. Labor overhead expenses such as employee insurance, retirement benefits, payroll taxes, etc. will be allocated to the water and sewer divisions using the same percentage used for the District's manager.
3. Shared office expenses and Commissioner salaries will be allocated to the water and sewer divisions based on the percentage of customers in each division.
4. Expenses that are 100% Sewer are charged as such.
5. Each invoice before being paid is reviewed by at least two office staff and confirmed whether the expense was Water or Sewer related. Once confirmed, it is stamped "Sewer" on the invoice. Beside that stamp, the amount belonging to the Sewer Division is written on the invoice. All of these procedures are done before entering into our accounting program on the computer system.