



Findings in the audit of the City of Elsberry

<p>Utility Rates</p>	<p>City utility rates billed did not always agree to rates described in the city code, were not always fully reflected in the city code, and have not recently undergone a cost study or other review for appropriateness. A review found 1 rate type was underbilled, 3 rate types were absent from the city code, and 3 rate types featured other transparency discrepancies. The Sewer Out-of-City Residential rate was underbilled approximately \$2,100 during the year ended December 31, 2024. Because the city has not conducted an annual cost study, the annual rate increases specified in the city code may violate state law.</p>
<p>Receipting</p>	<p>When receiving payments for non-utility services, such as license fees, permit fees, and other miscellaneous receipts, city personnel do not issue prenumbered receipt slips or maintain a sequential log of each payment received. As a result, there is reduced assurance all money collected is properly receipted and deposited. Deposits reviewed included \$10,830 in non-utility services for which individual payments were either unsupported, or were only supported by unnumbered receipt slips and paper notes.</p>
<p>Ordinances and Public Participation</p>	<p>The Board of Aldermen passed all 18 ordinances newly proposed during the year ended December 31, 2024, in a manner that limited opportunities for public comment and reduced transparency. Such ordinances included city code corrections and amendments, contracts with governments and vendors, and other operational decisions.</p>
<p>Non-Interest Bearing Accounts</p>	<p>The city missed opportunities to earn additional revenue during the year ended December 31, 2024, because it maintained its average month-end balance of \$2,322,745 in 6 non-interest bearing bank accounts. Historical rates for 1-year certificates of deposit ranged from 1.90% to 2.15% during the year ended December 31, 2024. If the city had invested the above balance at an interest rate in this range, for its 6 non-interest bearing bank accounts during the year ended December 31, 2024, it could have earned approximately \$44,000 to \$50,000 in additional city revenues.</p>
<p>Seized Property</p>	<p>City Police Department personnel did not maintain complete, accurate records of seized property, and did not conduct periodic physical inventories of seized property. In addition, the city has not established procedures to periodically review cases and dispose of related seized property items. Auditors inspected the Police Department's seized property storage areas and could not initially locate any of the 25 items included in the system report. The next day, the Police Chief found the 25 items in an unmarked box on a shelf in the seized property storage area, and called auditors with descriptions of each item as confirmation. The auditors' inspection and Police Chief's call also identified an additional 75 items not included in the system list, the majority of which were guns or drug-related materials. In addition, 38 of the 75 items lacked any identifying case numbers, and 22 of these 38 items lacked any further labeling.</p>

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

*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 City of Elsberry

Utility Rates	<p>The Board of Aldermen:</p> <ol style="list-style-type: none"><li data-bbox="568 367 1498 430">1.1 Ensure utility rates billed agree to amounts approved and documented in the city code.<li data-bbox="568 472 1498 651">1.2 Document formal reviews of utility rates periodically in accordance with city code and state statute to ensure revenues are sufficient to cover all costs of providing these services without generating excessive profits and ensure a statement of costs is prepared to support any utility rate changes.
Receipting	<p>The Board of Aldermen ensure prenumbered receipt slips are issued in numerical sequence for all money received, and the numerical sequence of receipt slips is accounted for.</p>
Ordinances and Public Participation	<p>The Board of Aldermen improve procedures over disclosing, discussing, and approving proposed ordinances to create greater opportunities for public comment and improve transparency.</p>
Non-Interest Bearing Accounts	<p>The Board of Aldermen ensure reasonable opportunities to earn additional revenue are achieved by either ensuring all funds are deposited in interest-bearing bank accounts, or using other appropriate forms of investment for these funds.</p>
Seized Property	<p>The Board of Aldermen ensure the Police Department maintains complete and accurate seized property records, conducts a periodic inventory, reconciles the inventory to the seized property records, and investigates any differences. In addition, the Board of Aldermen should ensure the Police Department makes timely and appropriate dispositions of seized property in accordance with state law.</p>