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CITIZENS SUMMARY

Findings in the audit of the City of Kimmswick

City Festivals	Each year the city holds the Strawberry Festival and the Apple Butter Festival, but the city does not maintain adequate records of festival monies received, so the city cannot ensure all monies collected are accounted for and properly deposited. The city does not issue pre-numbered receipt slips for booth rentals or sponsor fees received, does not maintain a record of vendors and fees paid, and does not reconcile registration forms to fees deposited. The city does not track city booth sales or reconcile products sold to monies collected, does not deposit monies timely and intact, and does not maintain monies in a secure location until deposit. Various members of the community work at city festivals, but only some are paid for their services, and the city did not maintain documentation to support compensation paid to festival workers, and it was not clear whether the Board approved the amounts. The city did not always comply with its own purchasing policy for festival disbursements, the Board did not review bid documentation prior to approving the recommended vendors, and the city did not enter into written contracts with some service providers. Festival disbursements were not always approved by the Board before payment, and the Festival Committee does not comply with the Sunshine Law.
Accounting Controls and Procedures	The Board has not segregated duties or performed adequate reviews of the work performed by the City Clerk. The City Clerk performs various accounting duties for the city and manages events held at the Anheuser Estate. The city does not issue pre-numbered receipt slips and cannot demonstrate all monies received were deposited. The city does not deposit monies intact or timely, restrictively endorse money orders upon receipt, deposit all monies related to events held at the Anheuser Estate, or keep receipts for estate events in a secure location. The City Clerk does not properly mutilate and retain voided checks.
City Policies and Procedures	The city made several disbursements prior to obtaining Board approval, and it is unclear whether all disbursements were approved. The city paid 4 relatives of the Mayor a total of $2,468 during 2013 and paid a total of $5,762 to 2 city employees who are related to Board members. To reduce the risk and appearance of a conflict of interest, the city should develop policies and procedures concerning related parties. The city did not properly report the mayor's $200 per month stipend as compensation for tax purposes and did not file required 1099-MISC forms for 9 individuals and 2 vendors.
Anheuser Estate	In 2001, the family estate of Fred and Mabel Anheuser was bequeathed to the city, along with a $1.5 million permanent trust fund for the purpose of maintaining the estate as a library and museum. The estate is overseen by a 5 person board of trustees (Trust Board), and the city and Trust Board has approval authority over estate disbursements. The city does not retain

documentation to support its approval of disbursements made from the trust fund, so it is not clear that all disbursements were approved by the city as required. The city has used an outdated capital assets listing to insure the property and has not conducted an inventory of the estate. The city began renting the estate to the public for special events, but the city does not have a formal agreement with the Trust Board outlining how income from such events will be divided between the city and the Trust Board.

Closed Meetings	Prior to November 2013, the city did not prepare closed meeting minutes. The Board generally uses the same statement in each meeting notice/agenda as the reason for a potential closed meeting, and topics discussed in closed meetings were not limited to the reasons cited and were not always allowable.
Budgets and Financial Statements	The city does not prepare a budget for each of the city's 4 funds, and the budgets prepared do not contain all required elements. The Board does not timely approve budgets and does not adequately monitor budget-to-actual receipts and disbursements. Actual expenditures exceeded budgeted amounts by $98,600 for 2013. The Board does not publish the city's financial statements semiannually, as required by state law, and financial statements do not include adequate detail of the activity for each fund.
Computer Controls	The city has not established adequate password controls to reduce the risk of unauthorized access to the city's computer and data. The city does not store backups of system data at a secure off-site location, so backup data may not be available for restoring systems following a disaster or computer failure.

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.

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