



**VILLAGE OF VELDA VILLAGE HILLS, MISSOURI
YEAR ENDED MARCH 31, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-51
June 11, 2003
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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

June 2003

The following problems were discovered as a result of an audit conducted by our office of the Village of Velda Village Hills, Missouri.

The Village of Velda Village Hills has failed to implement 27 of the 45 recommendations made in our prior report that covered the year ended March 31, 1997. Although the village indicated in that report that most of the recommendations would be implemented, many recommendations are repeated in the current report. These include IRS regulations, lack of bid documentation, the lack of ordinances establishing the duties and salaries of various city employees, failure to publish financial statements, lack of a travel policy, inadequate supporting documentation for travel expenses and disbursements, failure to retain village records, and inadequate controls in the municipal court.

The village does not have a formal bidding policy. As a result, the decision of whether to solicit bids is made by the board on an item-by-item basis. Bids were either not solicited or bid documentation was not retained for most services obtained and some purchases during the year ended March 31, 2002. Also, during year ended March 31, 2002, the village paid one vendor approximately \$98,279 for street repairs and building improvements/maintenance. Village personnel indicated bids were obtained for these projects; however, bid documentation was not retained. Without adequate bid documentation, the village cannot demonstrate that all parties were given equal opportunities to participate in village business or amounts paid were reasonable. In addition, the village does not have formal written agreements with several companies or individuals providing services, and has not established procedures to ensure Internal Revenue Service Forms 1099 are filed when required.

The village has not established procedures to ensure bills are paid on a timely basis and invoices are appropriately canceled. Additionally, the Board of Trustees does not review and approve individual invoices and a supplementary listing of all disbursements approved for payment is not prepared to accompany the minutes.

Supporting documentation was either not submitted or not retained for the individual charges to the village's credit cards. During the year ended March 31, 2002, approximately \$4,266 was paid on these credit cards. The only documentation available was the monthly bill, which listed the individual items purchased for only one of the credit cards. Several questionable disbursements, such as a leather portfolio, eyeglasses, and a wallet were purchased on these credit cards.

YELLOW SHEET

Supporting documentation was not maintained for eight of the fifty-eight disbursements reviewed, totaling approximately \$13,400. In addition, invoices for accounting services were not adequately detailed.

The 2002 budget was not formally adopted by ordinance, motion, or resolution, retained with the official minutes, or signed by the board to denote their approval. The budget did not include actual receipts and disbursements from the two previous years, actual and estimated cash and resources available at the beginning and end of the year, or a budget message. Also, for the year ended March 31, 2002, actual disbursements exceeded the budget by approximately \$158,000 and \$38,000, for the General Fund and the Street Fund, respectively. In addition, the village does not publish semi-annual financial statements as required by state law.

The village does not have a formal written policy on hiring personnel and has not established an ordinance for the Village Clerk and Court Clerk's compensation rates as required by state law. In addition, the village does not properly report wages, withhold payroll taxes, or pay the employer's share of social security on compensation paid to members of the Board of Trustees, the Village Attorney, the Prosecuting Attorney, and the Municipal Judge.

The village does not have written travel expense policies. Officials receive cash advances for meals and mileage. The cash advances were not reported on the employees' W-2 forms, nor was documentation of these expenses submitted to the village to account for how these monies were spent.

A separate accounting of trash revenues and expenses is not maintained. In January 2002, the village increased the quarterly fee from \$10.50 to \$42 per resident to reflect increased costs of the trash service. Board approval of this increase was not documented. In addition, the village did not prepare a formal cost study to document the need for the increase.

Trash records are not adequately maintained. Monthly reconciliations of total trash billings, payments received, and unpaid amounts are not performed. In addition, the village does not adequately monitor or pursue the collection of delinquent trash bills.

Approximately, \$1,100 in cash bonds collected between April 2001 and March 2003 were not deposited and appear to be missing. These discrepancies were not detected on a timely basis due to numerous internal control weaknesses, little or no independent review, and a lack of adequate record keeping.

Also included in the audit are recommendations related to petty cash, personnel matters, accounting procedures, general fixed assets, board meetings, ordinances, capital improvement sales tax, and the Municipal Court.

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VILLAGE OF VELDA VILLAGE HILLS, MISSOURI

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

To the Honorable Chairman
and
Board of Trustees
Village of Velda Village Hills, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the village of Velda Village Hills, Missouri. The scope of our audit of the village included, but was not necessarily limited to, the year ended March 31, 2002. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review compliance with certain legal provisions.
3. Review certain management practices.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents and interviewed various personnel of the village.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in the audit of the village.

The accompanying Management Advisory Report presents our findings arising from our audit of the village of Velda Village Hills, Missouri.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

October 3, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

VILLAGE OF VELDA VILLAGE HILLS, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Disbursements
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- A. The village does not have a formal bidding policy. As a result, the decision of whether to solicit bids is made by the board on an item-by-item basis. Bids were either not solicited or bid documentation was not retained for most services obtained and some purchases during the year ended March 31, 2002, as follows:

Building improvements/maintenance	\$68,024
Street repairs - Vendor A	30,255
Vendor B	12,000
Tree services - Vendor C	15,500
Vendor D	24,900
Construction	40,169
Police services	33,000
Insurance	6,194
Accounting services	3,116
Payroll services	1,148
Office equipment (computers)	2,867
Snow removal and salting	2,480

During the year ended March 31, 2002, the village paid one vendor approximately \$98,279 (included above) for street repairs (\$30,255), and building improvements/maintenance (\$68,024). Village personnel indicated bids were obtained for these projects; however, bid documentation was not retained. Without adequate bid documentation, the village cannot demonstrate that all parties were given equal opportunities to participate in village business or amounts paid were reasonable.

During March 2000, the village paid one vendor for tree services (i.e., stump and tree removal, tree planting) totaling \$7,500 with a two-year warranty. In April 2001, the village paid the same vendor for tree services totaling \$15,500 and another vendor \$24,900 for the same type of services, without inquiring about the prior warranty on the trees planted. In addition, the village did not enter into written agreements with these vendors, obtain bids, or retain supporting documentation of the disbursements.

Formal bidding procedures for major purchases would provide a framework for economical management of village resources and help ensure the village receives fair value by contracting with lowest and best bidders that offer the best value. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the village's business. Bids can be handled by telephone quotation,

written quotation, sealed bid, or advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bid specifications and bids received, and reasons noted why the bid was selected.

- B. The village does not have formal written agreements with several companies or individuals providing services. Building improvements and maintenance, street repairs, and tree and police services (as discussed in part A above) were paid without written contracts. The village had proposals for some of these items, but they were not signed by both parties.

A written contract is necessary to document the duties and responsibilities of both parties and to prevent misunderstandings. In addition, Section 432.070, RSMo, requires all contracts of the village to be in writing.

- C. The village has no procedures in place to ensure Forms 1099 are filed with the Internal Revenue Service (IRS) when required. As a result, the village did not file 1099s with the IRS for payments to vendors to seal village streets, plant and remove trees and stumps, and remove and replace concrete slabs.

Sections 6041 through 6051 of the Internal Revenue Code require payments of \$600 or more for professional services or for services performed as a trade or business by non employees (other than corporations) be reported to the federal government on Forms 1099.

- D. The village has not established procedures to ensure bills are paid on a timely basis and invoices are appropriately canceled. Several invoices reviewed were paid late or included past due amounts. The village paid one vendor \$1,232 three times. On March 19 and March 25, this amount was paid from the General and Trash Funds respectively. Then on March 26, 2003, another billing was received with this amount shown as delinquent, and the village simply paid it again without realizing it had already been paid. Village personnel did not adequately review the bill and the invoices were not appropriately canceled to avoid duplicate payment. The vendor applied the overpayments to their account.

Good business practices require timely payments of invoices. Failure to make timely payments could result in unnecessary penalties. In addition, the village should appropriately cancel invoices by marking them "paid" to avoid duplicate payment and personnel should closely review any past due amounts shown on bills to ensure payment has not already been made.

- E. Supporting documentation was either not submitted or not retained for the individual charges to the village's credit cards. The village has two credit cards, held by the Village Clerk, that were used for various purchases throughout the village. During the year ended March 31, 2002, approximately \$4,266 was paid on these credit cards. The only documentation available was the monthly bill,

which listed the individual items purchased for only one of the credit cards. Village personnel did not ensure the receipt of all items by requiring vendor receipts signed by village personnel. Several questionable disbursements, such as a leather portfolio, eyeglasses, and a wallet were purchased on one of these credit cards. Village personnel indicated that none of these items were currently in the village's possession. The other credit card billing had no detail information to review.

Adequate supporting documentation should be retained for all credit card purchases and reconciled to credit card statements to ensure the propriety of the charges. Without adequate supporting documentation, the village cannot evaluate the necessity and reasonableness of credit card purchases.

- F. The board of trustees does not review and approve individual invoices and a supplementary listing of all disbursements approved for payment is not prepared to accompany the minutes. Although there is an occasional reference to a specific disbursement being approved for payment, the board minutes usually only make a general reference that disbursements are approved for payment. Village ordinance 313 states the Treasurer and Chairman may pay bills for monthly operating expenses without a vote of the board. The ordinance indicates supplies, repairs, and the purchase and replacement of equipment shall not be considered as bills for monthly operating expenses.

To adequately document compliance with city ordinance, and the board's review and approval of all disbursements, a complete and detailed listing of bills should be prepared, signed or initialed by the board to denote their approval, and retained with the official minutes.

- G. The village maintains a petty cash fund for small disbursements. The petty cash fund is not maintained on an imprest basis. During the year ended March 31, 2002, the village issued \$6,000 in checks made payable to the petty cash fund (\$500 per month). The village does not maintain a petty cash ledger to document receipts, disbursements, and the balance of the fund. Village personnel indicated they prepare a monthly reconciliation of the petty cash fund; however, they were only able to provide documentation for approximately \$200 of the \$500 in petty cash disbursements for June 2002.

To ensure all disbursements are proper, the village should maintain the petty cash fund on an imprest basis and retain all documentation to support the disbursements of the fund. In addition, the village should consider using a petty cash ledger, which would assist in the monthly reconciliation of the petty cash fund.

- H. Supporting documentation was not maintained for eight of the fifty-eight disbursements reviewed, totaling approximately \$13,400. In addition, invoices for accounting services were not adequately detailed. Invoices for accounting

services show the total amount billed for each type of service (i.e. prepare financial statements, prepare 1099-MISC forms) but did not show the hours worked. In order for the village to determine if the amounts are reasonable, the hours worked for each area of service should be provided, since the contract establishes an hourly rate. In addition, receipt of goods and services was not always indicated on invoices.

All disbursements should be supported by paid receipts and/or complete vendor invoices to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds. The village should require detailed invoices for all services which include the number of hours worked each day, the work performed, and the hourly rate charged. To ensure that goods and services have been properly received by the village, all invoices and other supporting documentation should be properly initialed or signed by village personnel upon receipt.

- I. The Board of Trustees and the Village Treasurer do not adequately review the financial reports prepared by the accounting firm. In addition, village personnel do not code disbursements by the appropriate general ledger classification before they are submitted to the accounting firm for posting, which appears to have allowed some disbursements to be misclassified. For example, several payments to St. Louis County for home inspections were posted to the utilities account and payments for street repairs were posted to building maintenance.

To ensure the financial information made available to the board and public is complete and accurate, the village should code disbursements to ensure all financial activity of the village is accurately recorded and properly presented in the general ledger and the monthly Treasurer's report. In addition, the Board of Trustees and the Village Treasurer should review the financial reports for accuracy.

Conditions A, B, C, F, and H were noted in our prior report, and the village indicated the board would review these issues; however, no action was taken to implement our prior recommendations.

WE RECOMMEND the Board of Trustees:

- A. Establish formal bidding policies and procedures, with provisions for documentation of the justification for selecting and rejecting bids.
- B. Ensure formal written contracts are entered into for any services obtained by the village.
- C. Establish procedures to ensure IRS Forms 1099 are filed as required.

- D. Develop procedures to ensure invoices are paid on a timely basis. In addition, ensure invoices are properly canceled.
- E. Develop procedures to ensure adequate supporting documentation is retained for all credit card purchases and reconciled to credit card statements to ensure the propriety of the charges.
- F. Document its review and approval of bills by signing the official copy of the list of bills and filing this list with the minutes of the meeting maintained by the Village Clerk.
- G. Maintain the petty cash fund on an imprest basis and retain adequate documentation for all petty cash disbursements. In addition, a petty cash ledger should be maintained.
- H. Develop procedures to ensure adequate supporting documentation is maintained for all disbursements. In addition, the Board should ensure supporting documentation indicates the receipt of goods.
- I. Develop procedures to ensure all disbursements are properly classified to the correct general ledger.

AUDITEE'S RESPONSE

- A. *Bids were obtained for some of the items listed. We will retain bid documentation in the future and will develop a bid policy within the next three months.*
- B,F,
&H. *We will implement these recommendations within the next three months.*
- C. *We concur with this recommendation and will develop procedures within the next three months.*
- D. *We have implemented this recommendation. We have begun using a software package, which helps us easily review for previous payments, and we only pay the current amount due on bills. We have begun stamping invoices paid and using a void stamp.*
- E. *We have implemented this recommendation. We now staple all of the vendor receipts to the credit card statement.*
- G&I. *We have implemented these recommendations.*

- A. The village does not have a formal written policy on hiring personnel. In addition, the village has not established an ordinance for the Village Clerk and Court Clerk's compensation rates as required by Section 79.270, RSMo and the duties and job descriptions for all employees are not documented.

Compensation rates set by ordinance, in addition to meeting statutory requirements, document the approved amounts to be paid and eliminate potential misunderstandings on the amount each village employee is to receive. Also, ordinance hearings provide for public input and information concerning the compensation paid. In addition, documentation of duties and job descriptions would clarify the duties and responsibilities of each employee and prevent misunderstandings.

A similar condition was noted in our prior report, and the village indicated the board would review the issue; however, no actions were taken to implement the prior recommendation.

- B. The village does not properly report wages, withhold payroll taxes, or pay the employer's share of social security on compensation paid to members of the Board of Trustees (\$27,300), the Village Attorney (\$1,540), the Prosecuting Attorney (\$2,400), and the Municipal Judge (\$2,700). However, these payments were reported to the IRS on the Form 1099.

The Internal Revenue Code requires employers to report wages on W-2 forms and withhold federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to withhold payroll taxes and pay the employer's share of social security on the compensation paid to employees. Section 105.300, RSMo, defines an elective or appointive officer or employee of a political subdivision as an employee for social security tax purposes.

A similar condition was noted in our prior report, and the village indicated the board would review the issue; however, no actions were taken to implement the prior recommendation.

- C. Time cards are not signed by employees. During our review of timecards, we noted that some employees were paid for overtime that was not supported by their timecard. In addition, the village has not established a formal policy regarding overtime paid to village employees.

Timecards, which are signed by the employee, help document that the required hours are actually worked and provide supporting documentation for payroll disbursements. To better control costs, the village should establish a written

policy regarding overtime compensation for village employees. This policy should require the approval of any overtime to be documented prior to the hours being worked and be in compliance with the Fair Labor Standards Act (FLSA).

- D. The Village Chairman and Treasurer are not bonded. They are authorized to sign village checks, with dual signatures required on each check. Failure to properly bond individuals who have access to funds exposes the village to risk of loss.

WE RECOMMEND the Board of Trustees:

- A. Develop a formal written policy outlining hiring procedures and the duties and responsibilities of employees. Also, establish compensation rates of all employees by ordinance.
- B. Ensure payroll taxes are properly withheld and remitted for any wages or salaries paid. In addition, the board should ensure the compensation amounts paid to elected or appointive officials are properly reported.
- C. Require timecards to be signed by the employee and establish a written overtime policy that is in accordance with the FLSA. This policy should require the approval of any paid overtime to be documented prior to the hours being worked.
- D. Obtain bond coverage for all persons with access to village monies.

AUDITEE'S RESPONSE

A&D. We will implement these recommendations within the next three months.

B. We disagree with this recommendation. We believe these officials provide a service to the village and are not employees. We will review this with our city attorney and the IRS.

C. We have implemented this recommendation.

3. Travel Expenses

- A. The village does not have written travel expense policies. Without written, documented policies, the types of expenses that can be incurred, the extent of those expenses that will be paid by the village, and the appropriate payment mechanism for the expenses may not be known.

Section 105.272, RSMo, requires the village to designate an employee to be responsible for reviewing vouchers of expenses and cash advances to ensure reimbursement of only those expenses properly incurred.

- B. Officials receive a cash advance for meals and miles for travel. Expense reports are not submitted by officials to account for these travel expenses. Members of the board of trustees made several trips to attend various seminars and conventions from July 2001 thru May 2002. Disbursements relating to these trips totaled approximately \$6,200 without supporting documentation including cash advances totaling approximately \$2,200. For example, the former and current Chairman and the Village Treasurer attended a four-day convention in April 2002, in Jackson, Mississippi. This convention cost the village approximately \$2,900 in registration fees (\$1,000), hotel expenses (\$700), and cash advances (\$1,200). Although it appears the village did not pay travel expenses for the former Chairman, the village did pay her registration fee of \$250. The current Chairman and Treasurer received cash advances of \$600 each for food and travel expenses; and were each reimbursed approximately \$350 for their hotel expenses. The cash advances were not reported on the employees' W-2 forms, nor was documentation of these expenses submitted to the village to account for how these monies were spent. It does not appear reasonable for each official to receive \$600 for a four-day conference. Estimating an amount for mileage, it appears the officials were paid approximately \$65 per day for food. In addition, it appears they both received mileage for this trip; however, village personnel indicated they had carpooled.

Cash advances not supported by documentation of expenses could be improper disbursements of public monies. Therefore, all cash advances should have documentation to support the nature and reasonableness of the costs and any unspent monies should be promptly returned to the village. In addition, IRS Regulation Sections 1.62-2(h) and 31.3401(a)-4 specifically require employee business expenses not accounted for to the employer to be considered gross income and payroll taxes to be withheld from the undocumented payments. Procedures have not been established to ensure that IRS regulations are followed. As a result, the village may be subject to penalties and/or fines for failure to report all taxable benefits. Adequate supporting documentation should be retained for travel disbursements. Without adequate supporting documentation, the village cannot evaluate the necessity and reasonableness of the disbursement.

Similar conditions were also noted in our prior report, and the village indicated the board would review the issues; however, no action was taken to implement the prior recommendations.

WE AGAIN RECOMMEND the Board of Trustees:

- A. Develop written travel policies that are reasonable and will allow all elected officials and employees to know what expenses can be incurred and how payments should be processed.
- B. Require detailed travel expense reports to be submitted and retained. These reports should include information such as trip date, origin, destination, and

purpose. In addition, the village should consider filing corrected W-2 forms for the unreported employee compensation.

AUDITEE'S RESPONSE

A&B. We will implement these recommendations within the next three months.

4. Trash Service

The village provides trash service to approximately 485 customers. Prior to October 2001, the village contracted with a private company to bill and collect for trash services. When this contract ended, the Village began billing and collecting payments themselves. From October 2001 to March 2002, the village deposited approximately \$17,600 in trash receipts and paid approximately \$42,800 for trash pick-up. During our review of their procedures, we noted the following concerns:

- A. A separate accounting of trash revenues and expenses is not maintained. The majority of trash service receipts are deposited into the Trash Fund; however, payments to the trash company are made from the General Fund. In addition, the village paid some general village administrative expenses from the Trash Fund. One month, the village paid its telephone and police protection expenses, and in another month, the village disbursed approximately \$2,500 from the Trash Fund without retaining canceled checks or adequate documentation to support the disbursements. Also, the village does not maintain a disbursement ledger for the Trash Fund.

In January 2002, the village increased the quarterly fee from \$10.50 to \$42 per resident to reflect increased costs of the trash service. Board approval of this increase was not documented. In addition, the village did not prepare a formal cost study to document the need for the increase. The village has not identified any other costs, such as administrative costs, related to trash service.

Trash fees should not be used to pay for general operation expenses of the village. The administrative costs of providing this service should be calculated and documented and a separate accounting of trash revenues and expenses should be maintained. The village should ensure only expenses related to trash collections are made from the Trash Fund. In addition, the Board should periodically do a formal cost study of the trash service to ensure the fees collected are adequate to cover the cost of providing the service. Also, the village should maintain a disbursement ledger for the Trash Fund.

- B. The village does not adequately monitor or pursue the collection of delinquent trash bills. Due to inadequate trash records (see C below), the total amount of delinquent accounts could not be determined. In August 2002, the village adopted an ordinance for assessing late charges and placing liens on the owner's property

for delinquent trash bills. Prior to the adoption of this ordinance, the village had no policies on collection of delinquent amounts.

Since some residents are paying timely for this service, it does not appear equitable to allow other residents to receive the same services for free. To help ensure prompt collection of trash bills, the village should monitor balances due and implement the new ordinance by assessing late charges and placing liens on the owner's property.

- C. Trash records are not adequately maintained. The village has a computerized billing system; however village personnel do not fully utilize the system. Currently the system is used only for trash billings. The system has the ability to perform other accounting functions that would be an effective and efficient tool for the processing of trash collections. For example, the system could be used to maintain individual account activity. Currently, the village maintains a manual trash ledger of each customer account; however, this ledger does not clearly show prior balances, receipt numbers, payments, or balances due. Also, monthly reconciliations of total trash billings, payments received, and unpaid amounts are not performed. In addition, receipt slips were not retained for trash payments made during January 2002 and most of February 2002.

With the large increase in trash receipts (as noted above), it is even more important that the village develop improved trash records to allow month-end trash fee receivable balances to be reconciled to the beginning accounts receivable balance, billings, collections and other adjustments for the month. Monthly reconciliations are necessary to ensure that all accounting records balance, transactions have been properly recorded, and errors or discrepancies are detected on a timely basis. Complete documentation of the reconciliation should be retained to support any corrections made and to facilitate independent reviews. In addition, as stated in MAR 5.F., accounting records (receipt slips) should be retained.

WE RECOMMEND the Board of Trustees:

- A. Ensure a separate accounting of trash revenues and expenses is maintained, and only expenses related to the trash service are paid from the Trash Fund. In addition, the Board should ensure a disbursement ledger is maintained for the Trash Fund.
- B. Implement procedures to enforce their new ordinance related to delinquent trash bills and monitor the delinquent accounts.
- C. Utilize the current computerized billing system to improve the record keeping of trash collections. In addition, the board should develop procedures to improve trash records, ensure all records are accurately posted, and ensure beginning and

ending accounts receivables balances are reconciled on a monthly basis using the billings, collections and billing adjustments during the month.

AUDITEE'S RESPONSE

A&C. We have implemented these recommendations.

B. We have begun working on this. We have set up payment plans with some residents. We will develop formal procedures within the next three months.

5. Budgets, Financial Reporting, and Accounting Procedures

A. Our review of village budgeting procedures noted the following concerns:

- 1) The 2002 budget was not formally adopted by order, motion, resolution, or ordinance, retained with the official minutes, or signed by the board to denote their approval.
- 2) The budget did not include actual receipts and disbursements from the two previous years, actual and estimated cash and resources available at the beginning and end of the year, or a budget message.
- 3) For the year ended March 31, 2002, actual disbursements exceeded the budget by approximately \$158,000 and \$38,000, for the General Fund and the Street Fund, respectively. The monthly Treasurer's report compares budgeted amounts to the year-to-date actual disbursements; however, there was no documentation to indicate the Board discussed the budget overages.

Similar conditions were also noted in our prior report, and the village indicated the board would review these issues; however, no action was taken to implement the prior recommendations.

Sections 67.010 through 67.040 RSMo, sets specific guidelines as to the format and approval of the annual operating budget and requires budgets to be adopted by order, motion, resolution, or ordinance. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and revenue expectations for each area of village operations. A complete budget should include appropriate revenue and expenditure estimations by classification. Prior year comparisons of actual revenues and expenditures need to be included to help ensure accurate amounts are budgeted. In addition, budgets should be signed or initialed by the board and retained with the official minutes to adequately document the board's approval.

Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for expenditures from any fund, unless the governing body adopts a resolution documenting the reasons making the increase necessary and approves or adopts a resolution or ordinance to authorize the expenditures.

- B. The village does not publish semi-annual financial statements. Section 80.210, RSMo, requires that the Board of Trustees prepare and publish semi-annual financial statements. These financial statements should include a statement of village receipts and disbursements for the preceding six-month period. In addition, Section 80.220, RSMo, states that the village can be fined if the Chairman of the Board neglects to publish such statements.

A similar condition was also noted in our prior report, and the village indicated the board would review the issue; however, no actions were taken to implement the prior recommendation.

- C. Monthly bank reconciliations are not prepared for the Bond and Trash Funds. Although the village has a written contract with an accounting firm stating that all bank accounts of the village will be reconciled monthly, the accounting firm only prepares a formal reconciliation for the General Fund. Monthly bank account reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected and corrected on a timely basis.
- D. Accounting duties are not adequately segregated. The Village Clerk collects monies, prepares receipt slips, records the transactions, and prepares deposits. Neither the Chairman nor the Village Treasurer provide independent reviews of the work performed by the Village Clerk. No one accounts for the numerical sequence of the receipt slips issued or reconciles the composition of the receipt slips issued to the deposit. The village utilizes an outside accountant to prepare monthly bank reconciliations and Treasurer's reports; however, she does not account for the numerical sequence of receipt slips or agree receipts issued to amounts deposited.

To safeguard against possible loss or misuse, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and recording monies. If proper segregation of duties cannot be achieved, at a minimum, there should be an independent review of the accounting records maintained.

- E. The village has not established policies and procedures for the collection of non-sufficient fund (NSF) checks. During the year ended March 31, 2002, the village had several (NSF) checks/returned items totaling approximately \$1,000 from their General Fund and Trash Fund. No one has followed-up on these NSF checks. Since the village has not followed-up on these NSF checks it could be possible

that customers were given credit for their trash payment, when their check was returned for non- sufficient funds.

The village should prepare written guidelines for the collection of NSF checks. These guidelines should include timely notification and follow-up procedures.

- F. Due to the village's lack of organization, village personnel were unable to provide records within a reasonable amount of time. For example, bank statements and canceled checks were not available for the year ended March 31, 2002. The village had to request copies of monthly bank statements and canceled checks from the bank for most of their accounts and pay an additional fee for those copies totaling approximately \$658. In addition, receipt books could not be located for some time periods.

The Secretary of State's Office provides guidelines on record retention that the village should follow. For example, the Secretary of State retention manual indicates that accounting records including canceled and voided checks, bank statements, check registers, petty cash and court records should be retained for five years.

- G. The village does not have a written agreement with its current depository bank. A written depository contract helps both the bank and the village understand and comply with the requirements of any banking arrangement. In addition, four of the five checking accounts maintained by the village are not interest bearing. For fiscal year ending March 31, 2002, the Municipal Court Fund received interest totaling approximately \$81.

The village should review their bank accounts in an effort to maximize interest earned on the accounts. In addition, the village should ensure any depository agreement includes provisions that detail any bank fees for check printing, checking account services, and safe deposit boxes.

WE RECOMMEND the Board of Trustees:

- A. Ensure annual budgets are formally adopted by order, motion, resolution, or ordinance, retained with the official minutes, signed by the board to denote approval, and comply with state law. In addition, the Board should ensure actual disbursements do not exceed budgeted amounts. If circumstances require disbursements in excess of amounts budgeted, a formal resolution should be adopted authorizing the additional disbursements and documenting the reasons for such.
- B. Publish semi-annual financial statements as required by state law.
- C. Ensure monthly bank reconciliations are prepared for all funds.

- D. Provide for an adequate segregation of duties or the performance of independent reviews of the accounting records. In addition, the Board should ensure the sequence of receipt slips issued are accounted for properly and the composition of the receipt slips are reconciled to deposits.
- E. Establish formal procedures for the collection of NSF checks. These guidelines should include timely notification and follow-up procedures.
- F. The village should ensure all records of the village are retained in accordance with guidelines set forth by the Secretary of State's Office. In addition, the village should organize records in a manner that allows relevant accounting documents to be located in a timely fashion.
- G. Review the village's bank accounts in an effort to maximize interest earned and enter into a written agreement with the village's depository bank.

AUDITEE'S RESPONSE

A,B,

C&E. We will implement these recommendations within the next three months.

D&F. We have implemented these recommendations.

G. We have discussed this with the bank, but have been unable to obtain interest bearing accounts. We will continue in our attempt to implement this recommendation.

6. General Fixed Assets and Procedures

- A. The village has not established formal policies and procedures for general fixed assets, including procedures for an annual physical inventory. In addition, the village does not maintain property records to account for the general fixed assets owned by the village.

Adequate general fixed assets records are necessary to provide better controls over village property and provide a basis for proper financial reporting. Formal policies and procedures for the annual physical inventory are necessary to ensure all personnel understand the duties assigned to them.

To develop appropriate records and procedures for general fixed assets, the village needs to undertake a comprehensive review of all property owned by the village. Assets should be counted, tagged for specific identification, and recorded by description and serial number in a detailed property ledger at historical cost or estimated historical cost if the original cost is not available. The village should properly record all fixed asset transactions, and ensure the accuracy of the

recorded fixed assets. Periodically, the village should take physical counts of its assets and compare to the detailed records.

- B. The village does not maintain a mileage log for the vehicle or fuel usage logs for the equipment owned by the village. In addition, maintenance logs are not maintained. Mileage and fuel usage logs are necessary to document appropriate use of the vehicles and equipment, and to support gasoline charges. The logs should include the purpose and destination of each trip, the daily beginning and ending odometer readings, fuel usage, and the operation and maintenance costs. These logs should be reviewed by the trustees to ensure vehicles and equipment are used only for village business, are being properly utilized, and help identify vehicles and equipment which should be replaced. Information on the logs should be reconciled to gasoline purchases and other maintenance charges.
- C. The village does not have formal policies and procedures for the use of cellular telephones. During the year ended March 31, 2002, the village paid approximately \$4,000 in cellular telephone charges. Each trustee was assigned a cellular telephone. Cellular telephone bills are not reviewed and approved by the board of trustees prior to payment. The village paid approximately \$270 in roaming charges on the former Chairman's cellular telephone that were incurred after she left office. In addition, the village is paying a monthly fee for one cellular telephone that is not being used currently. Village personnel could not locate a copy of their contract with the cellular telephone company to determine if this telephone could be disconnected.

The village should review the propriety of the usage of the cellular telephones to determine whether the village is receiving sufficient benefit for its cost. In addition, the village should establish a policy to ensure cellular telephones are used only for reasonable business purposes. Such a policy should address proper use of cellular telephones and require reimbursement if the phone is used for personal matters. Also, the village should obtain a copy of their cellular telephone contract to determine if the unused phone can be disconnected.

Conditions A and B were noted in our prior report, and the village indicated the board would review these issues; however, no action was taken to implement the prior recommendations.

WE RECOMMEND the Board of Trustees:

- A. Develop formal policies and procedures regarding fixed asset records including an annual physical inventory of general fixed assets.
- B. Maintain mileage, fuel usage, and maintenance logs for all vehicles and equipment. The logs should be reviewed by the trustees periodically for completeness and reasonableness.

- C. Develop formal policies and procedures regarding the use of cellular telephones, including a provision restricting their personal use. The board of trustees should periodically review cellular telephone usage for reasonableness. In addition, the village should attempt to recover the monies paid for charges incurred by the former Chairman after the election and determine whether the unused cellular telephone can be disconnected.

AUDITEE'S RESPONSE

- A. *We will implement this recommendation within the next three months.*
- B. *We have partially implemented this recommendation. A mileage log is now maintained for the vehicle. We will begin maintaining fuel logs for other village equipment within the next three months.*
- C. *We will implement this recommendation within the next three months.*

7. Board Meetings, Ordinances, and Records

- A. The village conducted several closed meetings during the year ended March 31, 2002; however, the board minutes did not always document the related vote to close the meeting or the specific reasons for closing the meeting. Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session.

- B. Board minutes are not signed by either the Village Clerk or the Chairman. In addition, minutes were not prepared for one open meeting and several special closed meetings during the year ended March 31, 2002. Although minutes for closed meetings are not specifically required by law, minutes constitute the record of proceedings of the Board of Trustees.

Section 610.020, RSMo, requires a journal or minutes shall be taken and retained by the public governmental body for all open meetings. These minutes are to include the date, time, place, members present, members absent, and a record of any votes taken. Minutes of closed meetings are necessary to document and record official board decisions and actions affecting village government and the public, and to ensure compliance with the Sunshine Law. The board minutes should be signed by the Village Clerk as the preparer and by the Chairman to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the board meetings.

- C. The village does not have a formal policy regarding public access to village records. A formal policy regarding access and obtaining copies of village records would establish guidelines for the village to make the records available to the

public. This policy should establish a contact person, an address for mailing such requests, and a cost for providing copies of public records.

Section 610.023, RSMo, lists requirements for making village records available to the public. Section 610.026, RSMo, allows the village to charge fees for copying public records, not to exceed the village's actual cost of document search and duplication.

- D. Improvement is needed in the organization of the village's ordinances. The ordinances have not been codified, thus hindering the village's ability to locate specific ordinances. Some ordinances were not included in their ordinance binder. For example, we requested an ordinance which assesses various village fees which village personnel were unable to locate, and an ordinance for handicapped parking which took village personnel a significant amount of time to locate.

Since the ordinances represent the legislation passed by the Board of Trustees to govern the village and its residents, it is important that they be maintained in a complete, well-organized, and up-to-date manner.

Conditions C and D were noted in our prior report, and the village indicated the board would review these issues; however, no actions were taken to implement the prior recommendations.

WE RECOMMEND the Board of Trustees:

- A. Ensure minutes document the vote to go into closed session, state the reasons for going into closed session, and publicly disclose the final disposition of applicable matters discussed in closed session.
- B. Ensure board minutes are signed by the Village Clerk as the preparer and a board member to attest to their completeness and accuracy, and minutes are maintained for all meetings conducted.
- C. Develop written policies regarding procedures to obtain public access to, or copies of, public village records.
- D. Ensure a complete and up-to-date set of the village's ordinances are maintained in numerical sequence and secured in an ordinance book.

AUDITEE'S RESPONSE

A,C,
&D. *We will implement these recommendations within three months.*

B. *We have already implemented this recommendation.*

8.**Capital Improvement Sales Tax**

Capital Improvement sales tax monies are not accounted for properly. Village voters passed a ½ cent capital improvement sales tax to be used for the purpose of funding, operating, and maintaining capital improvements. During the two years ended December 31, 2001, receipts from the sales tax of approximately \$148,000 were placed in the village's General Fund. Disbursements for capital improvement projects are not identified in the village's records.

Section 94.577, RSMo, states that all capital improvement sales tax receipts shall be deposited in a special trust fund and used solely for capital improvements. In addition, separate records of receipts and disbursements would help inform the village residents of the specific projects funded by the sales tax.

WE RECOMMEND the Board of Trustees establish a separate accounting of restricted receipts and disbursements for capital improvement sales tax to ensure it is used solely for allowable purposes and to inform the voters of the use of these restricted funds.

AUDITEE'S RESPONSE

We will discuss this recommendation with our city attorney and implement it within three months.

9.**Municipal Court Division**

A. Currently, the village contracts with the Beverly Hills Police Department (BHPD) for police protection; however, the village operates the municipal court to process violations. During the year ended March 31, 2002, bonds totaling approximately \$5,500 were collected by the BHPD and transmitted to the Court Clerk for deposit. During our review of bonds, we noted the following concerns:

- 1) Approximately, \$1,100 in cash bond monies collected between April 2001 and March 2002 were not deposited and appear to be missing. During the year ended March 31, 2002, the BHPD transmitted approximately \$5,500 to the court clerk; however, only \$4,400 was deposited into the bond bank account. Village personnel were unable to account for the difference of \$1,100.

These discrepancies were not detected on a timely basis due to numerous internal control weaknesses, little or no independent review, and a lack of adequate record keeping. The amounts received by the court were determined by reviewing transmittals from the BHPD. For the year ended March 31, 2002, some receipt records could not be located. As a result,

additional monies could be missing. The Municipal Division should review the situation and take necessary actions to recover the missing monies.

- 2) The Court Clerk does not maintain a bond ledger and does not prepare monthly listings of open items (liabilities). A bond ledger indicating the date and amount of receipt and date of disbursement is necessary to ensure proper accountability over bonds. A monthly listing of open items is necessary to ensure monies held in trust by the municipal court division are sufficient to meet liabilities.

A similar condition was noted in our prior report, and the village indicated the board would review the issues with the municipal judge; however, no actions were taken to implement the prior recommendation.

- 3) Bond monies are not transmitted to the court clerk on a timely basis. During the year ended March 31, 2002, the BHPD transmitted these monies approximately monthly.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, transmittals should be made daily or when accumulated receipts exceed \$100. Bond monies should be properly receipted and immediately deposited into the bond bank account.

B. During our review, we noted the following concerns relating to court fees:

- 1) The village has not disbursed any court fees to the state since approximately 1997. Crime Victim's Compensation (CVC) and Peace Officer Standards and Training Commission (POST) fees collected by the municipal court division are deposited into the village's General Fund. The total CVC and POST monies due to the state were not determined.

The village is responsible for remitting the CVC and POST fees to the state. Section 595.045.3, RSMo, requires 95 percent of the CVC fee to be paid monthly to the state. POST fees should also be disbursed monthly to the state. To ensure compliance with state law, the village should attempt to determine the amounts due from prior years, and begin turning monies over to the state monthly.

- 2) The municipal court division assesses and collects Law Enforcement Training (LET) fees. These fees are deposited into the village's General Fund. Since the village contracts out for police protection, the village does not have any law enforcement officers and has no use for this money.

The village should evaluate the need for assessing this fee. Section 590.140, RSMo, allows the law enforcement training fees to be used only for the training of law enforcement officers.

Similar conditions were also noted in our prior report, and the village indicated the board would review the issues with the municipal judge; however, no action was taken to implement the prior recommendations.

C. During our review, we noted the following concerns regarding receipts:

- 1) The municipal division issues rediform receipt slips for monies received for fines and costs rather than official prenumbered receipt slips. As a result, the receipt slips are not specifically printed for the municipal division. In addition, some receipt slips were skipped and not properly voided, the top copies of voided receipt slips were not always retained, and some receipt slips were torn out completely. Therefore, court transactions could not easily be traced from the original receipt of monies to a bank deposit.

To adequately account for all receipts, official prenumbered receipt slips should be issued for all monies received, skipped receipt slips should be properly voided, all copies of voided receipt slips should be retained, and the numerical sequence should be accounted for properly.

- 2) Although the method of payment (i.e. cash, check, money order) is recorded on the receipt slips issued, no one reconciles the composition of the receipt slips issued to the composition of deposits.

To ensure all receipts have been recorded properly and deposited intact, the composition of receipt slips should be reconciled to the composition of bank deposits.

- 3) Checks are not restrictively endorsed immediately upon receipt. Instead, they are usually endorsed when the deposit is prepared. To reduce risk of loss or misuse of funds, checks should be restrictively endorsed immediately upon receipt.
- 4) Court monies are not deposited into the General Fund on a timely basis. Monies are generally deposited four times per month; however some monies were held and not deposited for up to two weeks. During a cash count conducted on July 26, 2002, the Village Clerk had approximately \$1,000 in checks on hand which had been received as early as July 18, 2002.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all deposits should be made daily or when accumulated receipts exceed \$100.

- 5) Accounting duties are not adequately segregated. Currently, the Court Clerk is responsible for receiving, recording, and preparing the deposit for bonds, and fine and court costs monies. There is no independent review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties cannot be achieved, at a minimum, there should be an independent review of the reconciliations between receipts and deposits and bank reconciliations.

- D. The municipal division does not file a monthly report with the village of all cases heard in court. Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including all fines and court costs collected, to be verified by the Court Clerk or Municipal Judge and filed with the Village Clerk.

A similar condition was noted in our prior report, and the village indicated the board would review the issue with the municipal judge; however, no actions were taken to implement the prior recommendation.

- E. During our review of traffic tickets, we noted the following concerns:

- 1) Neither the police department nor the municipal division maintain adequate records to account for traffic tickets issued and their ultimate disposition.

Without a proper accounting of the numerical sequence and ultimate disposition of traffic tickets, the police department and the court cannot be assured all traffic tickets issued are properly submitted to the court for processing. A log listing the traffic ticket, the date issued, and the violator's name would ensure all traffic tickets were properly submitted to the court for processing properly voided, or not prosecuted. A record of the ultimate disposition of each traffic ticket should also be maintained to ensure all traffic tickets have been accounted for properly.

- 2) The municipal division failed to submit three of the four applicable traffic offenses reviewed involving point violations to the Missouri State Highway Patrol (MSHP). Section 302.225, RSMo, requires that records of any pleas or findings of guilty on traffic violations under the laws of the

state, county, or municipal ordinance to be forwarded to the MSHP within ten days of the conviction date.

A similar condition was noted in our prior report, and the village indicated the board would review the issue with the municipal judge; however, no actions were taken to implement the prior recommendation.

- 3) In two of five cases reviewed, the case file indicated a warrant had been issued, but the warrant did not appear on the state warrant system.

Proper and timely issuance of warrants helps to maximize court revenues along with providing equitable treatment for those citizens who are paying fines and court costs when due.

- 4) Court cases are filed by the last name of the defendant, thus the case files cannot be located from the ticket number. A cross referencing system is necessary to ensure all tickets have been submitted to the court for processing and to aid in locating issued tickets and the related case file. A log of case numbers would show the person's last name so that cases could be researched from the ticket number to the case file.

A similar condition was noted in our prior report, and the village indicated the board would review the issue with the municipal judge; however, no actions were taken to implement the prior recommendation.

WE RECOMMEND the Municipal Division:

- A.1. Review the situation with the Board of Trustees and legal counsel and contact the municipal division's bonding company.
2. Maintain a bond ledger, prepare monthly listings of open items, and reconcile the listings to the monies held in trust.
3. Work with the police department to ensure bonds are transmitted on a timely basis.
- B.1. Remit CVC and POST fees to the state monthly in accordance with state law.
2. Evaluate the need to assess the LET fees.
- C.1. Issue official prenumbered receipt slips for all monies received and account for the numerical sequence. In addition, all skipped receipt slips should be properly voided, all copies of voided receipt slips should be retained, and one copy of the receipt slip should be retained in the receipt book.
2. Reconcile the composition of receipt slips issued to the composition of deposits.

3. Restrictively endorse all checks immediately upon receipt.
 4. Ensure court receipts are deposited daily or when accumulated receipts exceed \$100.
 5. Segregate the duties of the Court Clerk. At a minimum, there should be a documented, independent review of the reconciliation of the composition of receipt slips issued and deposits, and of bank to book balances.
- D. Prepare monthly reports of court actions and file these with the village in accordance with state law.
- E.1. Work with the police department to account for the numerical sequence and ultimate disposition of all tickets.
2. Remit traffic offenses to the MSHP in accordance with state law.
 3. Ensure warrants are properly recorded on the state warrant system.
 4. Maintain a log of case numbers so case files can be located from the ticket numbers.

AUDITEE'S RESPONSE

A.1. We contacted the bonding company in the past regarding this issue, but will contact them again since an amount is now available.

*A2, A3,
B2, D,
E1&4. We will implement these recommendations.*

B.1. We have already turned over past CVC monies to the state and begun turning the current amounts over monthly. We will implement this recommendation for the POST monies within the next three months.

*C.1-3.,
C.5.&
E.2-3. We have implemented these recommendations.*

C.4. We have made improvements in the timeliness of our deposits and will continue to work towards daily deposits.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

VILLAGE OF VELDA VILLAGE HILLS, MISSOURI
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The village of Velda Village Hills is located in north St. Louis County. The village was incorporated in 1945. The population of the village in 2000 was 1,090.

The village government consists of a five-member Board of Trustees. The members are elected for two-year terms. The chairman is appointed by the board. The village trustees and other principal officials at March 31, 2002, were:

Elected Officials	Term Expires	Compensation Paid for the Year Ended March 31, 2002	Amount of Bond
Mollie Bradford, Chairman (1)	April 2002	\$ 6,300	\$ 0
Earlene Luster, Treasurer (2)	April 2003	5,700	0
Roy Wade, Trustee, Forestry Commissioner (3)	April 2003	5,100	
Elmo Williams, Trustee, Health Commissioner (3)	April 2002	5,100	
Henry Brooks, Trustee, Street Commissioner	April 2003	5,100	

- (1) In April 2002, Earlene Luster became the board's Chairman.
- (2) In April 2002, Roy Wade replaced Earlene Luster as the Treasurer.
- (3) In April 2002, Charles Robinson and Vicci Brown were elected to replace Mollie Bradford and Elmo Williams. Mr. Robinson became the Forestry Commissioner and Ms. Brown became the Health Commissioner.

Other Principal Officials

June Davis, Village Clerk (4)	18,562	30,000
LaSandra Perkins, Court Clerk (5)	1,240	30,000
Steven S. Fluhr, Village Attorney (6)	1,540	
Thomas Flach, Municipal Judge	2,700	
Steven J. Clark, Prosecuting Attorney	2,400	

- (4) On May 1, 2002, Arquillia Williamson was hired to replace June Davis as Village Clerk.
- (5) During March 2002, LaSandra Perkins worked as a temporary employee and on April 19, 2002, she was hired to replace Samuel Gray as Court Clerk.

- (6) On August 29, 2001, Steven S. Fluhr was hired as the Village Attorney. Prior to August 29, 2001, Steven Clark held this position.

In addition to the officials listed above, the village employs three part-time employees.

Assessed valuation and tax rate information for 2001 were as follows:

ASSESSED VALUATION

Real estate	\$ 3,750,068
Personal property	<u>1,377,718</u>
Total	\$ <u>5,127,786</u>

TAX RATES PER \$100 ASSESSED VALUATION

General Fund *	\$0.36
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* In addition, the village receives a portion of the St. Louis County Road and Bridge Tax.

The village has the following sales tax; the rate is per \$1 of retail sales:

	Rate	Expiration Date
General	\$.01	none
Capital Improvement	.005	none

A summary of Village of Velda Village Hill's financial activity for the year ended March 31, 2002, is presented below:

Year ended March 31, 2002					
	General	Street	Trash	Municipal Bond	Total
	Fund	Fund	Fund	Fund	
RECEIPTS:					
Property taxes	\$ 29,770	0	0	0	11,980
Local use and sales taxes	63,944	0	0	0	63,944
Trash collection	14,794	0	17,586	0	32,380
State, gas, and vehicle taxes	161,919	62,423	0	0	224,342
Cigarette taxes	19,101	0	0	0	19,101
Bond administration fees	250	0	0	0	250
Franchise fees	1,741	0	0	0	1,741
Court/Traffic fines/Bonds	16,920	0	0	5,270	22,190
Permits, inspections, and licenses	4,339	0	0	0	4,339
Interest	3,024	0	0	0	3,024
Delinquent stickers	105	0	0	0	105
Miscellaneous	33,660	0	0	0	33,660
Total Receipts	349,567	62,423	17,586	5,270	434,846
DISBURSEMENTS:					
Salaries	44,277	0	0	0	44,277
Payroll taxes	6,162	0	0	0	6,162
Utilities	6,286	0	0	0	6,286
Police services	33,270	0	2,750	0	36,020
Building expenses	74,034	0	0	0	74,034
Forestry expenses	54,138	0	0	0	54,138
Health expenses	78,899	0	6,337	0	85,236
Street expenses	0	99,708	0	0	99,708
Maintenance supplies and repairs	4,666	0	0	0	4,666
Insurance expenses	8,806	0	0	0	8,806
Equipment repairs, rentals, and fuel	7,116	0	0	0	7,116
Bookkeeping and payroll services	4,264	0	0	0	4,264
Contract services (i.e., attorney, judge)	7,576	0	0	0	7,576
Office supplies and expenses	7,421	0	0	0	7,421
Trustee expenses	26,875	0	0	0	26,875
Printing, postage, and advertisement expenses	4,212	0	0	0	4,212
Inspections and franchise expenses	4,118	0	0	0	4,118
Telephone expenses	13,685	0	1,233	0	14,918
Auto maintenance	2,479	0	0	0	2,479
Bond expenses	0	0	0	6,470	6,470
Food expenses	1,038	0	0	0	1,038
Travel and membership expenses	8,134	0	0	0	8,134
Bank charges and miscellaneous	2,195	0	2,814	0	5,009
Total Disbursements	399,651	99,708	13,134	6,470	518,963
Receipts Over (Under) Disbursements	(50,084)	(37,285)	4,452	(1,200)	(84,117)
Cash Balance, April 1, 2001	142,568	50,756	0	2,735	196,059
Cash Balance, March 31, 2002	\$ 92,484	13,471	4,452	1,535	111,942