



Office of Missouri State Auditor
Nicole Galloway, CPA

Kinloch Fire Protection District



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Kinloch Fire Protection District

Background

The district is governed by a 3-member Board of Directors. Jayna Small served as the Board President from April 22, 2013, through March 20, 2017, and was responsible for all financial activities of the district. Her husband, Darren Small, served as the district's Fire Chief from September 2014 through March 20, 2017, and was responsible for overseeing daily operations of the district.

In January 2017, we began an audit of the district due to the district's noncompliance with audit and reporting requirements. In March 2017, the United States Attorney's Office for the Eastern District of Missouri filed criminal charges against Jayna and Darren Small for conspiring to divert funds from the district's bank account for their own personal use.

Jayna Small pleaded guilty to one count of conspiracy to commit access device fraud and one count of interstate transportation of money obtained by fraud on July 24, 2017, and was sentenced to probation on October 17, 2017. Darren Small pleaded guilty to one felony count of conspiracy to commit access device fraud and one count of access device fraud on August 3, 2017, and was sentenced to 8 months in prison on October 25, 2017. Additionally, they were ordered to repay \$75,000 to the district.

The Smalls' actions represent the district's second consecutive misappropriation of monies by those in elected or appointed district positions. In April 2013, a federal grand jury indicted Darran Kelley, a former district Fire Chief (appointed in 2002), on felony charges for his unauthorized use of more than \$140,000 of district funds from January 2007 to January 11, 2013. On July 24, 2013, Darran Kelley pleaded guilty and was later sentenced to 33 months in prison on November 19, 2013.

Misappropriated Monies

Between January 1, 2014, and March 20, 2017, district disbursements totaling at least \$98,189 were improper or unsupported. The former Board President and former Fire Chief misappropriated approximately \$72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional \$25,705 in disbursements during this time period was not retained.

Board of Directors Oversight and Elections

The district's Board does not perform sufficient oversight of district accounting activities. The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President. The district did not hold elections for members of the Board in compliance with state law. The district did not notify the Board of Elections that it had called for any elections between 1991 and 2016.

Accounting Controls and Procedures

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and no record of receipts was maintained. In addition, no disbursement ledger was maintained. The district's disbursement review and approval process needs significant improvement. The district does not have adequate controls over checks. The district did not have a policy restricting or limiting the use of the district's debit card. The former Board President did not ensure bills were paid timely causing the district to incur approximately \$768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017. The district did not have procedures in place to prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required.

Nepotism

In September 2014, the husband of the former Board President was appointed as Fire Chief for the district. Board meeting minutes were not available to document if the former Board President recused herself from participating in all Board discussions and/or voting associated with this appointment.

Procurement Procedures and Agreements	Controls and procedures over the district's bidding and written agreement procedures need improvement. The district does not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017. The district entered into an agreement with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. The district improperly paid for trash services for the City of Kinloch and the city still owes the district \$331 for payments made on the city's behalf for these services.
Budgets and Financial Reporting	Annual budgets are not prepared for district funds and significant improvement is needed in financial reporting practices. The district did not prepare annual budgets for district funds as required by state law for fiscal years 2014, 2015, 2016, or 2017. The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016, and financial reports submitted for the years ended December 31, 2014 and December 31, 2015, were not accurate. The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and December 31, 2016.
Capital Assets and Fuel and Vehicle Usage	Controls and procedures over the district's property and fuel and vehicle usage need improvement. The district does not maintain records of capital assets and does not tag assets or perform physical inventories. The district has not established effective monitoring procedures over fuel and vehicle usage. The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS. The district failed to title and register a vehicle donated to the district with the DOR.
Sunshine Law, Compliance, and Bylaws	The district did not always ensure compliance with the Sunshine Law, and did not obtain surety bonds for board members. The district did not prepare or could not locate meeting notices, tentative agendas, or minutes for any board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. The district has not adopted a written policy regarding public access to district records as required by state law. The district has not obtained corporate surety bonds for its board members, or filed these bonds with the St. Louis County Circuit Clerk. The district does not have up-to-date and comprehensive bylaws.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Kinloch Fire Protection District

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory Report - State Auditor's Findings	
1. Misappropriated Monies.....	6
2. Board of Directors Oversight and Elections.....	14
3. Accounting Controls and Procedures	17
4. Nepotism	21
5. Procurement Procedures and Agreements.....	22
6. Budgets and Financial Reporting	25
7. Capital Assets and Fuel and Vehicle Usage	26
8. Sunshine Law, Compliance, and Bylaws	28

Organization and Statistical Information	31
---	----

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash Balances, 3 Years Ended December 31, 2016, and For the Period of January 1, 2017, through March 31, 2017	33
B	Improper Disbursements and Cash Withdrawals For the Period of January 1, 2014, through March 20, 2017	34
C	Summary of Improper Disbursements by Vendor and Year For the Period of January 1, 2014, through March 20, 2017	51
D	Summary of Cash Withdrawals For the Period of January 1, 2014, through March 20, 2017	53



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Directors
Kinloch Fire Protection District

The State Auditor is required under Sections 29.230 and 321.690, RSMo, to audit the Kinloch Fire Protection District. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the period of January 1, 2014, to March 20, 2017. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of monies misappropriated from the district.

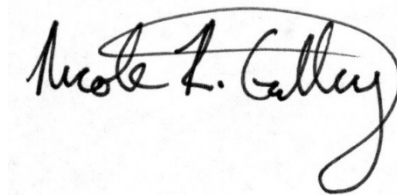
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; testing selected transactions; and inspecting capital assets. The district could not locate or provide us with board minutes for any board meetings occurring during the scope of our audit or bylaws or formal policies and procedures related to the administration of the districts operations. In addition, the district did not maintain records to support most of the district's financial transactions, including incomplete receipt records and lack of invoices or other documents to support disbursements. Because of these limitations on the scope of our audit, we could not adequately audit certain transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

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

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies totaling at least \$72,484 (\$52,757 in cash withdrawals and related fees and \$19,727 in improper disbursements). In addition, \$25,705 of additional disbursements was unsupported and may be improper. The accompanying Management Advisory Report presents our findings arising from our audit of the Kinloch Fire Protection District.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style and is enclosed within a faint, light-colored rectangular border.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Sacha Tejan

Kinloch Fire Protection District

Introduction

Background

The Kinloch Fire Protection District, located in St. Louis County, was organized in 1944 under Section 321, RSMo, and operates on a volunteer basis. District operations have historically been funded by taxes levied on property located within the district and various miscellaneous revenues. In 2015, the district began collecting a permit fee for the review of building plans and performance of fire prevention and life safety inspections for commercial construction projects located within the district boundaries. With the development of NorthPark business park in North St. Louis County, including the City of Kinloch, the district's revenues increased significantly. In 2015 and 2016, the district collected approximately \$134,000 and \$51,000, respectively, for these reviews and inspections.

The district is governed by a 3-member Board of Directors. Jayna Small served as the Board President from April 22, 2013, through March 20, 2017, and was responsible for all financial activities of the district. Her husband, Darren Small, served as the district's Fire Chief from September 2014 through March 20, 2017, and was responsible for overseeing daily operations of the district. In addition, Darren Small's sister, Nicole Small, served as a Board member from April 6, 2016, through March 29, 2017.

Based on financial data we compiled and representations to the State Auditor's Office (SAO) regarding the Section 321.690, RSMo, audit and reporting requirements,¹ the district's revenues have totaled less than \$50,000 for most of the past several years. However, revenues totaled approximately \$157,973 and \$81,369 in 2015 and 2016, respectively, requiring the district to obtain an audit. Despite both verbal and written notifications to the district that obtaining an audit was required, the district failed to do so. Because the district did not obtain the required audit, Section 321.690.3, RSMo, indicates "... the state auditor shall make, or cause to be made, the required audit at the expense of the fire protection district."

The SAO began an audit of the district in January 2017 due to the noncompliance. Additionally, the Federal Bureau of Investigation (FBI) also initiated an investigation of the district. In March 2017, the U.S. Attorney's Office for the Eastern District of Missouri filed criminal charges against Jayna and Darren Small. According to the criminal complaint, Jayna and Darren Small conspired to divert funds from the district's bank account for their own personal use, including to purchase clothing, food, liquor, cigarettes and other items, and to pay for their personal household utility bills.

¹ Section 321.690, RSMo, requires certain fire protection districts to have an audit performed biennially and forward the audit report to the SAO within 6 months of fiscal year end. However, the law also provides that fire districts receiving less than \$50,000 in annual revenues may, with approval of the SAO, be exempted from the audit requirement if the district files a financial report within 5 months of fiscal year end that complies with the reporting provisions of Section 105.145, RSMo.



Kinloch Fire Protection District Background

Jayna Small pleaded guilty to one count of conspiracy to commit access device fraud and one count of interstate transportation of money obtained by fraud on July 24, 2017, and was sentenced to probation on October 17, 2017. Darren Small pleaded guilty to one felony count of conspiracy to commit access device fraud and one count of access device fraud on August 3, 2017, and was sentenced to 8 months in prison on October 25, 2017. Additionally, they were ordered to repay \$75,000 to the district.

Prior theft of district funds

The Smalls' actions represent the district's second consecutive misappropriation of monies by those in elected or appointed district positions. In April 2013, a federal grand jury indicted Darran Kelley, a former district Fire Chief (appointed in 2002), on felony charges for his unauthorized use of more than \$140,000 of district funds from January 2007 to January 11, 2013. On July 24, 2013, Darran Kelley pleaded guilty and was later sentenced to 33 months in prison on November 19, 2013.

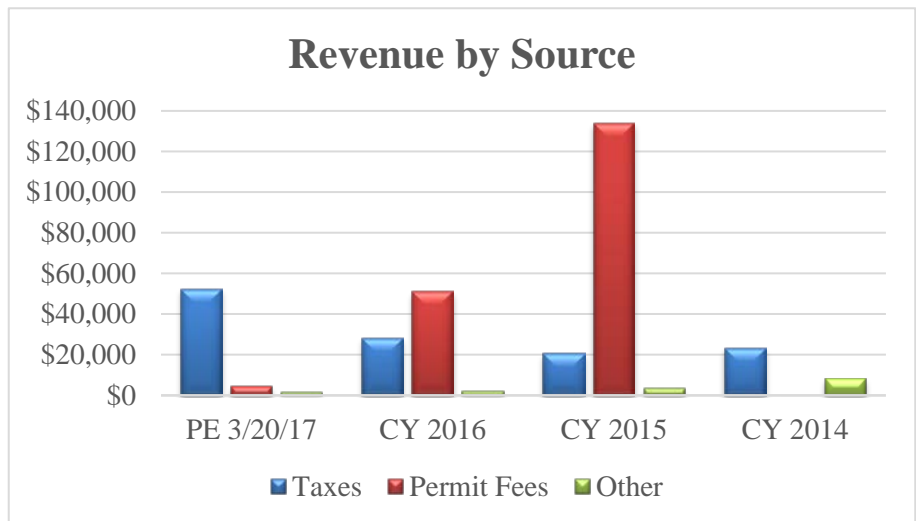
At the time of Darran Kelley's indictment, the district's Board was entirely vacant. Therefore, the district called for an election on April 2, 2013, to elect three Board members, including Jayna Small, to fill the vacancies. Following the election, the district did not address the conditions that enabled Darran Kelley to misappropriate monies. As a result, opportunities remained enabling the Smalls' subsequent misappropriations.

Kinloch Fire Protection District Management Advisory Report State Auditor's Findings

1. Misappropriated Monies

Between January 1, 2014, and March 20, 2017, district disbursements totaling at least \$98,189 were improper or unsupported. Former Board President Jayna Small and former Fire Chief Darren Small, misappropriated approximately \$72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional \$25,705 in disbursements during this time period was not retained and the propriety or impropriety of these disbursements could not be determined.

Prior to 2015, when the district began collecting a permit fee for the review of building plans and performance of fire prevention and life safety inspections on commercial building construction projects located within the district, the district's primary source of revenue was property tax collections. In 2015 and 2016, however, the primary revenue source was these permit fees, which represented 85 percent and 63 percent of total revenues for 2015, and 2016, respectively. The following table shows total revenues by source for calendar years (CY) 2014 through 2016, and the period ended (PE) March 20, 2017.



The district is operated by volunteers. Prior to 2015, typical significant operational costs included insurance, utilities, fire truck loan payments, dispatching services, and fire equipment and building repairs and maintenance. Beginning in 2015, the primary additional operational cost was the contractual payments associated with the district's decision to hire a contractor to conduct plan reviews and fire prevention and life safety inspections on behalf of the district. Between September 2015 and March 2017, revenues generated from permit fees for these reviews and inspections (\$189,747) substantially exceeded the associated costs (\$53,000). A review of all disbursements for the period January 2014 through March 2017 determined overall disbursements increased significantly more with the new



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

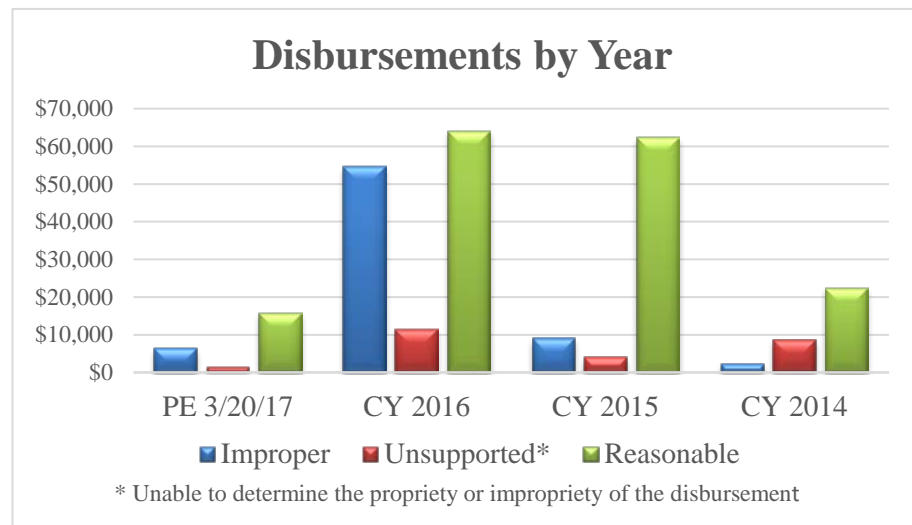
revenue source and at a much greater pace than the associated additional costs to the district.

Had disbursements been maintained at the typical level along with only necessary added costs, the district should have had a significantly higher cash balance than the \$68,929 as of March 31, 2017.

The total number of disbursement transactions for the period January 1, 2014, through March 20, 2017, was 1,434. We reviewed each transaction for supporting documentation and evaluated the purpose. Our review determined the district did not maintain any documentation to support approximately 75 percent (1,078 of 1,434) of the transactions.

Since the district did not have supporting documentation for many of these disbursements, we contacted payees and vendors in an effort to obtain invoices or other supporting documentation, or at least an explanation of the purpose of the disbursement. Based on our review of supporting documentation and additional information obtained, we classified each disbursement transaction as improper, unsupported, or reasonable. Additionally, we separately identified all cash withdrawals made from the district's bank account through ATM withdrawals or cash back transactions at local stores (if documentation was available). We considered all cash withdrawals improper.

For purposes of this finding discussion and Appendix B, disbursements classified as improper were not considered necessary or reasonable for operations of the district and/or were considered to be personal in nature. We classified disbursements as unsupported if sufficient documentation was not available and/or we could not determine the propriety or impropriety of the payment based on information obtained. Disbursements classified as reasonable were necessary for the operation of the district based on available supporting documentation and/or additional information obtained. The disbursements classified as reasonable are not included in this report.





Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Appendix B provides a detailed listing of all disbursements determined to be improper for the period January 1, 2014 through March 20, 2017. For each disbursement classified as improper, Appendix B documents the vendor, purpose, and amount classified as improper. For some transactions the amount shown represents the entire transaction, while for other transactions only the portion deemed improper is shown. The appendix also provides details regarding all cash withdrawals identified.

Appendix C summarizes all improper disbursements included in Appendix B by vendor and amount, shows the total of improper disbursements by year, and the total number of transactions classified as improper for each vendor.

Cash withdrawals

We identified \$52,757 (335 separate transactions) in cash and related banking fees withdrawn from the district's bank account through ATM withdrawals, cash back transactions, and checks. The district did not maintain any documentation to support the purpose of these cash withdrawals. Appendix B provides a detailed listing of all identified cash withdrawals from the district bank account for the scope of our audit. Between November 17, 2014, the first date we identified a cash back transaction occurred during the scope of our audit, and March 20, 2017, when the Smalls resigned, cash withdrawals averaging approximately \$155 occurred on average every 2.5 days.

- Cash totaling \$31,955 was withdrawn from the district's bank account through 182 separate ATM withdrawals. In addition, \$970 in banking fees were incurred as a result of these ATM transactions.
- A total of \$12,020 was withdrawn from the district's bank account by obtaining cash back while paying for transactions with the district's debit card at Sam's Club, Schnucks, and Walmart.
- Cash totaling \$7,812 was withdrawn from the district's bank account using checks or counter checks, including a \$7,200 check issued to Jayna Small in March 2016. While the check memo indicated this cash withdrawal was for the purchase of a utility vehicle, Jayna Small later confessed to the FBI that this money was used to pay for a relative's funeral expenses.

Appendix D summarizes all identified cash withdrawn from the district's bank account for the period reviewed.

Improper disbursements

In addition to the cash withdrawals, we identified approximately \$19,727 in additional disbursements that were not considered necessary or reasonable for the operation of the district. Many of these improper disbursements were made to personally benefit the Smalls rather than help the district. See Appendix B for a complete listing of these disbursements.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Following are explanations of various disbursements we classified as improper.

- Jayna Small issued 11 checks to herself totaling \$1,600 for petty cash, firehouse repairs, lawn care, badge sales, raffle prize, and Secret Santa shopping according to individual check memos, as shown in the following table.

Date	Check Number	Purpose	Amount
1/23/2014	1017	Cash payment for installation of hot water tank	\$ 70
2/13/2014	1024	Petty cash	100
4/29/2014	1037	Cash payment for lawn care	40
6/23/2014	1039	Cash for lawn care June & July	100
6/30/2014	1040	Petty cash	100
7/7/2014	1047	(blank)	40
7/10/2014	1048	Cash for lawn care July & August	100
7/17/2014	1049	Cash for safe and badge sales	150
7/30/2014	1052	Reimbursement for washer & dryer installation	100
11/18/2016	1090	Secret Santa shopping	700
12/23/2016	1125	Raffle prize cash	100
		Total	<u>\$ 1,600</u>

Each of these disbursements was classified as improper based on our review of available documentation and/or discussions with district personnel. According to district personnel, the district did not maintain a petty cash fund. There was no documentation to support the reimbursements for firehouse repairs or lawn care services. In addition, the use of district funds for a raffle and Secret Santa shopping are not prudent uses of taxpayer dollars.

- Jayna Small issued 4 checks totaling \$6,200 to the former Fire Chief, Darren Small, and District Fire Captains, Tony Merkel and Jack Knudsen, as shown in the following table. The district did not maintain any documentation or explanation for the purpose of these payments; however, according to the check memo for the check issued to Knudsen, the payment was for a 2016 bonus.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Recipient	Date	Check Number	Purpose	Amount
Darren Small - Fire Chief				
	8/5/2016	1086	(blank)	\$ 2,000
	11/20/2016	1123	(blank)	1,000
			Total	<u>\$ 3,000</u>
Tony Merkel - District Fire Captain				
	8/5/2016	1085	(blank)	\$ 3,000
			Total	<u>\$ 3,000</u>
Jack Knudsen - District Fire Captain				
	12/15/2016	1124	2016 Bonus	\$ 200
			Total	<u>\$ 200</u>

The Fire Chief, as well as the Fire Captains, serve the district on a volunteer basis and are not compensated. Since there is no documentation to support the purpose of these payments, these disbursements were classified as improper. In addition, additional compensation for services previously rendered, such as bonuses, are in violation of Article III, Section 39 of the Missouri Constitution and contrary to Attorney General Opinion No. 72-1955 (June 14, 1955).

- Approximately \$6,217 was spent at stores such as Sam's Club, Schnucks, and Walmart for improper items, including \$160 for tobacco products and \$86 for alcohol. Other improper items include groceries, women's and children's clothing, baby supplies, health and beauty products, over-the-counter medications, toys and video games, and household items.
- The district paid approximately \$1,511 for telephone/internet services, \$333 for trash services, and \$165 for electric services for non-business accounts that were not associated with the district or the personal residence of the Smalls. We determined the accounts associated with the trash services were related to an agreement with the City of Kinloch (See MAR finding number 5.3), however, we could not determine whose accounts were associated with the telephone/internet or electric services. Since they were not associated with the district, we classified all of these disbursements as improper.
- The district spent approximately \$1,189 on food purchases at local restaurants and fast food vendors such as McDonald's, Hometown Buffet, and Subway. According to district personnel, the district does not provide food for the volunteer firefighters. Therefore, we classified each of these disbursements as improper.
- The district purchased approximately 1,200 square feet of vinyl floor tile in June 2016 for \$987 from Home Depot. During a site visit to the district



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

fire station in April 2017, auditors observed tile floors in varying levels of condition. None of the tile flooring at the station was similar to the tile purchased or appeared to have been installed within the last 10 months. In addition, auditors did not observe any uninstalled vinyl flooring on hand at the station.

- The district paid approximately \$1,525 for utility services associated with the Smalls' personal residence. We classified each of these transactions as improper.

Vendor	Payment Dates	Amount
Ameren Electric	March 2016 - April 2016	\$ 321
AT&T	February 2014 - August 2014	304
Laclede Gas	February 2016 - April 2016	900
Total		<u>\$ 1,525</u>

Unsupported disbursements We identified approximately \$25,705 in unsupported disbursements. The district did not retain sufficient documentation to support these disbursements and we could not determine the propriety or impropriety of them based on information obtained. We classified them as unsupported.

Included in this unsupported disbursement amount is \$1,090 in checks issued to board members for board meeting attendance fees. Because the district did not prepare or could not locate board meeting minutes for any board meetings occurring after September 26, 2013, as discussed further in MAR finding number 8.1, we could not confirm Board members were in attendance for any meetings associated with these payments, and therefore, classified all of these payments as unsupported. In addition, these attendance fees are considered compensation and should have been subject to payroll and income tax withholdings, and reported by the district on W-2 forms.

Details of these payments follow:



Kinloch Fire Protection District
 Management Advisory Report - State Auditor's Findings

Board Member	Date of Check	Check Number	Amount of Check	Month(s) Paid
Jayna Small	2/2/2014	1021	\$ 50.00	January 2014
	2/26/2014	1027	50.00	February 2014
	4/29/2014	1033	100.00	March and April 2014
	7/24/2014	1050	40.00	Unknown
	12/6/2016	1094	200.00	Unknown
	Total		\$ <u>440.00</u>	
Roy Oldham	2/2/2014	1018	\$ 50.00	January 2014
	2/26/2014	1026	50.00	February 2014
	4/29/2014	1035	50.00	April 2014
	12/6/2016	1092	200.00	Unknown
	Total		\$ <u>350.00</u>	
Clara Jones	2/26/2014	1025	\$ 50.00	February 2014
	4/29/2014	1034	50.00	April 2014
	Total		\$ <u>100.00</u>	
Nicole Small	12/6/2016	1093	\$ 200.00	Unknown
	Total		\$ <u>200.00</u>	

Section 321.190, RSMo, allows board members to receive an attendance fee not to exceed \$100 for attending each board meeting. In August 2013, the Board approved the payment of \$50 to each Board member for each Board meeting attended. Section 105.300, RSMo, defines elected officers of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the Internal Revenue Service (IRS) requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes.

The remaining unsupported disbursements totaling \$24,615 are summarized in the following table by vendor, number of transactions, and total of all unsupported amounts disbursed to each vendor.



Kinloch Fire Protection District
 Management Advisory Report - State Auditor's Findings

Vendor	Number of Transactions	Amount
Fuel vendors ¹	213	\$ 5,882
Family Dollar	118	5,234
Walmart	46	2,186
Home Depot	17	1,406
Clearwire	21	1,150
Dollar Tree	36	1,126
ALDI	14	1,122
Shop 'n Save	13	929
Pete's Shur Sav	12	750
Advance Auto Parts	3	618
Firestone	2	590
Valvoline	1	512
Dollar General	12	440
CINTAS Corp.	2	350
Christopher McAndrews	1	300
Target	1	236
Meineke Car	1	220
Save-A-Lot	3	171
USA's Finest Publishers	4	156
Safelite AutoGlass	1	154
Worldwide Inventory	1	113
Schnucks	2	109
Accord	2	105
Other Vendors ²	23	756
Total	549	\$ 24,615

¹ Includes disbursements made to 13 separate fuel vendors, including Gas Mart, Phillips 66, ExxonMobil, BP, Conoco, and Shell. These vendors are all located in the St. Louis area.

² Includes all remaining disbursements classified as unsupported. The total unsupported disbursement amount for each vendor was less than \$100.

Conclusion

Because of the small size of the district and personnel being primarily volunteer fire fighters, proper segregation of duties is challenging. Administrative work and oversight is left to the fire chief and Board members. In addition, concerns regarding elections and uncertainty as to the composition of the Board, as further discussed in MAR finding number 2.2, contributed to the overall disorganization of the district's governing body and resulted in insufficient oversight and controls. Despite experiencing a significant theft by former Fire Chief Darran Kelley, the Board did not implement proper controls and oversight, which allowed district funds to again be subject to mismanagement and theft.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

The lack of segregation of duties and absence of proper oversight by the Board, poor accounting controls, and the lack of proper budgeting and financial reporting procedures, as discussed in the remainder of this report, allowed for the misappropriation and misuse of district funds and noncompliance with various laws.

Recommendation

The Board of Directors should ensure the propriety of all district disbursements and ensure detailed documentation is obtained and retained to support all disbursements. The Board should take necessary action to recover the improperly disbursed monies. In addition, the Board should discontinue the practice of paying bonuses, ensure compensation paid is subject to proper withholdings, and procedures are established to prepare and file W-2 forms with the IRS as required.

Auditee's Response

We have implemented procedures to ensure all district disbursements are reasonable and necessary expenditures for the district. Documentation for all district expenditures are reviewed and approved by Board members and are scanned and retained at the district firehouse. The district is currently receiving restitution payments from the Smalls and we will follow up with the court as necessary to ensure the district recovers improperly disbursed monies. Currently, Board members are not being paid an attendance fee for attending Board meetings. However, should this change in the future, we will ensure required taxes are withheld from compensation and procedures are established to prepare and file W-2 forms with the IRS as required.

2. Board of Directors Oversight and Elections

The Board does not perform sufficient oversight of district accounting activities. In addition, the district did not comply with state law regarding the election and appointment of members to the Board.

2.1 Oversight

The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President.

The former Board President was responsible for all duties related to collecting and recording monies, preparing and making deposits, and making disbursements. Neither the Board nor someone independent of the cash custody and record-keeping functions performed an independent review of accounting functions performed by the former Board President. As a result, as discussed in MAR finding number 1, the lack of adequate controls and proper oversight allowed misappropriation and misuse of district funds to occur. Issues described in section 2.2 contributed to the Board's failure to properly oversee district functions.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

To reduce the risk of loss, theft, or misuse of funds, and ensure all transactions are accounted for properly and assets are adequately safeguarded, adequate controls, including proper segregation of duties, and Board oversight of accounting functions is necessary.

2.2 Board of Directors elections and appointments

The district did not hold elections for members of the Board in compliance with state law. In addition, the Board did not appoint members due to vacancies in compliance with state law. The district's Board consists of 3 directors who are elected to serve 6-year terms with one director elected biennially. The district is required to hold an election for members of the Board on the first Tuesday in April of odd numbered years.

April 2016 election

Following the district's April 2015 election, all 3 members of the Board had been elected. However, prior to January 2016, 2 of the 3 directors had resigned and their seats were vacant. The district called for, and held, an election in April 2016 to fill the unexpired terms. Nicole Small (former Fire Chief Darren Small's sister) and DeAndre Montgomery were elected to the Board as a result of the April 2016 election.

Documents filed with the St. Louis County Board of Elections (BoE) for the April 2016 election indicated the candidates were filling unexpired terms ending in 2019 and 2021. However, the actual terms for the two vacant seats ended in 2017 and 2019. As a result, the district did not hold the required April 2017 election.

March 2017 Board appointments

On March 20, 2017, Jayna Small resigned from the Board. In addition, following the election of DeAndre Montgomery in April 2016, but prior to March 28, 2017, Mr. Montgomery resigned from the Board and moved out of the district (date unknown). While there is no documentation indicating who, if anyone, was appointed to fill Mr. Montgomery's unexpired term, it appears Roy Oldham may have been appointed. The district held a Board meeting on March 28, 2017, at which Nicole Small and Roy Oldham presented themselves as the remaining district Board members and voted to appoint Isaac Hamilton to fill the Board seat vacated by Jayna Small. Additionally, Nicole Small announced her resignation from the Board effective March 29, 2017. In anticipation of her upcoming resignation, Nicole Small and Roy Oldham voted to appoint Walter Macon to fill the Board seat to be vacated by Nicole Small the following day.

As Nicole Small was the only elected Board member at the March 28, 2017, Board meeting, neither Hamilton's nor Macon's appointments to the Board are allowed by state law. In addition, the act of appointing a Board member in anticipation of an upcoming vacancy is not authorized by state law. Board members can only be appointed when a vacancy occurs.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

August 2017 special
election

In April 2017, the St. Louis County Prosecuting Attorney filed a petition with the St. Louis County Circuit Court challenging the appointments of Macon, Hamilton, and Oldham. Following this petition being filed, Hamilton voluntarily resigned from the Board on May 5, 2017. On May 11, 2017, the remaining Board members, Oldham and Macon, decided to call for a special election on August 8, 2017, to elect all 3 Directors to the Board. However, on August 4, 2017, prior to the special election, the St. Louis County Circuit Court appointed Roy Oldham, Deirdre Pickens, and Walter Macon to the Board.

Conclusion

The election held in April 2016 and the special election called for in August 2017 do not comply with state law. Section 321.210, RSMo, states the district shall hold an election for members of the board of directors on the first Tuesday in April every 2 years after the expiration of at least 2 full calendar years from the date of the election of the first board of directors. The election of the first Board occurred on April 11, 1944. To comply with this law, the district was authorized to hold its next election on April 8, 1947, and biennially, thereafter.

In addition, the election in 2016, Board appointments in March 2017, and call for a special election in August 2017 conflict with Section 321.200.2, RSMo, which requires any board vacancy be filled by the remaining elected members of the board, except when less than two elected members remain on the board any vacancy shall be filled by the circuit court of the county in which all or a majority of the district lies and shall act until the next biennial election at which a director or directors are elected to serve the remainder of the unexpired term.

2.3 Board of Elections
notification

The district did not notify the BoE that it had called for any elections between 1991 and 2016. In the district's 2013 and 2015 elections, the number of candidates equaled the number of vacant board seats. Because these elections were not contested, no election (public vote) was required, however, the BoE is required to publish notice of the candidates assuming office. Since the district did not notify the BoE that it had called for such elections this information was not published as required.

Section 115.124, RSMo, states that for nonpartisan elections in political subdivisions and special districts, no election is required if the entity publishes the correct notice under Section 115.127, RSMo, and if the number of candidates who have filed for a particular office is equal to the number of seats in that office to be filled by the election. If no election is held, then the election authority is required to publish a notice containing the names of the candidates that shall assume office by the first of the month in which the election would have occurred.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Directors:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, a documented periodic review of the district's accounting records should be performed, and monthly financial reports should be prepared and approved by the Board and filed with the Board minutes.
- 2.2 Ensure elections are held as authorized by state law and Board member vacancies are properly filled.
- 2.3 Work with the BoE to ensure that proper notice is published as required by state law.

Auditee's Response

- 2.1 *The current Assistant Fire Chief prepares a list of all district expenditures and presents this list to Board members at each Board meeting for review and approval. Additionally, we have discontinued the use of the district debit card and all checks issued by the district should contain the signature of two of the three Board members.*
- 2.2 *We will ensure elections are held as authorized by state law and Board member appointments are filled in accordance with state law.*
- 2.3 *We will work with the BoE to ensure proper notice is published as required by state law.*

3. Accounting Controls and Procedures

The district did not maintain adequate accounting records. Receipts and disbursements were not adequately recorded and the district did not track its cash balance. As a result, there is no assurance all monies collected were properly deposited or all disbursements were properly approved and for district business. In addition, controls and procedures over district disbursements need improvement.

3.1 Accounting records

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and no record of receipts was maintained. In addition, no disbursement ledger was maintained. While bank statements typically included the vendor and amount disbursed for each debit card transaction, and check images documented the check number, amount, and payee for each check that cleared the bank, the purpose of each disbursement was not documented. Receipts and/or invoices to support these disbursements were typically not retained. As a result of this lack of records, the district had no accounting records indicating the amount of cash available at any time and could not reconcile the district's accounting records to the bank.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

To ensure all monies received are properly accounted for, prenumbered receipt slips should be issued for all monies received and should be reconciled to amounts recorded and deposited. Receipt, disbursement, and cash information is necessary to prepare annual budgets and financial statements, perform monthly bank reconciliations, and support the district's accounting transactions. In addition, complete and accurate bank reconciliations are necessary to ensure accounting records are in agreement with the bank, and errors or discrepancies are detected and corrected timely.

3.2 Disbursement review and approval process

The district's disbursement review and approval process needs significant improvement. The Board could not provide any documentation supporting review and approval of bills paid. Our review of invoices obtained from the district showed the Board did not denote approval of individual invoices. In addition, the Board did not receive a copy of the district's bank statements for review. Had this been part of the Board's review, members could have identified and questioned the debit card transactions, ATM withdrawals, and checks clearing the district's bank account.

As noted in MAR finding number 8.1, minutes for any Board meetings occurring after September 26, 2013, and prior to March 28, 2017, which covers the entire scope of our audit, were not prepared or could not be located. Therefore, there is no documentation of the Board's approval of district disbursements available for the audit period.

To safeguard against possible loss, theft, or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented by signing or initialing a monthly list of bills. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated.

3.3 District checks

The district does not have adequate controls over checks.

- The former Board President issued checks with only 1 signature. Between January 1, 2014, and March 20, 2017, 62 of the 68 checks that cleared the bank (including 2 counter checks) totaling \$106,414 were only signed by the former Board President. Five of the remaining 6 checks were issued in March 2017 (totaling \$9,604), and signed by both the former Board President and one other Board member. The other check was issued in February 2014 for \$532 and only included one Board member's signature.
- The former Board President did not issue checks in numerical sequence, properly account for the numerical sequence of checks issued, or retain voided checks. Our review of checks issued between January 1, 2014, and March 20, 2017, identified 18 of 68 checks (26 percent) clearing the



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

district's bank account were issued out of sequence and no documentation supported why this occurred. In addition, we could not determine the disposition of 49 additional checks potentially issued during this period, because they did not clear the bank, the district did not maintain a disbursement ledger, or documentation the checks had been voided was not retained or could not be located.

Dual authorized signatures of Board members help provide assurance that checks represent payment for legitimate district disbursements. To properly account for all disbursements and reduce the risk of unauthorized transactions, checks should be issued in numerical sequence, the numerical sequence of checks issued should be accounted for, and voided checks should be properly defaced and retained.

3.4 Debit card

The district did not have a policy restricting or limiting the use of the district's debit card. Between January 1, 2014, and March 20, 2017, 1,366 of the 1,434 district disbursement transactions (95 percent) totaling approximately \$147,000 were transacted using that card. We identified several concerns with the district's debit card usage.

- Cash totaling at least \$43,975 was withdrawn from the district's bank account through ATM withdrawals and cash back transactions using the district's debit card. In addition, the district incurred \$970 in banking fees because of these withdrawals.
- The district's debit card was used for approximately 60 percent of the improper disbursements (\$11,927 of \$19,727) identified in Appendix B.
- The district's debit card was used for approximately 93 percent of the unsupported disbursements (\$23,783 of \$25,705) identified in MAR finding number 1.

Complete and detailed written debit card policies and procedures are necessary to provide guidance. The Board should develop policies requiring submission of debit card receipt slips for comparison to bank statements, and requiring independent approval of purchases made. In addition, to safeguard against possible loss, theft, or misuse of funds, the Board should prohibit the use of ATM withdrawals and cash back transactions to access district funds.

3.5 Late fees

The former Board President did not ensure bills were paid timely resulting in the district incurring approximately \$768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017. To prevent these unnecessary costs, procedures should be established to ensure bills are paid timely.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

3.6 1099-MISC forms

The district did not have procedures in place to prepare and file 1099-MISC forms with the IRS, as required. As noted in MAR finding number 5.2, the district entered into agreements for permit inspections totaling \$25,000 in 2015 and \$28,000 in 2016. The district did not file 1099-MISC forms for these payments. In addition, the district may have been required to file 1099-MISC forms for other situations, but incomplete disbursement records prevented us from determining if this occurred.

Sections 6041 through 6050W of the Internal Revenue Code require non-wage payments of at least \$600 in one year 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 1099-MISC forms. To ensure compliance with IRS requirements, the district should establish procedures to ensure 1099-MISC forms are issued in all applicable instances.

Recommendations

The Board of Directors:

- 3.1 Ensure prenumbered receipt slips are issued for all monies received and are reconciled to the composition of receipts recorded and deposited. In addition, the Board of Directors should ensure accounting records are maintained including a record of all receipts, disbursements, and cash balances, and monthly bank reconciliations are prepared and maintained for the district's bank account.
- 3.2 Ensure complete lists of bills are prepared and the Board's approval is documented and retained. In addition, the Board of Directors should compare the approved list of bills to supporting documentation, canceled checks, and debit card transactions posted to the bank account to ensure disbursements are appropriate and adequately supported.
- 3.3 Issue checks in numerical sequence, ensure the numerical sequence of checks is properly accounted for, and retain voided checks. In addition, the Board of Directors should require dual signatures on all checks.
- 3.4 Adopt formal policies and procedures for debit card use and prohibit cash withdrawals of district funds.
- 3.5 Implement procedures to ensure bills are paid timely.
- 3.6 Prepare and file 1099-MISC forms with the IRS as required.

Auditee's Response

- 3.1 *We will issue prenumbered receipt slips for monies received and perform reconciliations to ensure all monies received are deposited. We are currently maintaining records of all disbursements as well as*



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

the bank account balance and are completing monthly bank reconciliations for the district's bank account.

- 3.2 *The current Assistant Fire Chief prepares a list of all district expenditures and presents this list to Board members at each Board meeting for review and approval. This list is compared to district invoices, as well as bank statements to ensure accuracy and is kept at the district firehouse.*
- 3.3 *We are issuing checks in numerical sequence and any voided check is canceled and retained at the district firehouse. We have discontinued the use of a district debit card and all checks issued by the district should contain the signature of two of the three Board members.*
- 3.4 *We have discontinued the use of a district debit card and we do not allow the use of counter checks.*
- 3.5 *We have implemented procedures to ensure bills are paid timely. If a bill is due before the next Board meeting is held, the Assistant Fire Chief will contact Board members to obtain approval and get a check signed by Board members.*
- 3.6 *We will ensure 1099-MISC forms are prepared and filed with the IRS as required.*

4. Nepotism

In September 2014, Darren Small, the husband of former Board President Jayna Small, was appointed as Fire Chief for the district. The district did not prepare or could not locate Board meeting minutes documenting this appointment. As a result, it is unclear if the former Board President recused herself from participating in all Board discussions and/or voting for this appointment.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office any relative within the fourth degree shall forfeit his office. Because of the serious consequences resulting from appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no district official has benefited improperly.

Recommendation

The Board of Directors ensure Board members abstain from voting when a relative's appointment is involved, and ensure compliance with the Missouri Constitution related to hiring relatives.



Auditee's Response

We will ensure Board members abstain from any discussion and voting when it relates to hiring a relative to ensure we comply with the Missouri Constitution.

5. Procurement Procedures and Agreements

Controls and procedures over the district's bidding and written agreement procedures need improvement.

5.1 Bidding

The district does not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017.

The district entered into an agreement with a local consulting firm in September 2015 for \$25,000, and with the district's Assistant Fire Chief in July 2016 for \$28,000, to complete plan reviews and inspections for commercial building construction occurring within the district without soliciting bids for these services. Because the district entered into the agreement with the Assistant Fire Chief (an appointed official) in 2016 without obtaining bids, this created a likely conflict of interest.

In addition, while not specifically required by state law, the district did not solicit bids for other significant purchases such as comprehensive general and vehicle liability insurance at a cost of \$6,538 in 2014, \$7,734 in 2015, \$8,595 in 2016, and \$4,354 for the first half of 2017.

Section 321.220.4, RSMo, requires the district publish notice for bids on all purchases of \$10,000 or more. In addition, Sections 105.454, RSMo, prohibits financial transactions between the district and elected or appointed officials or employees that involve more than \$500 per transaction or \$5,000 per annum, unless there has been public notice to solicit proposals and competitive bidding, provided the bid or offer accepted is the lowest received.

Competitive bidding helps ensure all parties are given an equal opportunity to participate in the district's business. Documented formal bidding procedures would provide a framework for economical management of district resources and help ensure the district receives fair value by contracting with the lowest or best bidders. Complete documentation should be maintained for all bids received and reasons noted why the bid was selected.

5.2 Written agreements

As noted in section 5.1, the district entered into agreements with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. In addition, the district fully paid both permit inspection agreements prior to services being fully rendered.

- The 2015 written agreement indicated the firm was providing services related to plan reviews and inspections for Project Pillar by Clayco/NorthPark occurring between September 1, 2015, and October 30, 2016. The agreement did not specifically reference the location(s) this agreement was associated with or contain any criteria against which to evaluate the services provided and/or ensure all services had been rendered prior to payment. While the agreement included a payment schedule indicating 50 percent of the compensation was to be paid at the beginning of the project, and the balance paid by April 1, 2016, the district paid the entire \$25,000 on October 14, 2015. As a result, the district paid \$12,500 six months in advance of the agreement's scheduled date and had no assurance services paid for would be subsequently rendered.
- The 2016 proposal submitted did not specify the timeline or projects the proposal would cover, a payment schedule, or specific criteria against which to evaluate services rendered. Additionally, the proposal submitted by the Assistant Fire Chief to the Board and Fire Chief was dated June 30, 2016, and stated the cost for services associated with the proposal would be \$28,000 per year beginning in 2016 for any and all construction within the City of Kinloch.

It is unclear whether the district paid inspection fees to both contractors for services at the same locations because the agreements do not clearly define the scope or specific services to be provided, timeframes associated with the agreements appear to overlap, and the district did not require either contractor to submit documentation of services provided. In addition, the district did not retain or could not locate signed copies of these inspection agreements.

Written agreements provide the framework to detail services to be provided and the amount of monies to be paid. Clear and detailed written agreements are necessary to ensure all parties are aware of their duties and responsibilities, no duplication of related services are performed, to prevent misunderstandings, and ensure district monies are used appropriately and effectively. Section 432.070, RSMo, requires agreements for political subdivisions to be in writing and signed. In addition, prepaying for goods and services violates the Missouri Constitution. Article VI, Section 23 of the Missouri Constitution specifically prohibits political subdivisions of the state from lending credit or granting public money to any corporation, association, or individual. Also, it is not prudent for the district to prepay for goods or services. Advance payments increase the risk of agreement disputes and non-performance.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

5.3 Loan

The district improperly paid for trash services for the City of Kinloch and the city still owes the district \$331 for payments made on the city's behalf for these services. In February 2014, the district secured and began paying for trash services for 2 housing complexes owned by the city where the Smalls resided and entered into an unwritten agreement with the city for the district to be reimbursed for these costs. Trash services for these 2 locations were billed to accounts established in the district's name. The district canceled trash services at both locations on April 12, 2017. However, our review of expenses incurred for these accounts determined the district had incurred and paid \$4,291 for these services, but as of June 12, 2017, the city had only reimbursed the district \$3,960. The city still owes the district \$331.

District funds are restricted and earmarked for a specific purpose, the operation of the fire protection district. Therefore, the use of these funds for non-fire protection district operations is inappropriate. Also, Chapter 321, RSMo, does not include any provisions that authorize such a loan.

Recommendations

The Board of Directors:

- 5.1 Establish formal bidding policies and procedures, including documentation requirements regarding bid specifications, the bids or quotes received, and justification for bids selected. In addition, the Board of Directors should refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented.
- 5.2 Enter into signed, written agreements defining the scope of services to be provided, benefits to be received, and the manner and amount of compensation to be paid. In addition, the Board of Directors should refrain from making payments for services not substantially rendered.
- 5.3 Prohibit lending of district funds, and pursue reimbursement from the city for unreimbursed payments.

Auditee's Response

- 5.1 *We have established an informal bidding policy in which we require bids from 3 different vendors and typically select the lowest bid. However, we will work to adopt these policies in a more formal and documented manner. Additionally, we will ensure Board members refrain from entering into business transactions with related parties unless the transaction is bid in accordance with state law.*
- 5.2 *We will ensure the district enters into written agreements moving forward. We will work to ensure written agreements include sufficient detail and will refrain from making payments for services not substantially rendered.*



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

5.3 *We will not make loans to other entities. In addition, we will pursue reimbursement from the city for the balance due.*

6. Budgets and Financial Reporting

Annual budgets are not prepared for district funds and significant improvement is needed in financial reporting practices.

6.1 Budgets

The district did not prepare annual budgets for district funds as required by state law for fiscal years 2014, 2015, 2016, and 2017.

Section 67.010, RSMo, requires the preparation of an annual budget that shall represent a complete financial plan for the ensuing budget year, and also sets specific requirements for information to be included in the budget. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a means to manage district resources, assists in setting tax levies, and informs the public about district operations and current finances.

6.2 Financial reporting

The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016. Financial reports submitted to the SAO for the years ended December 31, 2014, and December 31, 2015, were not accurate. The district often incorrectly reported some disbursements as receipts on those reports. In addition, the district has not filed financial statements with the St. Louis County Clerk's office as required by state law since 1977.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

Section 321.180, RSMo, requires fire protection districts to submit a financial statement for the preceding fiscal year to the county clerk by April 1st of each year.

6.3 Audits

The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

December 31, 2016. The district's revenues in these respective years totaled approximately \$157,973 and \$81,369.

Section 321.690, RSMo, requires certain fire protection districts in St. Louis County to obtain an independent audit performed biennially and to forward the audit report to the SAO within 6 months of fiscal year end.

Recommendations

The Board of Directors:

- 6.1 Prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.
- 6.2 File accurate financial reports with the SAO and the St. Louis County Clerk's office annually as required by state law.
- 6.3 Ensure audits of financial statements are completed and filed with the SAO as required by state law.

Auditee's Response

- 6.1 *We will prepare annual budgets for the district and ensure they are formally approved.*
- 6.2 *We will ensure accurate financial reports are submitted to the SAO and the St. Louis County Clerk's office annually as required by state law.*
- 6.3 *We will ensure the district receives a financial audit as required by state law and file this audit with the SAO as required.*

7. Capital Assets and Fuel and Vehicle Usage

Controls and procedures over the district's property and fuel and vehicle usage need improvement. Additionally, a vehicle donated to the district was not titled or registered with the Missouri Department of Revenue (DOR) in the district's name.

7.1 Capital assets

The district does not maintain records of capital assets, including a fire truck, district vehicle, equipment, and other district property. Additionally, district personnel do not tag assets for specific identification or perform physical inventories on a periodic basis.

Adequate capital asset records and procedures are necessary to provide controls over district property; safeguard district assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

7.2 Fuel and vehicle usage

The district has not established effective monitoring procedures over fuel and vehicle usage. Between January 1, 2014, and March 20, 2017, the district purchased approximately \$9,800 in fuel at local gas stations for its fire truck, district vehicle, and small engine equipment. The district maintains a fuel log for the fire truck, but fuel purchases are not consistently documented in this log. The district does not maintain a fuel log for the district's vehicle, which was driven exclusively by the former Fire Chief during the audit period. In addition, vehicle usage logs are not documented for either vehicle.

Between November 2015 and March 2017, the district spent \$6,342 on fuel purchases (223 transactions), however, only \$883 of this amount (20 transactions) was documented on the fuel log maintained for the fire truck for this period. The district could not provide any documentation to support how the remaining 203 fuel transactions totaling \$5,459 benefited the district.

Maintaining and reviewing vehicle fuel and usage logs and comparing these usage logs to fuel purchases is necessary to ensure vehicles and equipment are properly utilized and decrease the risk of theft or misuse of fuel occurring without detection. Usage logs should provide sufficient details to allow the district to effectively monitor vehicle use and fuel costs.

7.3 Commuting miles

The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS. As noted in section 7.2, a vehicle usage log indicating business and personal use of the vehicle was not maintained.

IRS reporting guidelines indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require submission of detailed logs that distinguish between business and personal use. Additionally, the district may be subject to penalties and/or fines for failure to report all taxable benefits.

7.4 Vehicle title and registration

The district failed to title and register a vehicle (the vehicle discussed in section 7.3) donated to the district with the DOR. On December 4, 2014, another fire protection district donated a vehicle to the district. However, as of April 2017, the district had not titled the vehicle in the district's name or registered the vehicle with the DOR. It was still registered as owned by the district that made the donation.

Section 301.190, RSMo, requires a vehicle to be titled within 30 days after it is acquired. Section 301.020, RSMo, requires vehicle owners to register vehicles with the DOR.



Recommendations

The Board of Directors:

- 7.1 Ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board of Directors should also ensure assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.
- 7.2 Establish adequate records and procedures to effectively monitor vehicle and fuel use.
- 7.3 Comply with IRS guidelines for reporting fringe benefits related to personal miles and require logs that distinguish between business and personal use.
- 7.4 Ensure district vehicles are properly titled and registered with the DOR as required by law.

Auditee's Response

- 7.1 *We have already began preparing a detailed list of the district's capital assets. We will ensure annual physical inventories are performed and compared to detailed records.*
- 7.2 *We have already implemented procedures to monitor vehicle mileage when district vehicles are fueled. In addition, we will establish procedures to document vehicle usage.*
- 7.3 *We will review IRS guidelines for reporting fringe benefits related to the personal use of a district vehicle and ensure we are in compliance with these guidelines.*
- 7.4 *We will ensure this vehicle is titled and registered with the DOR as required by law.*

8. Sunshine Law, Compliance, and Bylaws

The district did not always ensure compliance with the Sunshine Law, and did not obtain surety bonds for Board members. Written guidelines for the administration of the district should be developed and maintained.

8.1 Meeting minutes and notices

The district did not prepare or could not locate meeting notices, tentative agendas, or minutes for any Board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. In addition, there is no evidence that the district's tax rates were formally approved by the Board.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Section 321.200.1, RSMo, requires notice of the time and place of future meetings be posted continuously at the district firehouse. In addition, Section 610.020, RSMo, requires public entities to give notice of the time, date, and place of each meeting and its tentative agenda, to advise the public of matters to be considered. The notice shall be given at least 24 hours prior to the meeting. Section 610.020, RSMo, also requires that minutes of meetings (open or closed) be taken and retained by the public governmental body. Meeting minutes serve as an official record of district actions and decisions. In addition, Section 67.110, RSMo, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rate.

8.2 Public access policy

The district has not adopted a written policy regarding public access to district records as required by state law. A written policy regarding public access to district records would establish guidelines for the district to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 321.200.1, RSMo, requires all board meeting minutes and other records be available for public inspection at the district firehouse. Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

8.3 Surety bonds

The district has not obtained corporate surety bonds for Board members, or filed these bonds with the St. Louis County Circuit Clerk. Section 321.160, RSMo, requires board members file corporate surety bonds, conditioned for the faithful performance of their duties as directors, in an amount not to exceed \$1,000 with the circuit clerk having jurisdiction.

8.4 Bylaws

The district does not have up-to-date and comprehensive bylaws. Upon our request, district officials could not locate or provide established bylaws. In addition, the Board did not maintain ordinances and resolutions in an organized manner and signed copies of ordinances and resolutions documenting Board approval were not always retained.

Section 321.220.12, RSMo, provides that fire protection districts have the authority to adopt and amend bylaws necessary for "...carrying on the business, objects and affairs of the board and of the district..." Additionally, good business practice dictates the district adopt bylaws to govern board elections, meetings, and rules for transacting district operations and financial matters and to ensure compliance with the bylaws. Bylaws can be used as a management tool for establishing district policies and procedures. Because



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

ordinances passed by the Board to govern the district and its residents have the force and effect of law, it is important ordinances be complete, organized, and updated on a periodic basis.

Recommendations

The Board of Directors:

- 8.1 Maintain complete and accurate minutes for all meetings and ensure proper notification and agendas for public meetings are given. In addition, a public hearing should be held annually to determine and set the property tax levy.
- 8.2 Develop written policies regarding procedures to obtain access to, or copies of, public records.
- 8.3 Obtain and file corporate surety bonds with the Circuit Clerk as required by law.
- 8.4 Ensure up-to-date bylaws are documented and are readily available to employees and the public. In addition, maintain a complete updated set of district ordinances and resolutions in an organized manner and ensure a signed copy of all district ordinances and resolutions are retained.

Auditee's Response

- 8.1 *We will ensure meeting minutes are maintained for all Board meetings. Additionally, we will ensure proper notification is given for all public meetings and will ensure a public hearing is held annually to determine and set the property tax levy.*
- 8.2 *We will work on developing a written policy regarding procedures to obtain access to public records.*
- 8.3 *We will contact the district insurance company to determine how to obtain corporate surety bonds and file these with the Circuit Clerk as required by law.*
- 8.4 *We are working to update district bylaws and ensure they are available to all district employees and the public. In addition, we will maintain a complete set of ordinances and resolutions passed by the Board going forward.*

Kinloch Fire Protection District

Organization and Statistical Information

The Kinloch Fire Protection District was incorporated in 1944 and is organized pursuant to Chapter 321, RSMo. The district covers the City of Kinloch (approximately one square mile) and also assists neighboring fire departments, as needed. The district has one fire station.

The elected Board acts as the policy-making body for district operations. The 3 Board members serve 6-year terms. Maximum salaries for Board members are established by state law. The district authorized members of the Board to be paid \$50 for each meeting attended. Current and former Board members and other key personnel serving the district are as follows:

Board of Directors, Current

Name	Date of Election	Term Expires
Deirdre Pickens, President	April 3, 2018	April 2023
Rosetta Falls	April 3, 2018	April 2021
Edna Reese	April 3, 2018	April 2019

Board of Directors, Former

Name	Dates of Service
Roy Oldham (1)	Multiple terms; see explanation at (1)
Walter Macon (2)	March 28, 2017 - April 2, 2018
Isaac Hamilton (3)	March 28, 2017 - May 5, 2017
Nicole Small (4)	April 6, 2016 - March 29, 2017
Jayna Small (5)	April 22, 2013 - March 20, 2017
DeAndre Montgomery (6)	April 6, 2016 - before March 28, 2017
Clara Jones (7)	April 22, 2013 - before January 1, 2016

- (1) Initially elected in April 2013, and resigned prior to January 2016. While his specific date of resignation is unknown, it appears he resigned prior to January 2016, as Nicole Small and DeAndre Montgomery both filed declarations for candidacy to fill 2 separate unexpired terms in January 2016 (with Jayna Small already serving as the third member at that time). It is not clear when Roy Oldham was subsequently reappointed to the Board, however, Roy Oldham co-signed district checks dated March 1, 2017, and presented himself as the Board Secretary at the March 28, 2017 Board meeting. On August 4, 2017, the St. Louis County Circuit Court appointed Roy Oldham to fill the unexpired term ending April 2019.
- (2) Appointed on March 28, 2017, by remaining Board members (Roy Oldham and Nicole Small) to fill Nicole Small's unexpired term. On August 4, 2017, the St. Louis County Circuit Court appointed Walter Macon to fill the unexpired term ending April 2023.
- (3) Appointed on March 28, 2017, by remaining Board members (Roy Oldham and Nicole Small) to fill Jayna Small's unexpired term. Isaac Hamilton voluntarily resigned on May 5, 2017, and this seat remained vacant until August 4, 2017, when the St. Louis County Circuit Court appointed Deirdre Pickens to fill the unexpired term ending April 2021.
- (4) On January 7, 2016, Nicole Small filed a Declaration for Candidacy to fill the unexpired term ending April 2019. Nicole Small was unopposed and assumed this seat on April 6, 2016. Nicole Small resigned from the Board effective March 29, 2017.
- (5) Resigned on March 20, 2017, following criminal charges filed on March 17, 2017.
- (6) On January 4, 2016, DeAndre Montgomery filed a Declaration for Candidacy to fill the unexpired term ending April 2021. DeAndre Montgomery was unopposed and assumed this seat on April 6, 2016. Following DeAndre Montgomery's appointment, he moved from the district and resigned his seat (date unknown).
- (7) Initially elected in April 2013, and resigned prior to January 2016. While her specific resignation date is unknown, it appears she resigned prior to January 2016, as Nicole Small and DeAndre Montgomery both filed declarations for candidacy to fill 2 separate unexpired terms in January 2016 (with Jayna Small already serving as the third member at that time).



Kinloch Fire Protection District
Organization and Statistical Information

Fire Chief

Name	Date of Appointment
Current:	
Willie Pryor	August 4, 2017
Name	Dates of Service
Former:	
Darren Small (1)	September 2014 - March 20, 2017
Christopher McAndrews	January 2014 - September 2014

(1) Resigned on March 20, 2017, following criminal charges filed on March 17, 2017.

The Fire Chief, Assistant Fire Chief, and all district firefighters serve the district on a volunteer basis. At March 20, 2017, the district had approximately 20 volunteer firefighters.

Financial Activity and
Supporting Documentation

Appendix A is a summary of the district's financial activity for the 3 years ended December 31, 2016, and the period of January 1, 2017, through March 31, 2017. This information was prepared using monthly bank statements. Appendixes B, C, and D provide a detailed listing of improper disbursements and cash withdrawals, a summary of improper disbursements by vendor, and a summary of cash withdrawals.

Appendix A

Kinloch Fire Protection District
 Comparative Statement of Receipts, Disbursements and Changes in Cash Balances

	Quarter Ended			
	March 31, 2017	Year Ended December 31,		
		2016	2015	2014
RECEIPTS (1)	\$ 58,384	81,369	157,973	31,405
DISBURSEMENTS	23,610	130,399	75,416	33,449
RECEIPTS OVER (UNDER) DISBURSEMENTS	34,774	(49,030)	82,557	(2,044)
CASH, BEGINNING	34,155	83,185	628	2,672
CASH, ENDING	\$ 68,929	34,155	83,185	628

(1) In August 2015, the district began requiring a review of building plans and fire and life safety inspections for all commercial construction projects located within the fire protection district. The district collected fees totaling approximately \$134,100 in 2015, \$51,100 in 2016, and \$4,500 during the first quarter 2017 for these services.

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Each row is a separate transaction and only includes the amount of the transaction classified as improper and/or a cash withdrawal.

- # Debit card transaction
- * Banking fees totaling \$970.19 were incurred in association with these cash withdrawals.
- ^ The actual purpose of this disbursement varied from the documented purpose. The check indicated the payment was for a utility vehicle, however, these funds were used to pay for a relative's funeral expenses.

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
1/14/2014	#	AT&T	Unknown AT&T non-business account	\$ 34.81	-
1/23/2014	1017	Jayna Small	Cash payment for installation of hot water tank	70.00	-
1/24/2014	#	Popeyes	Food	6.50	-
2/11/2014	#	Church's Chicken	Food	9.78	-
2/11/2014	#	Little Caesars	Food	10.86	-
2/12/2014	#	AT&T	AT&T telephone bill for Smalls' residence	36.39	-
2/13/2014	1024	Jayna Small	Petty cash	100.00	-
2/13/2014	#	McDonald's	Food	10.81	-
2/13/2014	#	Payless Shoes	Unknown	12.86	-
2/21/2014	#	London's Wing House	Food	18.98	-
2/21/2014	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	18.00	-
2/21/2014	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	18.00	-
3/13/2014	#	AT&T	AT&T telephone bill for Smalls' residence	57.64	-
3/13/2014	#	McDonald's	Food	15.00	-
3/28/2014	#	Ameren	Electric bill for non-KFPD account	164.75	-
3/28/2014	#	Hometown Buffet	Food	48.76	-
4/1/2014	#	Hometown Buffet	Food	51.28	-
4/3/2014	#	Home Depot	Laundry detergent	22.25	-
4/8/2014	#	Top Beauty Supply	Unknown	22.16	-
4/10/2014	#	Clearwire	Wireless internet services	54.99	-
4/17/2014	#	Steak 'n Shake	Food	5.87	-
4/18/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.81	-
4/29/2014	1037	Jayna Small	Cash payment for lawn care	40.00	-

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
5/12/2014	#	AT&T	AT&T telephone bill for Smalls' residence	46.74	-
6/11/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.82	-
6/13/2014	#	Hometown Buffet	Food	52.24	-
6/16/2014	#	Shoe Carnival	Unknown	136.42	-
6/16/2014	#	Walmart	Men's clothing, women's clothing, baby blanket, curtain rod	53.98	-
6/23/2014	1039	Jayna Small	Cash for lawn care June & July	100.00	-
6/30/2014	1040	Jayna Small	Petty cash	100.00	-
7/7/2014	1047	Jayna Small	(blank)	40.00	-
7/8/2014	#	Clearwire	Wireless internet services	54.99	-
7/10/2014	1048	Jayna Small	Cash for lawn care July & August	100.00	-
7/11/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.82	-
7/11/2014	#	Burger King	Food	16.05	-
7/17/2014	1049	Jayna Small	Cash for safe and badge sales	150.00	-
7/30/2014	1052	Jayna Small	Reimbursement for washer & dryer installation	100.00	-
8/8/2014	#	Clearwire	Wireless internet services	54.99	-
8/22/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.77	-
9/8/2014	#	Clearwire	Wireless internet services	54.99	-
10/10/2014	#	McDonald's	Food	17.21	-
10/14/2014	#	Walmart	Food	3.24	-
11/12/2014	#	Walmart	Space heater	19.74	-
11/17/2014	#	Walmart	Cigarettes	5.91	20.00
11/24/2014	#	Walmart	Laundry detergent, cosmetics	22.61	40.00
11/25/2014	#	Walmart	Food, cigarettes, baby needs, cosmetics	58.59	20.00
12/1/2014	#	Walmart	Food, cigarettes	7.46	20.00
12/8/2014	#	Walmart	Women's clothing, baby needs	30.51	-
1/8/2015	#	Sam's Club	Food	2.70	60.00
1/12/2015	#	Department of Corrections	Unknown	77.21	-
1/26/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.00
2/2/2015	#	Walmart	Food, baby needs, razor blades	27.28	20.00
2/9/2015	#	McDonald's	Food	2.17	-
2/9/2015	#	Sam's Club	Food	2.15	20.00

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/9/2015	#	Walmart	Food	1.54	-
2/10/2015	#	Walmart	Cigarettes	6.01	20.00
3/23/2015	#	Walmart	Food	4.67	-
6/9/2015	#	Walmart	Food, cigarettes	6.75	40.00
6/18/2015	48	Cash	Cash withdrawal	-	604.80
6/24/2015	#	Walmart	Food, cigarettes	17.33	40.00
6/26/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.45
6/29/2015	#	Walmart	Men's clothing, lotion, grunge flag	27.27	40.00
7/7/2015	#	Sam's Club	Food	2.70	20.00
7/7/2015	#	Walmart	Baby clothing	16.51	20.00
7/13/2015	#	Walmart	Feminine products	4.08	-
7/13/2015	#	Walmart	Cigarettes	6.10	40.00
7/20/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.50
7/27/2015	#	Walmart	Cigarettes	1.65	40.00
8/10/2015	#	Walmart	Food	0.74	20.00
8/10/2015	#	Walmart	Cigarettes	7.75	-
8/11/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
8/11/2015	#	Hibachi Grill	Food	13.13	-
8/11/2015	#	Sam's Club	Food	2.81	40.00
8/13/2015	#	Walmart	Clothing	8.81	-
8/14/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.83	-
8/14/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.83	-
8/20/2015	#	Walmart	Food	13.22	20.00
9/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
9/14/2015	#	Walmart	Food, clothing	21.62	-
9/15/2015	#	Walmart	Food	2.12	-
9/16/2015	#	Walmart	Cigarettes	1.65	20.00
9/16/2015	#	Walmart	Cigarettes	3.30	-
9/18/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.45
9/18/2015	#	Lee's Famous Recipe Chicken	Food	13.34	-

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
9/21/2015	#	AT&T	Unknown AT&T non-business account	127.41	-
9/21/2015	#	Walmart	Clothing, shoe polish	35.07	-
9/22/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.45
9/25/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.00
9/25/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
9/25/2015	#	Walmart	Food, clothing, baby needs, interior paint, 4 inch three-way car speaker, cosmetics, piggy bank, lotion	169.16	60.00
9/28/2015	#	Walmart	Food	2.23	100.00
9/28/2015	#	Walmart	Food, cigarettes, women's clothing, child's clothing, baby needs, feminine products, video game, dishwashing gloves, paint trays	59.38	60.00
9/30/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
9/30/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
10/13/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
10/13/2015	#	Sam's Club	Food	3.23	80.00
10/14/2015	98	Jayna Small	Cash withdrawal	-	7.00
10/15/2015	#	Walmart	Food	0.66	60.00
10/15/2015	#	Walmart	Food	0.66	100.00
10/19/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.25
10/19/2015	#	Home Depot	Grill brush	3.98	-
10/19/2015	#	Walmart	Food, feminine products, lip balm, bows	31.79	-
10/19/2015	#	WPY*Tony Wade	Funeral donation	100.00	-
10/20/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.00	-
10/20/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.00	-
10/22/2015	#	AT&T	Unknown AT&T non-business account	90.84	-
10/26/2015	#	Walmart	Food, baby needs, NFL-branded clothing	81.34	100.00
10/28/2015	#	Walmart	Umbrella	10.86	60.00
11/2/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
11/2/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
11/3/2015	#	Walmart	Cosmetics	2.94	60.00
11/9/2015	#	Walmart	Food, men's clothing, women's clothing, indoor antenna	103.85	100.00
11/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
11/12/2015	#	Sam's Club	Food	8.77	60.00
11/13/2015	#	Walmart	Food, cosmetics, lotion, double-six dominoes, card deck	13.01	100.00
11/16/2015	#	AT&T	Unknown AT&T non-business account	93.63	-
11/18/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
11/23/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
11/23/2015	#	Walmart	Men's clothing, child's clothing, baby needs, deodorant	224.12	100.00
11/25/2015	#	ATM Withdrawal	Cash withdrawal	-	500.00
11/30/2015	#	Walmart	Cigarettes, tricycle, plastic plates, party cups	33.93	-
11/30/2015	#	Walmart	Food, baby clothing, weight loss supplement, cosmetics	53.44	80.00
12/1/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.25
12/2/2015	#	Walmart	Rudolph-themed Forever Stamps	19.60	-
12/4/2015	#	Sam's Club	Food	1.40	100.00
12/7/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	284.25
12/7/2015	#	Schnucks	Food, alcohol	15.21	-
12/7/2015	#	Spirits Plus	Alcohol	34.41	-
12/8/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	165.45
12/9/2015	#	AT&T	Unknown AT&T non-business account	87.52	-
12/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	54.25
12/14/2015	#	Walmart	Cash withdrawal	-	40.00
12/14/2015	#	Walmart	Food, cold flu and sore throat liquid gels	11.67	100.00
12/21/2015	#	Walmart	Food	5.61	100.00
12/21/2015	#	Walmart	Food, radiator heater, paint protection sheeting	60.70	100.00
12/22/2015	#	Schnucks	Food	6.38	-
12/23/2015	#	Walmart	Food, baby needs	63.86	40.00
12/28/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
12/28/2015	#	GameStop	Video game and consumer electronics	46.43	-
12/28/2015	#	Spirits Plus	Alcohol	10.70	-
12/30/2015	#	Walmart	Video game, beverage mug	54.31	100.00
1/4/2016	#	Walmart	Food, feminine products, allergy relief	36.96	100.00
1/4/2016	#	Walmart	Cigarettes, men's clothing, women's clothing	80.96	-
1/8/2016	#	McDonald's	Food	19.42	-

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
1/8/2016	#	Rib Shack	Food	12.99	-
1/11/2016	#	Church's Chicken	Food	20.48	-
1/11/2016	#	Ferguson Chop Suey	Food	9.50	-
1/11/2016	#	Schnucks	Food	14.10	50.00
1/11/2016	#	Walmart	Food	4.90	100.00
1/11/2016	#	Walmart	Food	15.45	60.00
1/11/2016	#	Walmart	Space heater	46.12	80.00
1/11/2016	#	Walmart	Food, cosmetics, feminine products, deodorant, pet friendly ice melt	82.89	-
1/12/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
1/14/2016	#	McDonald's	Food	5.78	-
1/15/2016	#	Walmart	Food	5.74	100.00
1/19/2016	#	Schnucks	Food, cigarettes	10.95	-
1/19/2016	#	Walmart	Clothing, child's clothing	89.08	80.00
1/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
1/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
1/25/2016	#	Walmart	Food, cigarettes	18.88	100.00
1/26/2016	#	Walmart	Clothing, video game equipment	51.85	100.00
1/27/2016	#	McDonald's	Food	8.17	-
1/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
1/29/2016	#	Hometown Buffet	Food	69.66	-
1/29/2016	#	Walmart	Food	5.22	100.00
1/29/2016	#	Walmart	Video game	62.21	100.00
2/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
2/1/2016	#	Sam's Club	Food	5.51	100.00
2/2/2016	#	McDonald's	Food	21.48	-
2/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	144.25
2/5/2016	#	AT&T	Unknown AT&T non-business account	82.15	-
2/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	104.25
2/8/2016	#	Petro Mart	Food	0.37	-
2/8/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	352.21	100.00
2/9/2016	#	Walmart	Food, party cups	14.85	60.00

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/10/2016	#	Walmart	Food, cigarettes, alcoholic drink mixes, baby needs, cosmetics, mouthwash, razors	76.29	40.00
2/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
2/22/2016	#	GameStop	Video game and consumer electronics	35.98	-
2/22/2016	#	Walmart	Food	1.54	40.00
2/22/2016	#	Walmart	Cigarettes, feminine products, ibuprofen	18.27	100.00
2/22/2016	#	Walmart	Food, video game, toy car, remote control trucks, children's shower wash, bath bars	69.04	100.00
2/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	144.25
2/29/2016	#	Sam's Club	Food	5.60	100.00
2/29/2016	#	Schnucks	Food	4.16	100.00
2/29/2016	#	Schnucks	Food	6.03	100.00
3/1/2016	#	Walmart	Food	1.39	60.00
3/4/2016	#	Walmart	Food	8.75	100.00
3/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
3/7/2016	#	McDonald's	Food	11.36	-
3/7/2016	#	McDonald's	Food	13.48	-
3/7/2016	#	Walmart	Cash withdrawal	-	60.00
3/8/2016	#	Schnucks	Food	2.61	100.00
3/9/2016	#	Chinese Express	Food	15.22	-
3/9/2016	#	Schnucks	Food	11.06	100.00
3/9/2016	#	Subway	Food	28.78	-
3/10/2016	#	Schnucks	Food	3.13	100.00
3/11/2016	#	Schnucks	Food	3.95	100.00
3/14/2016	#	Schnucks	Food	1.04	100.00
3/14/2016	#	Schnucks	Food	1.55	100.00
3/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
3/15/2016	#	McDonald's	Food	13.48	-
3/15/2016	#	Schnucks	Food	3.94	100.00
3/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
3/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.45

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
3/21/2016	#	GameStop	Video game and consumer electronics	21.71	-
3/21/2016	#	Krispy Kreme	Food	4.74	-
3/21/2016	#	Schnucks	Food	2.08	100.00
3/21/2016	#	Schnucks	Food	5.21	100.00
3/21/2016	#	Walmart	Food, cigarettes, umbrella	16.33	80.00
3/22/2016	#	Schnucks	Ameren Electric bill for Smalls' residence	163.29	100.00
3/23/2016	#	Walmart	Food, baby needs, cosmetics, laundry detergent, flowers, flushable wipes	97.92	100.00
3/24/2016	#	Burger King	Food	17.87	-
3/24/2016	#	Schnucks	Food	11.01	100.00
3/28/2016	#	McDonald's	Food	30.06	-
3/28/2016	#	Schnucks	Food	0.52	100.00
3/28/2016	#	Schnucks	Food	4.04	100.00
3/28/2016	#	Subway	Food	32.04	-
3/31/2016	1083	Jayna Small	Cash payment for utility vehicle ^	-	7,200.00
4/1/2016	#	Schnucks	Food, cigarettes	7.77	100.00
4/4/2016	#	Lee's Famous Recipe Chicken	Food	20.35	-
4/4/2016	#	Schnucks	Food	3.13	100.00
4/4/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	232.88	100.00
4/11/2016	#	Schnucks	Food	12.15	100.00
4/11/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	314.98	100.00
4/12/2016	#	McDonald's	Food	8.59	-
4/13/2016	#	Walmart	Baby needs, bird house, bird seed, landscape lighting	34.12	60.00
4/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.70
4/14/2016	#	Schnucks	Food	6.59	100.00
4/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
4/18/2016	#	Schnucks	Charcoal	7.52	100.00
4/19/2016	#	Schnucks	Food	5.72	50.00
4/19/2016	#	Wendy's	Food	9.77	-
4/20/2016	#	Schnucks	Food	10.78	100.00
4/22/2016	#	Sam's Club	Cash withdrawal	-	100.00

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
4/22/2016	#	Walmart	Cash withdrawal	-	100.00
4/25/2016	#	McDonald's	Food	15.21	-
4/25/2016	#	Sam's Club	Food	13.09	100.00
4/25/2016	#	Schnucks	Ameren Electric bill for Smalls' residence	157.76	100.00
4/27/2016	#	Chinese Express	Food	28.80	-
4/27/2016	#	Schnucks	Cash withdrawal	-	100.00
5/2/2016	#	Church's Chicken	Food	29.77	-
5/3/2016	#	Subway	Food	42.36	-
5/4/2016	#	McDonald's	Food	7.19	-
5/4/2016	#	Schnucks	Food	11.25	100.00
5/4/2016	#	White Castle	Food	23.33	-
5/6/2016	#	Art's Lawn Mower	Replacement belt for ZTR mower	69.42	-
5/9/2016	#	Schnucks	Food	6.10	100.00
5/9/2016	#	Schnucks	Food, charcoal	8.43	100.00
5/9/2016	#	Schnucks	Food	60.98	100.00
5/11/2016	#	Schnucks	Food	22.09	100.00
5/11/2016	#	Southern Floral	Funeral sympathy flowers	75.00	-
5/16/2016	#	Schnucks	Food	2.49	100.00
5/16/2016	#	Schnucks	Food	7.81	100.00
5/17/2016	#	Schnucks	Food	3.64	100.00
5/18/2016	#	Schnucks	Food	7.30	100.00
5/19/2016	#	Sam's Club	Cash withdrawal	-	100.00
5/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/23/2016	#	McDonald's	Food	13.41	-
5/23/2016	#	Schnucks	Cigarettes	6.22	100.00
5/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
5/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	705.75
5/25/2016	#	Subway	Food	42.36	-
5/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
6/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/1/2016	#	Walmart	Baby needs, child's clothing, lotion, sippy cup, swimmer's instant ear dry	51.13	100.00
6/3/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/6/2016	#	Little Caesars	Food	16.29	-
6/6/2016	#	Walmart	Food	3.37	100.00
6/6/2016	#	Walmart	Cell phone, minutes	109.69	40.00
6/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
6/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
6/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/13/2016	#	Home Depot	Vinyl floor tile and adhesive	987.14	-
6/13/2016	#	Popeyes	Food	32.46	-
6/13/2016	#	Walmart	Baby needs	5.18	60.00
6/13/2016	#	Walmart	Clothing, men's dress watch and bracelet, feminine products, lotion, sport body spray, TUMS	233.25	100.00
6/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/14/2016	#	Walmart	Food	6.08	100.00
6/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/20/2016	#	AT&T	Unknown AT&T non-business account	94.73	-
6/20/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
6/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/23/2016	#	Walmart	Food, cigarettes, women's clothing, baby clothing, baby needs, fan, music earbuds, bug repellent	222.25	100.00
6/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
7/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
7/5/2016	#	Walmart	Food, cigarettes, clothing, child's clothing, cosmetics, bug repellent, soap, towels, blanket	116.30	100.00
7/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
7/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
7/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/11/2016	#	Walmart	Food, cell phone minutes	53.07	80.00
7/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	79.50
7/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
7/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
7/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/21/2016	#	McDonald's	Food	22.53	-
7/21/2016	#	Walmart	Laundry detergent	4.34	40.00
7/21/2016	#	Walmart	Food, baby needs, laundry detergent, allergy relief, nasal decongestant	89.36	100.00
7/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
7/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
7/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
7/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
7/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
7/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/1/2016	#	AT&T	Unknown AT&T non-business account	191.25	-
8/1/2016	#	Sam's Club	Food	1.40	100.00
8/1/2016	#	Walmart	Food, birthday candles	20.93	100.00
8/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/2/2016	#	Walmart	Lotion, school supplies	34.93	-
8/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.70
8/5/2016	1086	Darren Small	Unknown	2,000.00	-
8/5/2016	1085	Tony Merkel	Unknown	3,000.00	-
8/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.75

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
8/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
8/15/2016	#	Sam's Club	Food	23.19	-
8/15/2016	#	Walmart	Baby needs, men's clothing, feminine products, body oil, toilet paper, room fragrance, ibuprofen, leather wipes	71.70	100.00
8/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
8/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/17/2016	#	Sam's Club	Food, towel	43.02	100.00
8/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/25/2016	#	Hanley ZX	Food	1.08	-
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
8/30/2016	#	Sam's Club	Food	9.76	100.00
8/30/2016	#	Walmart	Cell phone, minutes, screen accessory, music earbuds	172.75	100.00
8/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
9/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
9/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
9/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
9/9/2016	#	ATM Withdrawal	Cash withdrawal	-	300.00
9/12/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/12/2016	#	Lee's Famous Recipe Chicken	Food	33.52	-
9/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
9/15/2016	#	AT&T	Unknown AT&T non-business account	92.58	-

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
9/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
9/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
9/19/2016	#	Walmart	Clothing, women's clothing	19.78	100.00
9/20/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
9/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	185.70
9/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
9/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
9/23/2016	#	Sam's Club	Food	1.08	40.00
9/23/2016	#	Sam's Club	Food	4.20	100.00
9/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/26/2016	#	Sam's Club	Food, 1/18th scale die cast car	75.06	-
9/26/2016	#	Walmart	Food, sinus relief, cold and flu relief, glitter	79.14	-
9/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
9/29/2016	#	Walmart	Food, women's clothing, cosmetics, allergy relief, body spray	103.74	80.00
10/3/2016	#	Walmart	Clothing, women's clothing, child's clothing, cell phone minutes	86.81	40.00
10/4/2016	#	Walmart	Food	5.43	-
10/4/2016	#	Walmart	Décor pillow, scented candle	7.50	40.00
10/6/2016	#	Walmart	Cash withdrawal	-	80.00
10/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/14/2016	#	AT&T	Unknown AT&T non-business account	99.12	-
10/17/2016	#	Walmart	Food	15.40	60.00
10/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
10/20/2016	#	Walmart	Food, cigarettes, blanket, body pillow, scented candles	36.19	100.00
10/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.50
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
10/24/2016	#	Spirits Plus	Alcohol	32.59	-
10/27/2016	#	Schnucks	Feminine products, breastfeeding product	39.62	100.00

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
10/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/28/2016	#	Walmart	Food, women's shoe insoles	7.09	100.00
10/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
10/31/2016	#	Walmart	Food, Halloween bag and accessories	68.47	100.00
11/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/3/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.75
11/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
11/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
11/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	AT&T	Unknown AT&T non-business account	98.97	-
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.70
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	Walmart	Money order	89.10	100.00
11/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/18/2016	1090	Jayna Small	Secret Santa shopping	700.00	-
11/20/2016	1123	Darren Small	Unknown	1,000.00	-
11/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	165.70
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/28/2016	#	Walmart	Feminine products, mini massager, body wash	26.11	-

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
11/28/2016	#	Walmart	Children's clothing, cell phone, minutes and case, children's books and reader, music earbuds, laundry detergent	304.21	100.00
11/30/2016	#	Walmart	Food, cigarettes	2.62	-
11/30/2016	#	Walmart	Lullaby bear crib projector, baby ring and hand rattles	22.58	20.00
11/30/2016	#	Walmart	Men's clothing, letter stencils, crayons	34.68	-
12/1/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
12/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/1/2016	#	London's Wing House	Food	1.09	-
12/1/2016	#	London's Wing House	Food	21.58	-
12/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
12/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
12/5/2016	#	Lee's Famous Recipe Chicken	Food	16.93	-
12/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
12/7/2016	#	Walmart	Cat litter	14.20	-
12/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
12/12/2016	#	Walmart	Food	5.42	60.00
12/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/13/2016	#	Walmart	Food, cosmetics	13.23	-
12/15/2016	1124	Jack Knudsen	2016 bonus	200.00	-
12/19/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
12/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
12/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/19/2016	#	Church's Chicken	Food	19.62	-
12/20/2016	#	Walmart	Food	20.64	60.00
12/21/2016	#	Walmart	Food, cigarettes, toddler doll, tranquility oil	22.81	100.00
12/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/23/2016	1125	Jayna Small	Raffle prize cash	100.00	-
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
12/30/2016	#	AT&T	Unknown AT&T non-business account	197.94	-
1/3/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
1/3/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
1/5/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
1/5/2017	#	Walmart	Food	21.98	60.00
1/5/2017	#	Walmart	Food, cigarettes, baby needs, clothing, child's clothing, TV antenna, snow shovels, flushable wipes, jars, Disney merchandise	146.43	100.00
1/5/2017	#	Walmart	Clothing, cell phone minutes, video game equipment, music earbuds, 1,100 thread count sheets	184.20	100.00
1/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
1/9/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
1/9/2017	#	St. Louis Fish & Chicken	Food	43.63	-
1/9/2017	#	Walmart	Food, women's clothing, infant ibuprofen, Gorilla Glue	70.79	100.00
1/11/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/12/2017	#	Kyoto Teppanyaki	Food	15.18	-
1/13/2017	#	Walmart	Food	1.42	100.00
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/17/2017	#	Walmart	Food, child's clothing, lighters	14.17	40.00
1/19/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	106.00
1/20/2017	#	Walmart	1,100 thread count sheets	27.28	100.00
1/20/2017	#	Walmart	Picture frames	60.24	100.00
1/23/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/24/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
1/30/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/30/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
2/1/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/3/2017	#	Walmart	Music earbuds	10.78	40.00
2/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75

Appendix B

Kinloch Fire Protection District
 Improper Disbursements and Cash Withdrawals
 For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
2/8/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/8/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
2/13/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
2/15/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
2/16/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/21/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
2/23/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.74
2/24/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
3/7/2017	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	37.45	-
3/7/2017	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	37.45	-
3/9/2017	#	McDonald's	Food	16.23	-
3/9/2017	#	Popeyes	Food	45.19	-
3/9/2017	#	Steak 'n Shake	Food	18.28	-
3/20/2017	#	Sam's Club	Cash withdrawal	-	100.00
3/20/2017	#	Sun Restaurant	Food	17.62	-
				<u>\$ 19,727.20</u>	<u>52,756.99</u>

Appendix C

Kinloch Fire Protection District
 Summary of Improper Disbursements by Vendor and Year
 For the Period of January 1, 2014, through March 20, 2017

Vendor Name	Total	Period Ended			Total Number of Transactions	
		March 20, 2017	Year Ended December 31,			
			2016	2015	2014	
Ameren	\$ 164.75	-	-	-	164.75	1
Art's Lawn Mower	69.42	-	69.42	-	-	1
AT&T	1,594.94	-	856.74	399.40	338.80	19
Burger King	33.92	-	17.87	-	16.05	2
Chinese Express	44.02	-	44.02	-	-	2
Church's Chicken	79.65	-	69.87	-	9.78	4
Clearwire	219.96	-	-	-	219.96	4
Darren Small	3,000.00	-	3,000.00	-	-	2
Department of Corrections	77.21	-	-	77.21	-	1
Ferguson Chop Suey	9.50	-	9.50	-	-	1
GameStop	104.12	-	57.69	46.43	-	3
Hanley ZX	1.08	-	1.08	-	-	1
Hibachi Grill	13.13	-	-	13.13	-	1
Home Depot	1,013.37	-	987.14	3.98	22.25	3
Hometown Buffet	221.94	-	69.66	-	152.28	4
Jack Knudsen	200.00	-	200.00	-	-	1
Jayna Small	1,600.00	-	800.00	-	800.00	11
Krispy Kreme	4.74	-	4.74	-	-	1
Kyoto Teppanyaki	15.18	15.18	-	-	-	1
Lee's Famous Recipe Chicken	84.14	-	70.80	13.34	-	4
Little Caesars	27.15	-	16.29	-	10.86	2
London's Wing House	41.65	-	22.67	-	18.98	3
McDonald's	251.58	16.23	190.16	2.17	43.02	18
Meridian Waste	332.56	74.90	-	221.66	36.00	8
Payless Shoes	12.86	-	-	-	12.86	1
Petro Mart	0.37	-	0.37	-	-	1
Popeyes	84.15	45.19	32.46	-	6.50	3

Appendix C

Kinloch Fire Protection District
 Summary of Improper Disbursements by Vendor and Year
 For the Period of January 1, 2014, through March 20, 2017

Vendor Name	Total	Period Ended	Year Ended December 31,			Total Number of Transactions
		March 20, 2017	2016	2015	2014	
Rib Shack	12.99	-	12.99	-	-	1
Sam's Club	205.67	-	181.91	23.76	-	17
Schnucks	1,557.68	-	1,536.09	21.59	-	41
Shoe Carnival	136.42	-	-	-	136.42	1
Southern Floral	75.00	-	75.00	-	-	1
Spirits Plus	77.70	-	32.59	45.11	-	3
St. Louis Fish & Chicken	43.63	43.63	-	-	-	1
Steak 'n Shake	24.15	18.28	-	-	5.87	2
Subway	145.54	-	145.54	-	-	4
Sun Restaurant	17.62	17.62	-	-	-	1
Tony Merkel	3,000.00	-	3,000.00	-	-	1
Top Beauty Supply	22.16	-	-	-	22.16	1
Walmart	4,974.15	537.29	3,018.23	1,216.58	202.04	115
Wendy's	9.77	-	9.77	-	-	1
White Castle	23.33	-	23.33	-	-	1
WPY*Tony Wade	100.00	-	-	100.00	-	1
Total	\$ 19,727.20	768.32	14,555.93	2,184.36	2,218.58	295

Appendix D

Kinloch Fire Protection District

Summary of Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Location	Method	Total	Period Ended	Year Ended December 31,			Total Number of Transactions
			March 20, 2017	2016	2015	2014	
ATM	ATM withdrawals	\$ 31,955.00	4,660.00	23,325.00	3,970.00	-	182
Bank	Checks and counter checks	7,811.80	-	7,200.00	611.80	-	3
Sam's Club	Cash back transactions	1,420.00	100.00	940.00	380.00	-	18
Schnucks	Cash back transactions	3,800.00	-	3,800.00	-	-	39
Walmart	Cash back transactions	6,800.00	740.00	4,180.00	1,780.00	100.00	93
	Total Cash Withdrawals without Fees	\$ 51,786.80	5,500.00	39,445.00	6,741.80	100.00	335
ATM	ATM withdrawal fees (1)	970.19	142.79	713.40	114.00	-	-
	Total Cash Withdrawals with Fees	\$ 52,756.99	5,642.79	40,158.40	6,855.80	100.00	335

(1) ATM withdrawal fees are associated with 177 of the 182 ATM withdrawals.