

Memo

To: Village Board
 Fr: Julie Beauchamp, Finance Director
 Re: Write-off of Inactive Utility Accounts
 Date: December 10, 2020

On June 2, 2020, staff brought utility account balances to the Board to be approved for write-off. These accounts had been coded in the utility billing system as “inactive”. It was determined that the inactive utility accounts were included in the balance shown on our general ledger as being receivable; but the accounts had been disconnected, were no longer in use, and no additional collection efforts had been made. The accounts were from 2008 – 2019, as well as a few with missing end dates, with a cumulative balance of \$94,140.08. Staff requested that all accounts from 2008 – 2017 (except for landlord accounts) be written off in the amount of \$61,248.19. The Board approved the request.

Staff wanted to determine the collectability of the 2018 – 2019 accounts as well as those with missing end dates and the landlord accounts. These accounts totaled \$32,891.89. If appropriate, “collection” letters were sent to property owners and/or the tax lien collection process was used; but, as anticipated, most of these accounts have been determined to be uncollectible. Therefore, staff is requesting the write-off of the remainder of the inactive accounts in the amount of \$25,844.46 as follows:

2018	\$13,318.11
2019	4,508.36
Missing end date	2,592.86
Landlord accounts	<u>5,425.13</u>
Total	<u>\$25,844.46</u>

Detail of the accounts is available for Board inspection. For the year ended December 31, 2019, an allowance for these accounts was created which decreased 2019 utility revenues. The write-off of these accounts will not affect current utility revenues.