



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Sturgeon

Mt. Horeb Cemetery Fund	The Board of Aldermen has not maintained restricted revenues of the Mt. Horeb Cemetery Fund in compliance with state law. The Board maintains the assets of the Mt. Horeb Cemetery Fund with other city assets in violation of city code.
Budget, Financial Reporting, and Accounting Records	The city budget prepared for the year ended June 30, 2019, did not contain all required elements. The financial statements submitted to the State Auditor's Office for the year ended June 30, 2019, and 6 prior years were not adequate. The city did not maintain accurate accounting records.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The city's procedures for receipting, recording, and depositing monies are poor. City personnel did not prepare adequate bank reconciliations for the general bank account.
Sunshine Law	Weaknesses exist in the documentation of minutes for Board meetings.

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 City of Sturgeon

Mt. Horeb Cemetery Fund

The Board of Aldermen:

- 1.1 Ensure the Mt. Horeb Cemetery Fund is reimbursed for monies inappropriately deposited and credited to the General Revenue Fund. In addition, the Board should ensure the principal of the Mt. Horeb Cemetery Fund is maintained and only interest income is disbursed in accordance with state law.
- 1.2 Ensure the assets of the Mt. Horeb Cemetery Fund are separately maintained from all other funds as required by city code.

**Budget, Financial Reporting,
and Accounting Records**

The Board of Aldermen:

- 2.1 Prepare annual budgets that contain all information as required by state law.
- 2.2 Ensure financial data filed complies with state regulations and statutes.
- 2.3 Ensure accounting transactions are appropriately recorded.

**Accounting Controls and
Procedures**

The Board of Aldermen:

- 3.1 Segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 3.2 Ensure prenumbered receipt slips are issued sequentially for all monies received and ensure all receipts are deposited. The Board should also ensure the method of payment is indicated, the numerical sequence of receipt slips is accounted for, and the composition of receipts is reconciled to the composition of amounts recorded and deposited.
- 3.3 Ensure adequate monthly bank reconciliations are prepared, and lists of outstanding checks and deposits in transit are prepared. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Sunshine Law

The Board of Aldermen work with the Boards to ensure meeting minutes include all information required by law and are signed by the preparer and approved by the Boards.