



CITIZENS SUMMARY

Findings in the audit of the City of Coffey

Accounting Controls and Procedures	The Board of Aldermen has not segregated duties or performed adequate reviews of the work performed by the City Clerk. The City Clerk does not record the method of payment (cash or check) for utility monies received, so the composition of receipts cannot be reconciled to the composition of deposits. The city's profit and loss financial statements contained errors and did not include cash balances, and the city's 11 separate bank accounts complicate recordkeeping. The city does not maintain capital asset records, does not tag assets for specific identification, and does not conduct an annual physical inventory. The city has not established or documented job expectations or duties for some city employees.
Budgets	The city's budget documents did not include any information for 7 of the city's 11 funds and did not contain all elements required by state law. The City Clerk does not provide budget-to-actual information to the Board at its meetings, so the Board does not ensure disbursements remain within budgeted appropriations. The Board approved some budget amendments after the city's year end.
Utility Controls and Procedures	The city has not performed a formal review of water and sewer rates and, as a result, there is less assurance utility rates are set at an appropriate level. The city does not prepare a monthly list of utility deposit liabilities and reconcile it to the Utility Deposit bank account balance, and it had no record of deposits for 43 of 69 (62 percent) customers on the list of current customers. The city does not regularly reconcile total gallons of water billed to gallons of water pumped. The report for the year ended June 30, 2013 showed the city billed for 682,215 gallons (22 percent) less than it pumped, which is indicative of water loss issues and/or possible unbilled usage. The city does not obtain annual audits of the water and sewer system.

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

*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.