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CITIZENS SUMMARY

Findings in the audit of the Village of Leslie

Sewer Account Oversight	The Board does not actively monitor or manage the village's sewer accounts and does not obtain sufficient financial reports from the accounting firm that performs its sewer system accounting functions. As a result, the Board is unaware of sewer billings and accounts receivable and cannot ensure all money receipted by the accounting firm is properly handled and deposited. In addition, some accounts continue to be billed for services not provided.
Sewer and Street Maintenance Plans	The Board has not developed a formal annual maintenance plan for the village sewer system. The Board has a service contractor perform specific sewer maintenance, after evaluating requests from property owners. Requests made are not documented and a list of such requests is not maintained. The Board has not developed a formal annual maintenance plan for village streets. The Board's informal street maintenance strategy is to minimize costs.
Ordinances	Village ordinances are not organized, complete, or up to date. As a result, the ordinances may not accurately reflect current operations or provide clear expectations and responsibilities between the village and its residents. Most of the available sewer ordinances are approximately 20 years old, the Board does not have ordinances to address outstanding accounts receivable balances when property owners change, and the Board does not have an ordinance establishing changes to certain fees and limits to sewer accounts receivable balances. Additionally, available ordinances were found in a disorganized manner and it was not possible to determine if these were all the active ordinances.
Trustee Vacancies	The village has not filled a vacancy on the Board for several years. Currently, there are 2 vacancies following the April 2, 2024, municipal election. Board trustee vacancies have impacted the Board's ability to adequately oversee village operations.
Budgets, Financial Reporting, and Sewer Rate Review	The village did not prepare a budget for the years ended March 31, 2024, 2023, 2022, and 2021. The village did not file adequate annual financial reports with the State Auditor's Office as required by state law for the years ended March 31, 2023, 2022, 2021, and 2020. The village did not timely file its financial reports for the years ended March 31, 2021, and 2020. Section 105.145.9, RSMo, requires political subdivisions to be fined \$500 per day for missing filing deadlines, and as a result of the village's failure to timely file financial reports the village owes \$362,500 in fines, which stopped accruing on December 14, 2022, when the village filed its fiscal year 2020 and 2021 financial reports. Because the village does not impose a sales or use tax, the Department of Revenue (DOR) has not recouped any money from the village. The DOR further indicated if the village imposes such a tax in the future, the DOR would begin recouping the fine from any tax distributions the DOR would make to the village. The village does not publish or post semiannual financial statements as required by state law. The village has not obtained annual audits of its sewer system as required by state law. The village has not performed a recent formal review, such as a cost study, of its sewer rates.

Property Tax Revenues	The Board did not complete the village's 2023 property tax rate certification process. As a result, the Franklin County Clerk set the village's 2023 tax rate levy at zero. The village only received \$839 in property tax revenues for the year ended March 31, 2024, compared to \$6,843 received for the year ended March 31, 2023.
Procurement	The Board did not comply with the village's procurement ordinance when it failed to solicit bids for purchases exceeding \$500. The village's procurement ordinance requires 3 written bids when the estimated cost exceeds \$1,500 and 3 telephone or mail bids from prospective vendors when the estimated cost is more than \$500 but less than \$1,500. The village does not obtain written contracts with some service providers and outside parties. The only written contract the village has is for accounting services and this contract was created in October 2000.
Sunshine Law	The Board failed to comply with the Sunshine Law as it did not provide notice of the time, date, and place of each of its monthly meetings, and did not prepare or provide tentative agendas. In addition, minutes were not formally approved by either the preparer (a Board member) and at least one other Board member. The Board has not adopted a written policy regarding public access to village records as required by state law.
Electronic Communication Policy	The village has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

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.



Recommendations in the audit of the Village of Leslie

Sewer Account Oversight	The Board of Trustees establish policies and procedures to monitor and manage the village's sewer accounts, including reviewing current accounts to determine any action needed on monthly billings or outstanding balances; obtaining and reviewing adequate sewer account information from the firm; and obtaining signed agreements with all property owners. The Board should also obtain financial reports and bank statements from the firm to ensure all money received by the firm for the village is properly deposited and disbursed.
Sewer and Street Maintenance Plans	The Board of Trustees establish formal annual maintenance plans for the sewer system and streets. In addition, the Board should document and maintain property owners' requests for sewer maintenance.
Ordinances	The Board of Trustees ensure the village maintains complete, consistent, and updated ordinances for all operations.
Trustee Vacancies	The Board of Trustees fill the vacant trustee positions, to consist of five members as required by state law.
Budgets, Financial Reporting, and Sewer Rate Review	<p>The Board of Trustees:</p> <ol style="list-style-type: none">5.1 Prepare annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.5.2 Submit adequate annual financial reports to the State Auditor's Office as required by state law.5.3 Publish or post semiannual financial statements as required by state law.5.4 Obtain annual audits of the sewer system as required by state law.5.5 Ensure a formal review of sewer rates is performed periodically to support sewer rate increases and ensure revenues are sufficient to cover all costs of providing the service.
Property Tax Revenues	The Board of Trustees ensure a public hearing prior to setting the village's property tax rates is held in accordance with state law and ensure documentation regarding the property tax levy is submitted to the Franklin County Clerk.
Procurement	<p>The Board of Trustees:</p> <ol style="list-style-type: none">7.1 Solicit bids and proposals as required by village ordinance.7.2 Enter into written contracts defining services provided and benefits received, and update the agreement for accounting services.

Sunshine Law

The Board of Trustees:

- 8.1 Ensure notices and agendas are provided to advise the public of village meetings. In addition, ensure meeting minutes are formally approved by the preparer and at least one other Board member.
- 8.2 Develop a written public access policy.

Electronic Communication Policy

The Board of Trustees develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.