



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

City of Surrey

Surrey, North Dakota

Special Examination

November, 2017 through October, 2019

Client Code: 7041-19



Photo credit: North Dakota Tourism



Office of the
State Auditor

CITY OF SURREY

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January 12, 2021

Rebekah Wallen, Special Fund Underwriter
North Dakota Insurance Reserve Fund
1320 West Century Avenue
Bismarck, ND 58502

Re: City of Surrey, Bond No. 1694, Claim No. 130

Dear Ms. Wallen,

We performed a special examination of the city of Surrey for the period November, 2017 through October, 2018. Jenny Johns was the former city auditor at the city of Surrey. These records are the responsibility of the City of Surrey management.

Based on our examination, we noted the following:

- In the month of February 2018, the monthly water usage amount for Jenny Johns was manually adjusted down 3000 gallons, by Jenny Johns, creating an unbilled amount of \$13.30.
- Beginning March 2018, the water meter for Jenny Johns was no longer reading and no water reading amounts were otherwise entered creating an unbilled amount of \$798.00 on 120,000 gallons of usage when the final meter reading was conducted in October 2019.
- Additionally, there were 10 other months preceding the bonding claim period where the monthly water usage for Jenny Johns was manually adjusted down, by Jenny Johns, creating an unbilled amount of \$166.25.

The total amount in question is \$811.30 for the bonding claim period. A detailed schedule, of the water usage readings and adjustments, is presented on the following pages. The North Dakota Insurance Reserve Fund should take whatever action may be necessary regarding this matter.

Sincerely,

/S/

Joshua C. Gallion
State Auditor

SUMMARY OF AMOUNTS QUESTIONED
Jenny Johns, Former City Auditor

November 1, 2017 through October 31, 2019

	<u>Amount Questioned</u>
Manual adjustments to monthly water usage	\$ 13.30
Unbilled water meter usage	<u>798.00</u>
Total Amounts Questioned (during bonding claim period):	<u><u>\$ 811.30</u></u>

Additional Questioned Amounts Outside of Bonding Claim Period:

Manual adjustments to monthly water usage	<u><u>\$ 166.25</u></u>
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WATER USAGE TABLE
Jenny Johns, Former City Auditor

November 1, 2017 through October 31, 2019

Month	Meter Reading	Monthly Usage per Meter	Monthly Usage per System	<u>Manual Adjustment</u>
Final Reading (Oct '19)		120000		
Aug '19	552000	0		
Jul '19	552000	0		
Jun '19	552000	0		
May '19	552000	0		
Apr '19	552000	0		
Mar '19	552000	0		
Feb '19	552000	0		
Jan '19	552000	0		
Dec '18	552000	0		
Nov '18	552000	0		
Oct '18	552000	0		
Sep '18	552000	0		
Aug '18	552000	0		
Jul '18	552000	0		
Jun '18	552000	0		
May '18	552000	0		
Apr '18	552000	0		
Mar '18	552000	0		
Feb '18	552000	4000	2000	2000
Jan '18	548000	3000	3000	
Dec '17	545000	7000	7000	
Nov '17	538000	5000	5000	
Oct '17	533000	2000	2000	
Sep '17	531000	4000	4000	
Aug '17	527000	5000	3000	2000
Jul '17	522000	1000	1000	
Jun '17	521000	7000	5000	2000
May '17	514000	5000	5000	

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Apr '17	509000	3000	1000	2000
Mar '17	506000	4000	1000	3000
Feb '17	502000	4000	1000	3000
		4000		
Jan '17	498000		1000	3000
Dec '16	494000	4000	1000	3000
Nov '16	490000	3000	3000	
Oct '16	487000	3000	0	3000
Sep '16	484000	1000	1000	
Aug '16	483000	5000	3000	2000
Jul '16	478000	3000	3000	
Jun '16	475000	3000	3000	
May '16	472000	5000	3000	2000
Apr '16	467000	4000	4000	
Mar '16	463000	3000	3000	
Feb '16	460000	3000	3000	
Jan '16	457000	3000	3000	
Dec '15	454000			

$(120,000 \text{ gal}/1000) * 6.65 = \798.00

$(2000 \text{ gal}/1000) * 6.65 = \13.30

$(25000 \text{ gal}/1000) * 6.65 = \166.25



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