

**City of Brunswick, Maryland
Independent Public Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2019**

DRAFT-FOR DISCUSSION PURPOSES ONLY



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INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

City of Brunswick, Maryland

We have performed the procedures enumerated below, which were agreed to by the City of Brunswick, Maryland (the City), on evaluating the water utility billing for fiscal year ended June 30, 2019. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and observations are as follows:

1. Obtain an understanding of the City's processes for water utility billing.
 - We met with management, read policies and procedures, and discussed the water utility billing process. Additionally, we observed management performing the billing function.
2. Obtain and read the SSAE 18 or SOC 1 report for Springbrook billing system.
 - We met with management and noted that the billing information is stored on Springbrook's electronic system. We obtained and read the SSAE 18 report for Springbrook. We noted the report opinion was unmodified.
3. Observe the reading procedures for the 4th quarter of FY2019 for verifying the accuracy of the reading captured by City's Nsight Reading System.
 - We observed the City's water reading process to verify the accuracy of the readings captured by Nsight Reading System. We observed the route 3 and route 12 meter readings completed in June 2019 and noted the readings are electronically uploaded to the Nsight reading system upon completion of the routes. We obtained a listing of all Nsight readings for all customer accounts for the 4th quarter and agreed the readings obtained from our observation of route 3 and route 12 on a sample basis. Based on AICPA's statistical sampling methodology, we used a 90% confidence level with a tolerable deviation rate of 6% and we obtained a sample size of 64 selections. We used random sampling to select the 64 customer accounts from the Springbrook 4th quarter billing register.



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For each selected customer account, we compared the reading from Springbrook billing system to Nsight readings.

We observed that 2 out of 64 selections (3.1%) had invalid readings (i.e., 0 consumption reading) which were explained by management as meter readers that are misread, unread, or invalid readings that due to broken meters, missing or broken wall pads. Management of the City's informed us that management will investigate and manually read the meters to record the readings in billing system.

4. Obtain the population of Nsight meter readings, Springbrook billing system recorded readings and billing register for quarterly billing ended September 2018, December 2018, and March 2019.
 - We compared 100% of the Nsight meter readings to Springbrook billing system recorded readings for quarterly billing ended September 2018, December 2018 and March 2019.

We observed that 41 (1.45%) out of 2,823 customer accounts for 1st quarter, 33 (1.14%) out of 2,885 customer accounts for 2nd quarter, and 55 (1.87%) out of 2,943 customer accounts for 3rd quarter had readings that appeared to be misread, unread, or invalid readings. Management informed us that they run a reading report for "0 consumption reading" which are misread, unread, or invalid readings that due to broken meters, missing or broken wall pads. The City's management investigated these readings and performed manual reads of the individual meters to record the readings in billing system. These manual reads were entered directly into the Springbrook system and thus did not agree with the amounts in the Nsight system.

5. Select a statistical sample from the population received in procedures #4 to test if the City calculates the Utility billing correctly based on the meter readings.
 - We selected a statistical sample from the population received in procedures #3 to test if the City calculates the utility billing correctly based on the meter readings. Based on AICPA's statistical sampling methodology, we used a 90% confidence level with a tolerable deviation rate of 6% and we obtained a sample size of 64 selections for each of the first 3 quarters (192 total billings reviewed). We used random sampling to select the 64 customer accounts from the Springbrook billing system. For each selected customer account, we recalculated the water and sewer charges based on meter readings and the City's Quarterly Utility Rates for the applicable period and compared to the actual charged bill - the Billing Register (population item from #4).

No exceptions noted.



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- We selected a statistical sample from the 4th quarter billing register to test if the City records the reading in Springbrook billing system correctly and if the City calculates the utility billing correctly based on the meter readings. Based on AICPA's statistical sampling methodology, we used a 90% confidence level with a tolerable deviation rate of 6% and we obtained a sample size of 64 selections. We used random sampling to select the 64 customer accounts from the Springbrook 4th quarter billing register. We recalculated the water and sewer charges based on meter readings and the City's Quarterly Utility Rates as of FY2019 and compared to the actual charged bill – the Billing Register.

No exceptions noted.

6. Review residential billings with management in which over the individual account exceeded 22,000 gallons for the 4th quarter billing cycle.
 - From the Springbrook system, we noted there were 83 individual accounts that exceeded 22,000 gallons. We were informed by management that management will review high usage billings for reasonableness prior to issuance of a bill. Please see attachment A for a listing of the accounts and the corresponding explanations from management.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on evaluating the City's water utility billing for fiscal year ended June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the audit committees and management of the City of Brunswick and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland
_____ 2019



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Attachment A

Springbrook reading Usage

Account No	Type	4th Q	3th Q	2nd Q	1st Q	Management Discussion
005007-000	Residential	2,714	2,389	2,381	1,772	Consistant High Usage
005009-000	Residential	7,090	5,130	6,795	6,085	Restaurant/Apts
005033-000	Residential	2,245	1,995	2,380	855	2 Apartments
005068-000	Residential	2,280	2,145	2,355	2,320	Consistant High Usage
005142-000	Residential	2,305	2,960	2,630	3,025	Multiple Families
005188-000	Residential	3,035	2,225	2,335	2,695	New Mtr 7/1/19 - Tenant High Usage.
005192-000	Residential	2,350	2,045	1,960	1,755	Tenants - Consistant Usage
005337-000	Residential	2,642	536	337	911	Sink and Tub leaks repaired
005438-001	Residential	3,935	4,510	3,540	3,275	4 Apartments
005443-000	Residential	5,195	4,345	3,775	4,245	2 Apartments
005501-000	Residential	2,434	2,672	3,118	3,100	New Mtr 09/05/2019 - Consistant Usage
005506-000	Residential	2,649	2,679	2,640	2,737	Consistant Usage
005637-000	Residential	2,621	2,131	1,775	1,550	New Mtr 01/01/18 - (Meter Froze/no heat)
005811-000	Residential	2,329	1,359	402	1,328	Pool Fill
005845-000	Residential	2,220	2,640	2,343	2,562	Consistant Usage
005847-000	Residential	2,475	2,130	2,963	6,306	Brewery
005852-000	Residential	3,113	2,757	2,832	2,624	New Mtr 06/18/18 - consistant usage
005891-000	Residential	2,202	1,267	1,338	1,448	Checked-no leak - pool here
005933-000	Residential	2,664	2,012	2,013	2,439	Consistant Usage
005948-000	Residential	2,485	2,467	2,516	2,244	Consistant Usage
006035-000	Residential	2,280	1,850	2,621	2,935	Consistant Usage
006045-000	Residential	2,344	1,691	1,242	996	checked - notified-no leak
006128-000	Residential	3,064	1,820	2,490	2,328	5 apartments
006128-001	Residential	4,880	4,750	5,350	7,190	4 Apartments
006135-000	Residential	5,750	1,525	1,180	1,290	checked-customer shut water off for repair
006165-000	Residential	3,745	3,190	4,025	5,755	Restaurant
006188-000	Residential	2,790	2,475	2,650	4,560	Club/Restaurant
006224-000	Residential	2,660	2,450	2,215	1,835	Consistant Usage
006233-001	Residential	3,068	2,549	1,651	1,816	2 Apartments
006241-000	Residential	2,260	2,145	1,245	1,350	checked - outside leak-notified
006285-000	Residential	3,524	3,259	2,416	2,727	on leak report - notified
006316-000	Residential	2,285	2,425	1,950	1,685	Consistant Usage
006318-000	Residential	2,905	3,005	2,765	2,850	out of town - consistant usage
006366-000	Residential	2,865	2,868	2,486	2,532	Consistant Usage
006399-000	Residential	11,310	8,780	11,195	9,940	9 apartments
006420-000	Residential	2,369	2,562	793	1,244	Rental property - final bill
006464-000	Residential	3,189	2,361	2,885	2,115	Consistant Usage
006480-001	Residential	3,345	2,821	2,104	1,645	3 apartments



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Attachment A, continued

Springbrook reading Usage

Account No	Type	4th Q	3th Q	2nd Q	1st Q	Management Discussion
006545-000	Residential	2,965	2,845	2,745	2,330	Consistant Usage
006552-000	Residential	4,235	3,660	4,235	4,460	4 Apartments
006638-000	Residential	2,449	2,658	2,759	3,112	Consistant Usage
006727-000	Residential	2,240	2,048	2,298	2,135	Consistant Usage
006729-000	Residential	2,210	1,905	2,445	1,395	Consistant Usage
006762-000	Residential	2,800	3,110	4,765	2,735	Consistant Usage-checked high usage - no leaks
006763-000	Residential	2,826	2,705	2,892	2,566	leak-notified-plumber made repairs
006791-000	Residential	2,201	1,831	1,663	2,046	Consistant Usage
006797-000	Residential	2,901	1,022	980	976	checked - no current leak
006815-000	Residential	2,945	2,624	2,763	2,420	Consistant Usage
006821-000	Residential	2,327	2,442	2,756	2,864	Consistant Usage
006870-000	Residential	2,404	1,340	1,724	1,797	Pool
006872-000	Residential	2,369	2,299	2,742	2,705	2 families/pool
006923-000	Residential	3,081	3,188	2,766	2,588	Consistant Usage
007093-000	Residential	2,406	1,939	1,970	2,600	Consistant Usage
007103-000	Residential	2,546	2,436	2,348	2,313	Consistant Usage
007119-000	Residential	3,045	2,405	2,915	2,925	2 Apartments
007220-000	Residential	4,559	3,579	3,162	3,823	Veteran Housing
007293-000	Residential	2,416	2,436	2,157	1,531	Consistant Usage
007321-000	Residential	2,659	2,723	2,344	3,101	Consistant Usage
007361-000	Residential	2,330	2,027	1,660	1,769	Consistant Usage
007397-000	Residential	3,490	5,390	3,255	3,160	Daycare
007436-000	Residential	3,241	2,817	3,101	2,172	Consistant Usage
007447-000	Residential	2,388	1,766	1,497	1,299	checked - no leak
007497-000	Residential	2,272	2,445	2,467	2,671	Consistant Usage
007587-000	Residential	2,205	2,132	2,196	2,120	Consistant Usage
008156-000	Residential	2,789	2,773	2,840	2,024	Consistant Usage
008184-000	Residential	2,329	1,250	1,135	1,690	checked- no leak shown
008233-002	Residential	2,388	1,759	1,661	1,357	Usage is up this qtr - will have Brent check
008289-000	Residential	2,508	2,213	2,414	2,748	Consistant Usage
008342-000	Residential	8,129	5,536	1,565	1,648	toilet leak
008423-000	Residential	2,510	1,630	1,780	1,790	checked - no leak shown
008444-000	Residential	2,225	2,477	2,295	2,238	Consistant Usage
008582-000	Residential	5,135	1,516	-	-	toilet leak here
008701-000	Residential	2,257	1,773	1,656	1,414	usage is up this qtr - will have Brent check
008797-000	Residential	2,308	1,780	2,596	2,755	Consistant Usage
008816-001	Residential	4,316	4,183	308	-	Grocery Store and Shopping Center
008816-003	Residential	3,286	3,082	146	-	Grocery Store and Shopping Center
008825-000	Residential	3,845	2,890	2,434	2,113	4 adults and 4 children
008992-000	Residential	2,848	2,949	2,688	6,019	New customer - we data logged 3qtr - no leak - sprinkler usage
009020-000	Residential	2,325	2,645	2,530	#N/A	new customer - Consistant usage
009053-000	Residential	2,305	2,555	2,585	303	new customer - Consistant usage
009145-000	Residential	2,206	1,691	#N/A	#N/A	new customer - 1st full bill
009175-000	Residential	2,484	1,717	#N/A	#N/A	new customer - 1st full bill
009203-000	Residential	3,145	685	#N/A	#N/A	new customer - 1st full bill