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Missouri State Auditor

Village of Mineral Point

Report No. 2024-001

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auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Mineral Point

Misappropriated Money and Unsupported Payments

During the year ended December 31, 2022, disbursements totaling \$350 were misappropriated, and disbursements totaling \$1,197.50 were unsupported. Two checks totaling \$292 were issued to the Village Clerk with unknown Board member signatures, and a check for \$58 was issued by the Village Clerk to herself, also featuring an unknown signature. No documentation was provided to support \$394.29 in reimbursements issued to the former Board Treasurer. The Board also issued a check for \$577.39 to the Utility Operator for vacation pay even though the village has no policies or ordinances allowing for vacation leave or pay. Additionally, the Village Clerk received an additional \$225.82 when a check issued to her was deposited and processed through the bank twice. In addition, the village could not provide sufficient records or data, including resident account balances and activity, and could not provide any records of money receipted. This lack of records prevented us from obtaining sufficient, appropriate audit evidence to determine if we identified all money misappropriated from the village.

Financial Condition

The village is in poor financial condition and prior Boards did not adequately monitor or take effective action to improve the condition. As of January 1, 2022, the balances of all village bank accounts totaled \$112,925. During 2022, disbursements exceeded receipts by \$40,504, resulting in ending balances at December 31, 2022, totaling \$72,741. These total ending balances are further strained because the village (1) has a significant amount of unpaid bills, (2) obligated \$37,000 to meet matching requirements for 2 grants received by the village, and (3) may be required to return \$4,037 due to non-compliance with a third grant received by the village.

Utility Data and Operations

The village's computer-based utility data, which includes previous billings to village residents, account balances, and other information, has not been accessible since approximately July 2022, and manual records were not sufficient. As a result, the State Auditor's Office could not determine if billings were calculated accurately and if receipts were correctly applied to account balances. The village did not periodically back up its utility data and store the backup data at a secure off-site location, and due to the data at village hall being inaccessible, the village has not been able to bill for utility services. As a result of not billing, the village failed to collect an estimated \$35,407 from May through December 2022, which also contributed to the village's poor financial condition. In addition, the village could not provide up-to-date utility ordinances or documentation of its most recent formal review of water and sewer rates, and has not contracted for an annual utility audit. It also could not provide documentation that it reduced residents' outstanding account balances to comply with a state grant.

Oversight, Documentation, and Accounting Controls and Procedures

The prior Boards did not establish adequate oversight or segregation of duties over various financial accounting functions. The village did not always maintain adequate accounting records over its financial activities and decisions. Additionally, the village's procedures for receipting, recording, and depositing money, as well as its disbursement review and approval process, need improvement. The village also failed to consistently prepare bank reconciliations and did not adequately monitor balances to prevent bank account fees or ensure bills were paid timely.

Payroll Controls and Procedures	The village does not have personnel ordinances and policies to address topics such as compensation for village officials and employees, and employee hiring, work schedules, termination, vacation and sick leave, overtime, compensatory time, or other arrangements. The village did not always retain or review village employees' weekly timesheets and violated the Missouri Constitution by issuing 3 pay advances totaling \$220 and a \$500 bonus payment to the Village Clerk.
Budgets and Financial Reporting	The village did not prepare budgets and did not file complete and accurate financial reports with the State Auditor's Office as required by state law. The village also does not publish or post semiannual financial statements as required by state law.
Sunshine Law	The village did not always prepare or retain meeting minutes and meeting minutes that were prepared were not always formally approved by both the preparer and at least 1 Board member. The Board has not adopted a written policy regarding public access to village records as required by state law, and the village does not maintain a log of records requests.
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.

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.

Village of Mineral Point

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SCOTT FITZPATRICK MISSOURI STATE AUDITOR

To the Board of Trustees
Village of Mineral Point, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Mineral Point. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2022. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of money misappropriated from the village.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected.

During our audit, we encountered a scope limitation that prevented us from performing certain procedures to determine the extent of money misappropriated from the village. The village could not provide sufficient utility records or data, including resident account balances and activity, and could not provide any records of money receipted. This lack of records prevented us from obtaining sufficient, appropriate audit evidence to determine if we identified all money misappropriated from the village.

We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the third paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Except as discussed in the third paragraph, we believe the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) \$350 misappropriated from the village. Due to the scope limitation described in the third paragraph, additional misappropriated money may exist that was not identified. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Mineral Point.

A handwritten signature in black ink, reading "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

Village of Mineral Point

Introduction

Background

The village typically employs a part-time Village Clerk to perform general accounting duties, and previously employed a Utility Operator to perform water and sewer treatment and billing duties. A 5-member Board of Trustees, including a Chairman and Treasurer, oversee village operations.

During the year ended December 31, 2022, 2 different sets of Board members oversaw village operations. During the village's April 25, 2022, Board meeting, 2 members of the Board as well as the Village Clerk resigned, and the Utility Operator's retirement was announced. As a result, no village personnel remained. Subsequently, the 3 newly-elected Board members appointed one of them to be the Board Chairman and another to be the Board Treasurer (who is married to the Chairman), and then also appointed a fourth Board member. The fifth Board member position was still vacant. A new part-time Village Clerk was also hired.

The new Village Clerk was terminated on September 1, 2022. On February 2, 2023, the Board Chairman and Treasurer resigned. Both sets of Board members in place during 2022 through February 2, 2023, are referred to as "prior Boards" throughout the remainder of this report.

After February 2, 2023, the 2 remaining Board members appointed 2 new Board members. One appointed Board member was the previous Village Clerk who was terminated in September 2022. This Board member took over the duties of the Village Clerk. After an election was held on April 4, 2023, 2 newly-elected Board members joined (and replaced 1 appointed Board member), resulting in a fully seated 5-member Board of Trustees. The set of Board members in place as of April 2023 are referred to as the "current Board."

In February and March 2023, the State Auditor's Office visited the village and met with personnel to determine the type and extent of records maintained. We determined key operating records, including utility data, accounting records, and meeting minutes, were either unavailable or incomplete, as described throughout this report. As a result, we made additional efforts to obtain records with the Village Clerk who was employed from April 2022 to September 1, 2022, as well as the former Board Treasurer and Chairman who both served between April 25, 2022, and February 2, 2023. We issued subpoenas to the Village Clerk (on April 27, 2023, see Appendix A) and former Board Treasurer and Chairman (on May 5, 2023, see Appendixes B and C). The Village Clerk provided testimony on April 27, 2023, and July 11, 2023, and provided some records and documents related to her testimony. The former Board Treasurer provided testimony on May 19, 2023, and did not provide records or documents related to his testimony. Although we issued the former Board Chairman a subpoena, we subsequently did not obtain her testimony. Overall, the information and records obtained through these testimonies and subpoenas were minimal and some key operating records were unavailable or incomplete.

Village of Mineral Point

Management Advisory Report

State Auditor's Findings

1. Misappropriated Money and Unsupported Payments

During the year ended December 31, 2022, disbursements totaling \$350 were misappropriated, and disbursements totaling \$1,197.50 were unsupported,¹ as follows:

Misappropriated Money	
Instance	Amount
Unknown Board member signatures on checks	\$ 292.00
Unknown signature on check	58.00
Total misappropriated money	\$ 350.00

Unsupported Payments	
Instance	Amount
Former Board Treasurer reimbursements	\$ 394.29
Utility Operator vacation pay	577.39
Village Clerk payroll check cleared bank twice	225.82
Total unsupported payments	\$ 1,197.50

Misappropriated money - unknown Board member signatures

Two checks totaling \$292 were issued to the Village Clerk with unknown Board member signatures.

The village issued check numbers 4404 for \$200 and 4409 for \$92 to the Village Clerk (see check images on the next page). Both checks were endorsed by the Village Clerk. All non-signature information reflects the Village Clerk's handwriting. The check signatures authorizing payment include the names of the former Board Chairman and Treasurer.

The former Board Treasurer indicated (1) he did not remember writing, approving, or signing the checks, (2) he did not recognize the checks' amounts or purposes, and (3) the checks' signatures did not match his or the former Board Chairman's normal signatures. Following these observations, the former Board Treasurer stated, "I'm almost saying they're forged."

¹ All village check images include redactions, which are of information of a personal, privileged, or sensitive nature.



Village of Mineral Point
Management Advisory Report - State Auditor's Findings

VILLAGE OF MINERAL POINT
COMBINED WATERWORKS & SEWERAGE ACCT.
P.O. BOX 127
MINERAL POINT, MO 63680

4404
80-883919
06

7/28/22 Date

Pay to the Order of Destiny Buhler \$ 200.00
two hundred dollars and 00/100 Dollars

Belgrade State Bank
BOOKKEEPING DEPT., DESLOGE, MO 63601
www.belgradestatebank.com

For _____

08 19088331

Check: 4404 Amount: \$200.00 Date: 8/8/2022

VILLAGE OF MINERAL POINT
COMBINED WATERWORKS & SEWERAGE ACCT.
P.O. BOX 127
MINERAL POINT, MO 63680

4409
80-883919
06

8-1-22 Date

Pay to the Order of Destiny Buhler \$ 92.00
ninety-two dollars and 00/100 Dollars

Belgrade State Bank
BOOKKEEPING DEPT., DESLOGE, MO 63601
www.belgradestatebank.com

For _____

08 19088331

Check: 4409 Amount: \$92.00 Date: 8/3/2022

Documentation was not retained for either check. We met with the Village Clerk twice to discuss the purpose of these checks. Her explanations were as follows:

- In the first meeting, she indicated the payments were for food and possibly other items to support village-hosted game nights, as well as various supplies. However, we found no other transactions in which the village purchased food, and the former Board Treasurer indicated the village did not buy food. We also could not confirm a game night was held around this time.
- In the second meeting, after expressing uncertainty, she indicated the payments were for office supplies such as envelopes and ink pens, as well



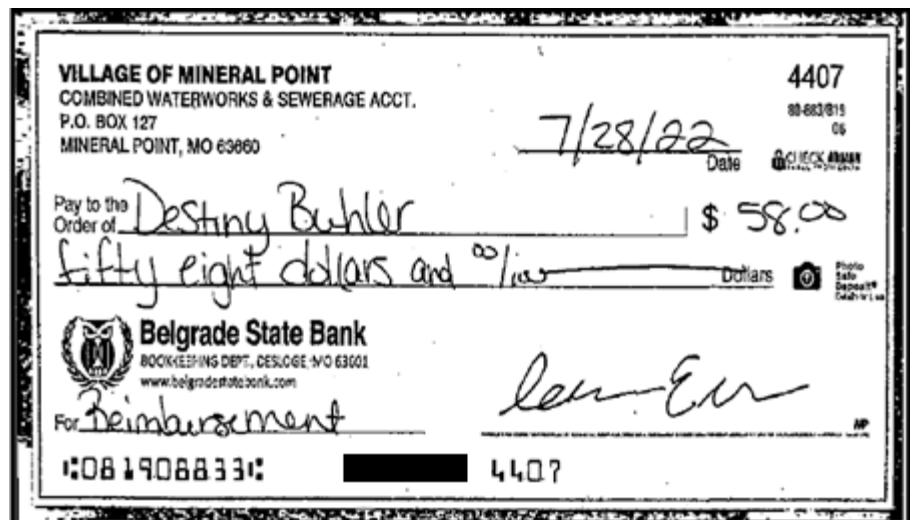
Village of Mineral Point
Management Advisory Report - State Auditor's Findings

as village property maintenance supplies such as weed eater string, two-cycle oil, and gasoline.

The Village Clerk indicated the former Board Chairman and Treasurer gave her check numbers 4404 and 4409 as blank checks, with their signatures already affixed, and therefore, the signatures were not her handwriting. However, we found no other checks in which the former Board Chairman and Treasurer's signatures appear similar to the signatures on check numbers 4404 and 4409. It is not known who signed the checks. The Village Clerk has offered to repay the village.

Misappropriated money -
unknown signature

The village issued check number 4407 for \$58 to the Village Clerk. The signature authorizing payment is not known. The Village Clerk issued this check to herself, and the check was endorsed by the Village Clerk. All non-signature information reflects the Village Clerk's handwriting.



Check: 4407 Amount: \$58.00 Date: 8/1/2022

The village also wrote and issued check number 4402 for \$58 on July 25, 2022 (see check image on the next page). The only difference between these checks are the authentic signatures of the former Board Chairman and Treasurer versus the unidentified signature.



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VILLAGE OF MINERAL POINT
COMBINED WATERWORKS & SEWERAGE ACCT.
P.O. BOX 127
MINERAL POINT, MO 63660

4402
88-363811
01

7-25-22 Date

Pay to the Order of Destiny Burkler \$ 58.00

Fifty eight dollars and 00/100 Dollars

Belgrade State Bank
BOOKKEEPING DEPT., DESLOUSE, MO 63601
www.belgradestatebank.com

For Reimbursement

1081908833

4402

Check: 4402 Amount: \$58.00 Date: 7/25/2022

Both the Village Clerk and former Board Treasurer separately indicated check number 4402 was used to purchase a roll of 100 stamps, at \$0.58 per stamp, to support efforts to mail utility bills. The Village Clerk indicated check number 4407 was used for a similar purpose. The former Board Treasurer indicated this was possible, but that it was unlikely the village needed 200 stamps within 3 days. He also indicated he did not remember writing or signing the check. Neither the Village Clerk nor the former Board Treasurer recognized the signature. We reviewed the village's bank account signature authorization files, and determined the signature does not belong to a different prior Board member. In addition, the presence of only 1 signature is unusual because the Board requires 2 signatures on checks. The Village Clerk indicated the signature in check number 4407 was not her handwriting, and also offered to repay the village.

Unsupported payments -
former Board Treasurer
reimbursements

The village issued check numbers 1009 and 1022 totaling \$2,194.29 to the former Board Treasurer for reimbursements (see check images on the next page). However, the village did not have documentation for either check. Documentation was obtained from a vendor to partially support one of the checks issued.

The former Board Treasurer was uncertain of the purpose for reimbursement of check number 1009, and suggested it was for printer ink or payroll time clock equipment.



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**VILLAGE OF MINERAL POINT
CARES ACT MONEY ACCOUNT**
P.O. BOX 127 573-438-3487
MINERAL POINT, MO 63660

1009
8-19-22
Date

Pay to the Order of Matthew Wilshire \$ 244.29
Two hundred forty four and 29/100 Dollars

Belgrade State Bank
BOOKKEEPING DEPT., DESLOGE, MO 63601
www.belgradestatebank.com

For Reimburse

1009

Check: 1009 Amount: \$244.29 Date: 8/10/2022

The former Board Treasurer indicated the \$1,950 reimbursement for check number 1022 was for utility connection repairs to his and the former Board Chairman's previous home, and covered multiple events in 2021 and 2022. The former Board Treasurer indicated he paid a vendor directly for the repairs, and then obtained reimbursement from the village. We contacted the vendor and obtained invoices confirming the repair services, but the invoices were only for \$1,800. No documentation was provided for the remaining \$150.

**VILLAGE OF MINERAL POINT
CARES ACT MONEY ACCOUNT**
P.O. BOX 127 573-438-3487
MINERAL POINT, MO 63660

1022
11-18-22
Date

Pay to the Order of Matt Wilshire \$ 1,950.00
One thousand nine hundred fifty 00/100 Dollars

Belgrade State Bank
BOOKKEEPING DEPT., DESLOGE, MO 63601
www.belgradestatebank.com

For Reimbursement - Sewer Repair

1022

Check: 1022 Amount: \$1,950.00 Date: 11/21/2022

The former Board Chairman signed both checks, although the checks were written to her spouse, the former Board Treasurer, who also signed check number 1022. Individuals reimbursing themselves or related parties creates

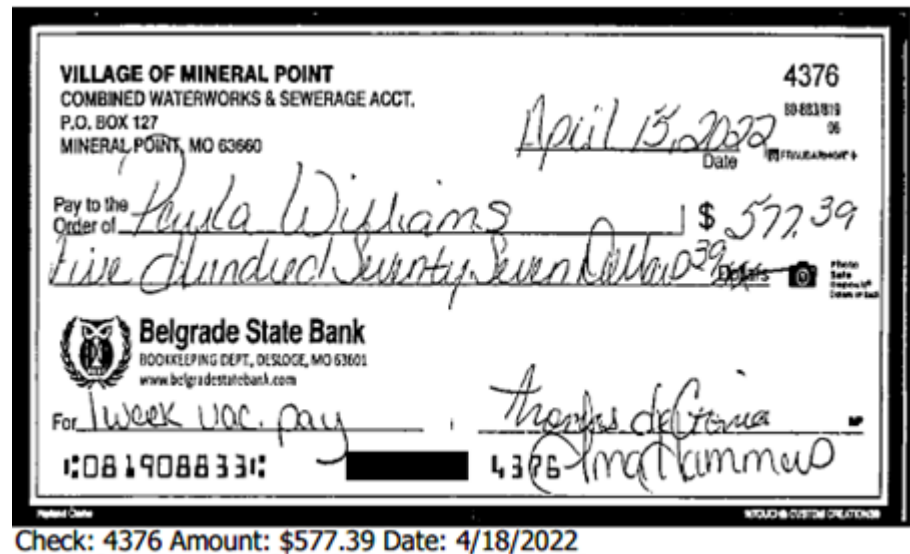


Village of Mineral Point
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real or perceived opportunities to misappropriate money. Such situations should be clearly supported by documentation and/or verified and approved by an independent party, such as other Board members during official meetings.

Unsupported payment -
Utility Operator vacation pay

A prior Board issued check number 4376 for \$577.39 for "1 week vac.[ation] pay" to the Utility Operator. This amount was her normal pay rate for 1 week. However, the village does not have personnel ordinances or policies allowing for vacation leave or pay (see Management Advisory Report (MAR) finding number 5.1), and there was no documentation to support the vacation leave balances for employees. In addition, the payment and related approval were not documented in the meeting minutes.



Unsupported payment -
Village Clerk payroll check
cleared bank twice

The Village did not detect a payroll check that was processed through the bank twice. As a result the Village Clerk received an additional \$225.82 from the village.

On May 17, 2022, the village issued check number 4381 for \$225.82 to the Village Clerk for her payroll. As noted below, the check first cleared on May 17, 2022. The check then cleared a second time on May 27, 2022 (10 days later) through a deposit with a different bank (see check images on the next page).

The former Board Treasurer and Village Clerk separately indicated they did not know how this check cleared the bank twice, and the Village Clerk offered to pay this money back to the village.



Village of Mineral Point
Management Advisory Report - State Auditor's Findings

Overall conclusion

The lack of segregation of duties and adequate controls, and the absence of proper oversight, as discussed in the remainder of this report, resulted in misappropriated and unsupported payments.

Recommendation

The Board of Trustees take necessary action to recover the misappropriated and unsupported payments. In addition, the Board should prevent individuals from reimbursing themselves, and ensure all checks include 2 authorized signatures.

Auditee's Response

Check number 4407 for reimbursement for \$58 and check number 4381 for payroll for \$225.82 that had cleared the bank twice have been paid back by the Village Clerk. The Village Clerk stated that she would pay these back because she received the money. The Village Clerk stated that she paid back check number 4407 that was brought to her because there was one unidentified signature on the check and she didn't catch this before she cashed the check for reimbursement.

The Village Clerk also stated that she was given check number 4404 for \$200 and check number 4409 for \$92 to buy things for the village but was instructed to bring back the receipt slips and change so money would be accounted for which she had provided to the former Board Treasurer. The Village Clerk doesn't know why she is asked to repay these because the checks had both the former Board Chairman and Treasurer's signatures on them. The Village Clerk states she had no access to the checkbook.

The Board has decided to turn in check number 1009 for \$244.29, check number 1022 for \$1,950, and check number 4376 for \$577.39 to the Prosecuting Attorney to try and recoup the money. The Trustees have been making sure that all checks sent out to pay the bills have two authorized signatures on them.

2. Financial Condition

The village is in poor financial condition and prior Boards did not adequately monitor or take effective action to improve the condition. As a result, cash balances declined in 2022.

As of January 1, 2022, the balances of all village bank accounts totaled \$112,925. During 2022, disbursements exceeded receipts by \$40,504, resulting in ending balances at December 31, 2022, totaling \$72,741. These total ending balances are further strained because the village (1) has a significant amount of unpaid bills, (2) obligated \$37,000 to meet matching requirements for 2 grants received by the village, and (3) may be required to return \$4,037 due to non-compliance with a third grant received by the village. See MAR finding number 3.7.

The following factors contributed to the village's poor financial condition:



Village of Mineral Point Management Advisory Report - State Auditor's Findings

- Village receipts significantly decreased during the year ended December 31, 2022, because the village did not consistently bill its residents for utility services (see MAR finding number 3.1).
- The village has significant weaknesses in oversight, documentation, and accounting controls and procedures (see MAR finding numbers 4.1 through 4.5).
- The village did not prepare annual budgets and financial reports were not presented to the Board for review (see MAR finding numbers 6.1 and 4.4).
- The village did not always pay its bills timely (see MAR finding number 4.6).

It is essential the Board address the financial condition of the village in both the immediate and long-term future. In addition, the Board should reduce spending where possible, evaluate controls and management practices to ensure efficient use of resources, monitor detailed financial data that includes cash balances for each fund, and closely monitor budgets. The current Board indicated the village's inconsistent utility service billings during 2022 were the primary cause for its poor financial condition.

Recommendation

The Board of Trustees perform immediate and long-term planning, and closely monitor and take necessary steps to improve the village's financial condition.

Auditee's Response

The village has been working with the Missouri Rural Water Association to get all financial information together to get a budget completed. Also the village is working with the county to get the property tax bills sent out. The village will make sure that the utility billing goes out to the residents monthly and on time.

3. Utility Data and Operations

The village's computer-based utility data, which includes previous billings to village residents, account balances, and other information, has not been accessible since approximately July 2022, and manual records were not sufficient. As a result, we could not determine if billings were calculated accurately and if receipts were correctly applied to account balances. Due to the data being inaccessible, the village has not been able to bill for utility services. The village subsequently reset all residents' account balances to \$0 because there were no records to indicate any amounts previously owed. In addition, the village could not provide up-to-date utility-related ordinances, could not provide documentation of its most recent formal review of water and sewer rates, and has not contracted for an annual utility audit.



Village of Mineral Point Management Advisory Report - State Auditor's Findings

Inaccessible utility data

For several years prior to July 2022, the village used computer software to support its utility operations and the Utility Operator was the main user of the software until her retirement in April 2022. It is unclear if prior Village Clerks or Board members typically or frequently used the software.

Auditors reviewed all village computers, but could not access the utility data.

- The village's newest desktop computer acquired before 2022 contained no utility data.
- The village's second-newest desktop computer is currently inoperable, and cannot be turned on. It is unclear how the computer became inoperable. This computer may require physical repairs or other specialized efforts before the village can operate it and access its data. The computer was in a storage box and we took temporary custody of the computer in March 2023. We were able to create a copy of the hard drive containing the files on the computer and determined the utility files were last accessed in late July 2022. However, we could not review the files because the files were encrypted. Encrypted files are stored and coded in a way that makes them unreadable until they are decrypted. It is not clear the reason encryption software was put on the computer. Village personnel indicated they were unfamiliar with the encryption software and the purpose for this software. It is not known if restoring the computer's operability would also resolve the encryption issues.
- The village's oldest desktop computer's utility data is from 2013, which is not relevant to our review.

The Village Clerk and former Board Treasurer indicated that around or after July 2022, the village discussed buying new software to continue billings after the computer became inoperable. We found a utility account balance report, created in new software, and dated January 27, 2023. Although this report suggests the village found a way to re-establish residents' account balances, there is no documentation supporting its creation. As a result, we could not determine if the report was accurate or complete.

3.1 Utility billings

The village did not consistently issue utility billings during the year ended December 31, 2022. This significantly reduced village revenues and contributed to its poor financial condition (see MAR finding number 2).

Based on records reviewed we estimate the village receipted \$28,793 from utility billings during the year ended December 31, 2022:

- From January through April 2022 the village billed utility services monthly, and receipts totaled \$21,400 (an average of \$5,350 per month).



Village of Mineral Point Management Advisory Report - State Auditor's Findings

- From May through December 2022 the village billed less frequently, and receipts totaled \$7,393 (an average of \$924 per month).

For the year ended December 31, 2022, we located some copies of the August 2022 billings, but no other monthly billings were available. The former Board Treasurer indicated the village officially billed for utility services for July 2022 and August 2022. The August 2022 billings were likely custom-created by the village for that period because no software had been purchased. It is unclear if July 2022 billings were also custom-created or if they were created before the computer became inoperable. Some village residents continued making utility payments after August 2022 even though no official billings were sent to residents.

From May through December 2022, the village would have receipted an estimated additional \$35,407 if (1) the village continued issuing utility billings monthly, and (2) residents continued paying bills. This estimate was determined by taking the monthly average of \$5,350 receipts for 8 months, to obtain a total of \$42,800 receipts, and subtracting the \$7,393 already received during the 8 months. The estimated receipts for the year ended December 31, 2022, would have totaled \$64,200, instead of the \$28,793 actually receipted.

The village's utility billings were inconsistent because officials could not access utility data, needed new software, and generally struggled to proceed. The village needs to reestablish consistent, monthly billings, to ensure residents are paying for the services being provided.

3.2 Utility data recovery assessment

The current Board has not attempted to recover its utility data due to significant operational challenges following the resignation of the former Board Chairman and Treasurer. By or after March 2023, the current Board reset all residents' account balances to \$0, because any balances previously owed were not known. This was done to start the billing process again. However, without records, the accuracy of the residents' account balances could not be determined. Such balances could be significant, and could impact future decisions over operations and collections.

The village's meeting minutes for March 1, 2022, indicated that at the next meeting the Board would be discussing with legal counsel about taking the big cases of water/sewer bill delinquencies to court. No further discussion was documented in subsequent meetings. Without completing a utility data assessment to determine if utility data can be recovered, the village cannot determine residents' previous account balances to ensure it treats residents equitably.

3.3 Utility data backup

The village did not periodically back up its utility data and store the backup data at a secure off-site location. As a result, the village has not been able to recover its utility data information. Village personnel indicated they were not



Village of Mineral Point
Management Advisory Report - State Auditor's Findings

aware of the importance of backing up village data and storing it at a secure off-site location.

Preparation of backup data, preferably on a daily or at least weekly basis, provides reasonable assurance data could be recovered if necessary. To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be backed up, tested periodically to ensure data can be recovered, and stored at a secure off-site location.

3.4 Utility ordinances

The village could not locate up-to-date utility ordinances, and has not updated such ordinances in several years. We also could not determine if utility ordinances we received were complete. As a result, the utility ordinances may not accurately reflect current operations or provide clear expectations and responsibilities between the village and its residents.

We observed the following:

- The village provided us a water utility ordinance, dated January 1993, and approved by the United States Department of Agriculture. It identified the village as the owner of the water supply system, set basic responsibilities between the village and residents, and authorized the village to set rates and issue billings. However, we did not locate any additional water utility ordinances created since that time that further documented responsibilities, rates, or other current operations.
- The village provided a sewer utility ordinance, dated August 2001, that only provided limited responsibilities between the village and residents, and appeared incomplete.
- Village personnel were not familiar with the various ordinances, and did not identify the existence of any newer ordinances. Similarly, available copies of the village's meeting minutes showed the Board rarely discussed utility ordinances.
- The village does not have an ordinance to address utility connection repairs to residents' homes and the responsibility associated with those repairs. Two reimbursements were made to residents for utility connection repairs, including \$1,800 to the former Board Treasurer (see MAR finding number 1).

Because ordinances passed by the Board to govern the village and its residents have the force and effect of law, it is important they are complete and followed. In addition, complete, consistent, and updated ordinances documenting utility operations, help ensure equitable treatment to residents, prevent misunderstandings, and enforce consequences for violations. The



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current Board indicated it thought prior Boards did not pay strong attention to the utility ordinances, and instead relied on the Utility Operator.

3.5 Utility rates

The village could not provide documentation of its most recent formal review, such as a cost study, of water and sewer rates. Without current cost studies, it is unclear whether the rates assessed for these services are set at an appropriate level. It is not known when the village last changed its rates. Both the Village Clerk and former Board Treasurer indicated the village periodically changed its rates, and updated these rates in the computer software, but did not indicate the source for the rate changes.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are appropriately set, village officials should perform and document a detailed cost study of the village's utility costs, including depreciation, and set rates to cover the total cost of operations without generating excessive profits. It is unclear why the village cannot provide cost study documentation.

3.6 Annual audits

The village has not obtained annual audits of its combined waterworks and sewerage system as required by state law.

Section 250.150, RSMo, requires the village to obtain annual audits of the combined waterworks and sewerage system, with the cost of the audit to be paid from revenues received from the system. It is unclear why the village has not obtained annual audits.

3.7 LIHWAP award

The village could not provide documentation that it reduced residents' outstanding account balances to comply with the Low Income Household Water Assistance Program (LIHWAP) award funding from the Missouri Department of Social Services (DSS).

The DSS awarded the village \$4,037 for the LIHWAP. This program helps low income households pay for their current and past due water and/or sewer bills. Each household may receive a one-time payment up to \$750. Awards are not paid directly to the households, but instead are paid to the utility supplier. The village entered a supplier agreement with the DSS on October 7, 2021. After multiple residents applied for assistance with outstanding bills, the DSS awarded the village \$4,037, and the village deposited the money into the water and sewer bank account on May 24, 2022.

According to section 4.2.b.4. of the supplier agreement, ". . . As conditions for receiving payment for its eligible customers [residents] under Missouri's LIHWAP, the supplier . . . shall credit, through normal billing process, the full amount of the LIHWAP pledge received to an eligible customer's account. The supplier may apply any portion of the received LIHWAP pledge



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to an eligible customer's previous account balance . . . " Given the village's inaccessible utility data, it cannot provide support showing it credited the awards to the residents' accounts, especially with regard to outstanding account balances as was likely intended. No other available village documentation, such as meeting minutes, further discusses the LIHWAP award. In addition, the current Board Chairman indicated that, when he previously served as a Board member during the year ended December 31, 2022, there were no substantial Board discussions about, or actions regarding, the award. As a result, the village cannot provide evidence of compliance.

Recommendations

The Board of Trustees:

- 3.1 Reestablish utility billings on a monthly basis.
- 3.2 Determine if the utility data can be recovered.
- 3.3 Require utility data to be backed up regularly, tested periodically, and stored in a secure off-site location.
- 3.4 Ensure the village maintains complete, consistent, and updated ordinances documenting utility operations.
- 3.5 Ensure a statement of costs is prepared to support utility rate increases and document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 3.6 Obtain annual audits of the water and sewer system as required by state law.
- 3.7 Work with the Missouri Department of Social Services regarding this grant and comply with its recommendations.

Auditee's Response

- 3.1 *The village has been working with the Missouri Rural Water Association and has already sent out monthly bills to residents for the water/sewer service and will continue to so on a monthly basis.*
- 3.2 *The trustees have discussed trying to recover the utility data and have come to the conclusion that it will cost the village money that we don't have to try to recover the data and that would only cover until the system stopped working. Then we would have to try and figure out from May 2022 to June 2023 what the residents bills were and who paid. With little documentation from this time period the village doesn't know if this could even be done and the village doesn't have the funds to cover whatever the costs may be.*



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- 3.3 *The village uses a billing service that is backed up on a cloud. The village will start storing all other data on a flash drive.*
- 3.4 *The village has recently passed an updated ordinance for the water and is working with the Missouri Rural Water Association to get the sewer ordinance updated and passed.*
- 3.5 *The village is working with the Missouri Rural Water Association to start a rate study to make sure we are charging the residents the right rates.*
- 3.6 *The village will start having an annual audit of the water/sewer system to be in compliance with state law.*
- 3.7 *The village will be in contact with the Missouri Department of Social Services regarding the grant the village received and take the necessary steps to resolve the issue.*

4. Oversight, Documentation, and Accounting Controls and Procedures

The prior Boards did not establish adequate oversight. In addition, significant weaknesses exist in the village's accounting controls and procedures.

4.1 Oversight and segregation of duties

The prior Boards did not establish adequate oversight or segregation of duties over various financial accounting functions, such as (1) receipting and depositing money, and (2) initiating, reviewing and approving disbursements. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation of duties and proper oversight by the prior Boards that led to the misappropriated and unsupported disbursements noted in MAR finding number 1.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board. The current Board indicated reliance was placed on the employees and adequate oversight was not provided.

4.2 Accounting records

The village did not always maintain adequate accounting records over its financial activities and decisions. As a result, it is difficult to determine the reason certain financial activities and decisions occurred, and there is no assurance all money collected was properly deposited, or all disbursements



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were properly approved and were for village business. It is not clear why the village was not able to provide various accounting records.

For the year ended December 31, 2022, through inspections of the village's files, computers, and email messages, as well as discussions and requests with current and former village personnel, we observed the following:

- The village could not provide any relevant utility records or data (see MAR finding number 3).
- The village could not provide any records of money receipted (see section 4.3).
- The village could not always provide invoices or other documentation to support disbursements made. The village could not provide any contracts or written agreements for long-term arrangements, such as recurring disbursements to vendors for water operations. In addition, the village did not maintain any documentation such as disbursement ledgers or financial reports to support the Board's review and approval of disbursements (see section 4.4).
- The village did not always maintain copies of its monthly bank statements, and did not prepare bank reconciliations (see section 4.5).

Maintaining documentation and accounting records is essential to support village accountability and transparency, and helps ensure errors or discrepancies are detected and corrected timely.

4.3 Receipting, recording, and depositing

The village's procedures for receipting, recording, and depositing money need improvement. As a result, there is no assurance all money collected is properly receipted, recorded, and deposited.

On March 8, 2023, we performed a cash count that included 48 checks and money orders totaling \$5,930, which were dated from August 25, 2022, to February 27, 2023, and there was no cash on hand. We observed the following:

- The village did not issue any receipt slips or maintain a comprehensive log of receipts for the 48 checks and money orders.
- The village did not restrictively endorse any of the 48 checks and money orders upon receipt, and only endorsed them when the deposit was prepared.
- The village did not deposit the money timely. The money was deposited on March 8, 2023, the same day of our cash count, and 6 months after the



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check dated August 25, 2022. In addition, the village's most recent prior deposit, on November 30, 2022, was not made intact as it did not include the check dated August 25, 2022, or another check dated prior to November 30, 2022, that were noted in our cash count.

- The village did not adequately safeguard the money on hand until it was deposited. During the cash count, village personnel located several checks and money orders in an unsecured box.

Similar concerns were noted from January 1, 2022, to August 24, 2022. For example, there is no evidence of receipt slips or comprehensive receipt logs for any other receipts, reconciliations between the composition of receipts and the composition of deposits, or reconciliations between receipts and village resident utility account balances, when applicable.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of money will occur and increases the likelihood that errors will go undetected. The prior Boards either were not aware of the importance of these procedures, or did not retain the related documentation.

4.4 Disbursement review and approval process

The village's disbursement review and approval process needs significant improvement. The village could not provide any documentation supporting review and approval of bills paid. Our review of available invoices obtained from the village showed the prior Boards did not indicate approval of individual invoices. In addition, the prior Boards did not receive a copy of the village's bank statements for review.

As noted in MAR finding number 7.1, meeting minutes for certain Board meetings during the year ended December 31, 2022, were not available. Minutes available did not always document the Board's review and approval of disbursements. A video of a Board meeting shows a prior Board briefly reviewing a packet of invoices and approving the invoices. However, this packet and other packets or documentation prepared for the Board, and featuring Board member signatures or initials marking their approval, could not be located.

To safeguard against possible loss, theft, or misuse of funds, the Board should review supporting documentation and approve all disbursements, as well as review bank statements for possible concerns over disbursements. Board approval of disbursements should be documented by signing or initialing a monthly list of payments to be made.

4.5 Bank reconciliations and checks

The village did not prepare bank reconciliations for any of its 8 bank accounts, maintain a checkbook register or book balances, or always issue checks in numerical sequence. Based on checks that cleared the bank accounts during



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the year ended December 31, 2022, there were 15 instances in which one or more check numbers were skipped, resulting in 23 skipped checks whose disposition (unused, voided, issued but outstanding, etc.) could not be determined. The village was unaware of the importance of performing bank reconciliations and issuing checks in numerical sequence. The village indicated it maintained checkbook registers. However, these registers could not be located.

Performing monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Maintaining a checkbook register, book balance, or a list of disbursements for each account would aid in preparing the monthly bank reconciliations and monitoring the bank balances. In addition, issuing checks in numerical sequence, accounting for the numerical sequence of checks issued, and defacing and retaining voided checks would help to properly account for all disbursements and reduce the risk of unauthorized transactions.

4.6 Bank account and late fees

The village did not adequately monitor balances to prevent bank account fees or ensure bills were paid timely, resulting in the village incurring at least \$192 in fees, including \$59 in bank overdraft fees, \$88 in bank service charge fees for not maintaining minimum balances, and \$45 in late fees assessed on its land loan payments.

Controls and procedures to monitor bank account balances and ensure timely disbursements are necessary to prevent unnecessary fees and finance charges. The prior Boards did not adequately monitor the village's bank accounts or disbursements.

Recommendations

The Board of Trustees:

- 4.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 4.2 Maintain and retain adequate accounting records.
- 4.3 Ensure pre-numbered receipt slips are issued in numerical sequence for all money received, the numerical sequence of receipt slips is accounted for, receipt slips indicate the method of payment, and checks and money orders are restrictively endorsed upon receipt. In addition, the Board should ensure deposits are made timely and intact, the composition of receipts and deposits is reconciled, and money is kept in a secure location until deposited.
- 4.4 Ensure complete lists of payments to be made are prepared and the Board's approval is documented and retained. In addition, the Board



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should compare the approved list of payments to supporting documentation to ensure disbursements are appropriate and adequately supported, and review bank statements for possible concerns over disbursements.

- 4.5 Ensure monthly bank reconciliations are prepared for all bank accounts; checkbook registers, book balances, and lists of disbursements are maintained; and checks are issued in numerical sequence with the sequence properly accounted for.
- 4.6 Implement procedures to monitor bank account balances to prevent bank account fees and ensure bills are paid timely to prevent late fees.

Auditee's Response

- 4.1 *The village is already working on creating and implementing appropriate reviews and monitoring procedures. The village has started checking the bank account with what checks were written to make sure all checks clear the bank and keeping a log of the transactions.*
- 4.2 *The village is getting a program that could help the village balance out any income that comes in and any money that is paid out to help the village maintain and retain adequate accounting records.*
- 4.3 *The village is using a receipt slip book that has pre-numbered receipt slips and is issuing them in numerical sequence for all money received, and we are accounting for the numerical sequence of receipt slips. The receipt slips indicate the method of payment, and checks and money orders are restrictively endorsed upon receipt. The Board has created checks and balances so that more than one Board member sees what is received and deposited. It also ensures deposits are made in a timely manner and intact, the composition of receipts and deposits is reconciled, and money is kept in a secure location until deposited.*
- 4.4 *The trustees have been reading and approving the bills for the village in the monthly meetings. The approved bills are documented in the meeting minutes. The bank accounts are reviewed to ensure all checks that were written have cleared through the bank.*
- 4.5 *The village has been reviewing monthly bank statements to the transaction log for review of the bank accounts to make sure it is accurate on all accounts. A list of disbursements has been maintained, and checks are issued in numerical sequence with the sequence properly accounted for.*



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4.6 *The village has already started monitoring the bank accounts and making sure everything clears so there is a clear and accurate amount known in the accounts.*

5. Payroll Controls and Procedures

Significant improvement over payroll controls and procedures is needed. During the year ended December 31, 2022, the village paid 2 employees on an hourly basis. The Utility Operator was paid \$8,781 from January 1 to April 25, 2022, and the Village Clerk was paid \$4,404 from April 25 to September 1, 2022. The Village Clerk that resigned on April 25 was a volunteer, unpaid employee.

5.1 Personnel ordinances and policies

The village does not have personnel ordinances and policies. The prior Boards did not realize personnel ordinances or policies were needed to address various topics, such as:

- Compensation for village officials and employees. For the Utility Operator, a position held by the same individual for several years, the only available pay rate documentation is the village's March 1, 2022, meeting minutes, in which the Board approved an hourly rate increase from \$15.30 to \$18.50. For the Village Clerk, the hourly rate of \$12.50 was not documented.
- Employee hiring, work schedules, and termination.
- Whether or not the village provides vacation leave, sick leave, overtime, compensatory time, or other arrangements. See concern over vacation pay in MAR finding number 1.

Section 80.240, RSMo, provides that the Board may appoint certain officials, prescribe their duties, and fix their compensation. Compensation should be set by ordinance.

Because ordinances passed by the Board to govern the village and its residents have the force and effect of law, it is important they are complete and followed. In addition, complete, consistent, and updated ordinances and personnel policies documenting procedures and expectations for hiring and termination, job responsibilities and supervision, work schedules, approved compensation, and leave are necessary to ensure equitable treatment of employees, prevent misunderstandings, and enforce consequences for violations.

5.2 Timesheets

The village did not always retain or review village employees' weekly timesheets.

We reviewed all payroll disbursements for the year ended December 31, 2022, that would have required a timesheet and noted the following concerns:



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- Timesheets were not located for any of the 16 disbursements to the Utility Operator, and there was no indication of related reviews and approvals. The current Board indicated timesheets were not required for the Utility Operator.
- For the Village Clerk, the village had timesheets for 6 of the 17 disbursements. These timesheets did not have the signature of the Village Clerk or the former Board Treasurer (Clerk's supervisor). The former Board Treasurer's review for mathematical accuracy was only indicated for 4 of the timesheets. For the remaining 11 disbursements, the Village Clerk provided us with 10 timesheets from her records, and these timesheets did not have signatures. During the Village Clerk's employment, methods to track and review time were not enforced by the Board.

Without adequate timesheets, the village cannot ensure hours worked are properly documented. To ensure the accuracy of the hours worked, timesheets should be signed by the employees and reviewed and approved by a supervisor.

5.3 Pay advances

The village issued 3 pay advances totaling \$220 to the Village Clerk, in violation of the Missouri Constitution.

The Village Clerk and former Board Treasurer indicated advances were periodically, and informally, requested and approved to accommodate various circumstances. The former Board Treasurer also explained the intent was to only allow advances in the middle of a work week, to cover time already worked in the week. However, one advance was paid on a weekend.

Advance payments are loans of village funds. The village has no statutory authority to make loans and Article VI, Sections 23 and 25 of the Missouri Constitution, specifically prohibit counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual. The prior Board was unaware that issuing pay advances violated the Missouri Constitution.

5.4 Bonuses

The village issued a \$500 bonus payment to the Village Clerk, in violation of the Missouri Constitution. This payment represents bonus compensation for services previously rendered.

The Village Clerk and former Board Treasurer indicated the bonus was for American Rescue Plan Act award tasks approved by the prior Board and documented in the meeting minutes. This could not be confirmed through available meeting minutes (see MAR finding number 7.1). However, the current Board Chairman, who served as a Board member at the time of this



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payment, confirmed it was approved in a Board meeting. The prior Board did not consider if it had the authority to issue bonus payments.

Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, "... a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

Recommendations

The Board of Trustees:

- 5.1 Ensure the village maintains complete, consistent, and updated ordinances and policies documenting personnel expectations, including establishing the compensation of all village officials and employees.
- 5.2 Ensure timesheets are retained and properly signed and approved, and reviews of timesheets are performed to ensure the propriety of payroll payments.
- 5.3 Discontinue the practice of providing pay advances to employees.
- 5.4 Discontinue paying employee bonuses.

Auditee's Response

- 5.1 *The village will be able to start coming up with procedures and policies at a later date to put in place when employees are hired. Right now the village does not have any employees. The Trustee positions are non-paid positions.*
- 5.2 *Policies will be put in place for the timesheets to be retained and properly signed and approved before the village hires any employees.*
- 5.3 *A policy for pay advances and why the village will not provide them will come before any employees are hired.*
- 5.4 *A policy on paying employee bonuses and why the village will not provide them will come before any employees are hired.*

6. Budgets and Financial Reporting

The village did not prepare annual budgets or file complete and accurate annual financial reports as required by state law.



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6.1 Budgets

The village did not prepare a budget for the years ended December 31, 2022, and 2021. It is unclear why the budgets were not created for these years.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of village operations. It also assists in setting utility rates and tax levies and informing the public about village operations and current finances. Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. In addition, Section 67.080, RSMo, provides that no expenditures of public money should be made unless it is authorized in the budget. Proper monitoring of budgeted amounts to actual results is necessary for the budget to be an effective management tool.

6.2 Financial reporting

The village did not file complete and accurate annual financial reports with the State Auditor's Office (SAO) as required by state law for the years ended December 31, 2022, and 2021. The financial reports listed the beginning balances, total receipts, total expenditures, and ending balances for only 3 of 8 village bank accounts. In addition, the reports did not contain accurate information. For example, the ending balance for 1 account did not agree to the corresponding bank account balance, despite the current Board's expressed intent to create the financial reports using the bank statements. The current Board submitted these reports, despite their incompleteness and inaccuracies, to meet deadlines not fulfilled by the prior Boards.

Section 105.145, RSMo, requires each political subdivision to file annual reports of financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. Section 105.145.9, RSMo, allows political subdivisions to be fined \$500 per day for missing filing deadlines. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual reports within 6 months of the end of the subdivision's fiscal year.

6.3 Published financial statements

The village does not publish or post semiannual financial statements as required by state law. As a result, information regarding the village's financial activity and condition is not available to citizens. It is unclear why the semiannual financial statements are not published.

Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.



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Recommendations

The Board of Trustees:

- 6.1 Prepare annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.
- 6.2 Submit complete and accurate annual financial reports to the State Auditor's Office as required by state law.
- 6.3 Publish or post semiannual financial statements as required by state law.

Auditee's Response

- 6.1 *The village will start preparing annual budgets to comply with state law. We have been working with the Missouri Rural Water Association with this.*
- 6.2 *We are having the Missouri Rural Water Association help to complete the financial reports to turn in to the State Auditor's Office to comply with state law.*
- 6.3 *The village will post semiannual financial statements to comply with state law.*

7. Sunshine Law

The village did not always ensure compliance with the Sunshine Law.

7.1 Meeting minutes

The village did not always prepare or retain meeting minutes. In addition, copies of available meeting minutes were not always formally approved by both the preparer (often the Village Clerk) and at least 1 Board member. As a result, some official village information was unavailable, and the information that was available may not be accurate or complete. These problems significantly limited our ability to understand and evaluate village actions and decisions.

Current and former village personnel stated the Board typically met at least monthly. After several requests for copies of meeting minutes, the only minutes received were for the 8 meetings held in the months of January, February, March, April, June, and August 2022. Only 1 copy of the minutes was signed by the Village Clerk and a Board member. Available minutes and agendas, and discussions with current and former village personnel, indicate the Board also met in May, July, and September 2022, and possibly other months.

Overall, the prior Boards' efforts to prepare, approve, and retain minutes were not consistent and not communicated well. The current Board Chairman indicated when he previously served as a Board member during the year ended December 31, 2022, he was uncertain how the village retained its



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minutes and it is unclear why some meeting minutes were not prepared and/or retained.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body. Meeting minutes serve as an official record of village business conducted and village actions and decisions.

7.2 Public access policy

The Board has not adopted a written policy regarding public access to village records as required by state law. A written policy regarding public access to village records would establish guidelines for the village to make records available to the public. Such policies typically identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the village to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law. The prior Boards either were not aware of these requirements, or did not retain the related documentation.

7.3 Records requests

The village does not maintain a log of records requests and could not produce a formal and complete record of dates requests were made, when records were provided, or communications related to these requests.

The village created a dedicated email address account in 2022 to receive Sunshine Law records requests. However, this account only included limited responses from the village, and did not track requests received through the mail or in person. This account did not reflect a formal, comprehensive, or successful process for the village to appropriately fulfill all requests.

Section 610.023, RSMo, provides that each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received by the custodian of records. To ensure compliance with state law, a log tracking key information supporting the fulfillment process for the request is important. Such information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request. The prior Boards either were not aware of the importance of this log, or did not retain the related documentation.



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Recommendations

The Board of Trustees:

- 7.1 Ensure all meeting minutes are prepared, retained, and formally approved by the preparer and at least one Board member.
- 7.2 Develop a written public access policy.
- 7.3 Maintain a public request log or other documentation to help ensure compliance with state law.

Auditee's Response

- 7.1 *The village has created a folder at village hall to maintain the meeting minutes and minutes are signed by the Village Clerk and the Board Chairman.*
- 7.2 *The village will implement the Attorney General's Office Sunshine Law template to be in compliance with the Missouri Sunshine Law.*
- 7.3 *The village will implement a plan to start keeping a log for documentation.*

8. 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.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.²

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the village is retained as required by state law. Village personnel indicated they were unaware of the record retention requirements and the electronic communications guidelines.

² Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed July 5, 2023.



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Recommendation

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.

Auditee's Response

The Board is working on developing an electronic communication policy that would ensure all village business communication is safely stored.

Village of Mineral Point

Organization and Statistical Information

The Village of Mineral Point is located in Washington County. The village was incorporated in 1905. The village had no employees as of December 31, 2022. The village's population was 231 in 2020, according to the U.S. Census Bureau.

Village operations include water and sewer services, and street maintenance.

Chairman and Board of Trustees

The village government consists of a 5-member board of trustees. The members are elected for 2-year terms. The chairman, who is a member of the board, is elected to a 1-year term and presides over the board of trustees. The Board of Trustees, at December 31, 2022, are identified below. Board members do not receive financial compensation.

Rebecca Wilshire, Chairman (1)
Matthew Wilshire, Treasurer (2)
Nickolas Courtois, Trustee (3)
Marvin Johnson, Trustee (4)
Vacant (5)

- (1) Rebecca Wilshire resigned on February 2, 2023. Nickolas Courtois was elected as Chairman in February 2023.
- (2) Matthew Wilshire resigned on February 2, 2023. Courtney Fierce was appointed to the Board and selected as Treasurer in February 2023.
- (3) Destiny Buhler was appointed to the Board in February 2023 and also serves as the Village Clerk.
- (4) Tina Hammers was elected to the Board in April 2023.
- (5) Becky Eckhoff was elected to the Board in April 2023.

Financial Activity

A summary of the village's financial activity, prepared using the village's bank statements, for the year ended December 31, 2022, follows.



Village of Mineral Point Organization and Statistical Information

Village of Mineral Point
Schedule of Receipts, Disbursements, and Changes in Cash
Year Ended December 31, 2022

	General Account (2)	Combined Waterworks & Sewerage Account	CARES Act Money Account (3)	Street Account (2)	Surplus Account (4)	Debt Service Sewer Account	Debt Service Reserve Account	Depreciation & Replacement Account	Total (5)
RECEIPTS (1)	\$ 28,325	65,010	36,229	3,518	17	19	8	103	133,229
DISBURSEMENTS (1)	26,067	72,708	40,217	5,843	28,072	0	826	0	173,733
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,258	(7,698)	(3,988)	(2,325)	(28,055)	19	(818)	103	(40,504)
CASH, JANUARY 1, 2022	7,092	9,352	32,670	5,378	28,910	18,324	8,255	2,944	112,925
CASH, DECEMBER 31, 2022	\$ 9,350	1,654	28,682	3,053	855	18,343	7,437	3,047	72,421

- (1) Receipts and disbursements presented include transfers between accounts.
- (2) These bank accounts were closed on January 17, 2023, and the money was deposited into the Combined Waterworks & Sewerage Account.
- (3) This account is for the village's American Rescue Plan Act award.
- (4) On April 13, 2022, the village transferred most of this account to the Combined Waterworks & Sewerage Account, to support village well repairs.
- (5) This total excludes the village's Delta Regional Authority (DRA) Funds bank account, that was created for potential DRA awards. That account did not have any activity, and remained at a \$0 balance during the year.



Appendix A
Village of Mineral Point
State Auditor Subpoena - Destiny Buhler



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Destiny Buhler

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representatives, Rob Tillman, Deputy General Counsel, and Alex Prenger, Audit Manager, at the Truman State Office Building, 301 W. High Street, Room 880, Jefferson City, MO 65102 at 10:00 am on Thursday, May 11, 2023, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, physical access to the records described in Exhibit A may be granted for State Auditor staff on or before the appearance date listed above. Alternatively, records may be shipped to the Missouri State Auditor to the attention of Alex Prenger at 301 W. High St., Room 880, Jefferson City, MO 65102, to be received no later than the appearance date listed above.

ISSUED this 27th day of April, 2023, pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by hand delivery on this 27th day of April, 2023.





Appendix A
Village of Mineral Point
State Auditor Subpoena - Destiny Buhler

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Village of Mineral Point for the time period of April 2022 to February 2023.

This request includes, but is not limited to, the following:

1. All documentation (invoices, timesheets, etc.) for services provided to the Village of Mineral Point during 2022-2023;
2. All records related to Village of Mineral Point check #4381 written to Destiny Buhler dated 5/17/22 in the amount of \$225.82 for "Payroll 5/9-5/12".
3. All records related to Village of Mineral Point check #4382 written to Destiny Buhler dated 5/23/22 in the amount of \$40.00 for "Advance".
4. All records related to Village of Mineral Point check #4385 written to Destiny Buhler dated 5/26/22 in the amount of \$185.87 for "Week 5/23-5/26".
5. All records related to Village of Mineral Point check #4386 written to Destiny Buhler dated 5/26/22 in the amount of \$225.87 for "Week 5/23-5/26".
6. All records related to Village of Mineral Point check #1002 written to Destiny Buhler dated 6/11/22 in the amount of \$100 for "Pay Advance".
7. All records related to Village of Mineral Point check #1004 written to Destiny Buhler dated 6/15/22 in the amount of \$500.
8. All records related to Village of Mineral Point check #4390 written to Destiny Buhler dated 6/16/22 in the amount of \$187.87 for "Payroll 6/13-6/16".
9. All records related to Village of Mineral Point check #4391 written to Destiny Buhler dated 6/16/22 in the amount of \$125.87 for "Payroll 6/13-6/16".
10. All records related to Village of Mineral Point check #4392 written to Destiny Buhler dated 6/21/22 in the amount of \$80 for "Pay Advance".
11. All records related to Village of Mineral Point check #4397 written to Destiny Buhler dated 7/1/22 in the amount of \$80 for "Water Report Copies".
12. All records related to Village of Mineral Point check #4402 written to Destiny Buhler dated 7/25/22 in the amount of \$58 for "Reimbursement".
13. All records related to Village of Mineral Point check #4404 written to Destiny Buhler dated 7/28/22 in the amount of \$200.
14. All records related to Village of Mineral Point check #4407 written to Destiny Buhler dated 7/28/22 in the amount of \$58 for "Reimbursement".
15. All records related to Village of Mineral Point check #4409 written to Destiny Buhler dated 8/1/22 in the amount of \$92.



Appendix A
Village of Mineral Point
State Auditor Subpoena - Destiny Buhler

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix B
Village of Mineral Point
State Auditor Subpoena - Matthew Wilshire



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Matthew Wilshire

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representatives, Rob Tillman, Deputy General Counsel, and Alex Prenger, Audit Manager, at the Washington County Courthouse, 102 North Missouri Street, County Clerk's Office, Potosi, MO 63664 at 10:00 am on Friday, May 19, 2023, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 3rd day of May, 2023, pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by personal service on this 5 day of May, 2023.





Appendix B
Village of Mineral Point
State Auditor Subpoena - Matthew Wilshire

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Village of Mineral Point for the time period of April 2022 to February 2023.

This request includes, but is not limited to, the following:

Payroll Checks:

1. All documentation (invoices, timesheets, etc.) for services provided to the Village of Mineral Point during 2022-2023;
2. All records related to Village of Mineral Point check #4381 written to Destiny Buhler dated 5/17/22 in the amount of \$225.82 for "Payroll 5/9-5/12".
3. All records related to Village of Mineral Point check #4382 written to Destiny Buhler dated 5/23/22 in the amount of \$40.00 for "Advance".
4. All records related to Village of Mineral Point check #4385 written to Destiny Buhler dated 5/26/22 in the amount of \$185.87 for "Week 5/23-5/26".
5. All records related to Village of Mineral Point check #4386 written to Destiny Buhler dated 5/26/22 in the amount of \$225.87 for "Week 5/23-5/26".
6. All records related to Village of Mineral Point check #1002 written to Destiny Buhler dated 6/11/22 in the amount of \$100 for "Pay Advance".
7. All records related to Village of Mineral Point check #1004 written to Destiny Buhler dated 6/15/22 in the amount of \$500.
8. All records related to Village of Mineral Point check #4390 written to Destiny Buhler dated 6/16/22 in the amount of \$187.87 for "Payroll 6/13-6/16".
9. All records related to Village of Mineral Point check #4391 written to Destiny Buhler dated 6/16/22 in the amount of \$125.87 for "Payroll 6/13-6/16".
10. All records related to Village of Mineral Point check #4392 written to Destiny Buhler dated 6/21/22 in the amount of \$80 for "Pay Advance".
11. All records related to Village of Mineral Point check #4397 written to Destiny Buhler dated 7/1/22 in the amount of \$80 for "Water Report Copies".
12. All records related to Village of Mineral Point check #4402 written to Destiny Buhler dated 7/25/22 in the amount of \$58 for "Reimbursement".
13. All records related to Village of Mineral Point check #4404 written to Destiny Buhler dated 7/28/22 in the amount of \$200.
14. All records related to Village of Mineral Point check #4407 written to Destiny Buhler dated 7/28/22 in the amount of \$58 for "Reimbursement".
15. All records related to Village of Mineral Point check #4409 written to Destiny Buhler dated 8/1/22 in the amount of \$92.



Appendix B
Village of Mineral Point
State Auditor Subpoena - Matthew Wilshire

Other Checks and Transactions:

16. All records related to the Village of Mineral Point withdrawal dated 5/19/22 in the amount of \$3,499.00 from the Belgrade CARES account.
17. All records related to the Village of Mineral Point withdrawal dated 6/16/22 in the amount of \$5,416.00 from the Belgrade CARES account.
18. All records related to the Village of Mineral Point deposit dated 6/30/22 in the amount of \$3,499.00 from the Belgrade CARES account.
19. All records related to Village of Mineral Point ACH deposits and payments, involving a PayPal account, between 7/7/22 and 7/8/22, from the Unico General account. During this period, deposits totaled \$0.18 (\$0.04 + \$0.14) and payments totaled \$58.43 (\$0.18 + \$2.99 + \$5.40 + \$10.00 + \$39.86).
20. All records related to Village of Mineral Point check #1009 written to Matthew Wilshire dated 8/9/22 in the amount of \$244.29 for "Reimburse" from the Belgrade CARES account.
21. All records related to Village of Mineral Point check #3545 written to Grand Rental dated 10/20/22 in the amount of \$55.08 from the Belgrade CARES account.
22. All records related to Village of Mineral Point check #1022 written to Matthew Wilshire dated 11/18/22 in the amount of \$1,950.00 for "Reimbursement Sewer Repair" from the Belgrade CARES account.
23. All records related to Village of Mineral Point check #1023 written to Josh Douglas dated 11/18/22 in the amount of \$240.80 for "Sewer Repair Reimbursement" from the Belgrade CARES account.
24. All records related to Village of Mineral Point check #1026 written to Walmart Stores dated 12/19/22 in the amount of \$112.94 from the Belgrade CARES account.
25. All records related to the Village of Mineral Point withdrawal dated 12/23/22 in the amount of \$475.48 from the Belgrade CARES account.
26. All records related to Village of Mineral Point check #1028 written to Benoist Excavating dated 1/5/23 in the amount of \$870.00 from the Belgrade CARES account.
27. All records related to Village of Mineral Point check #1029 written to Kevin Brooks dated 1/20/22 in the amount of \$500.00 from the Belgrade CARES account.
28. All records related to Village of Mineral Point check #1030 written to Walmart Stores dated 1/23/23 in the amount of \$109.60 from the Belgrade CARES account.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix C
Village of Mineral Point
State Auditor Subpoena - Rebecca Wilshire



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Rebecca Wilshire

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representatives, Rob Tillman, Deputy General Counsel, and Alex Prenger, Audit Manager, at the Washington County Courthouse, 102 North Missouri Street, County Clerk's Office, Potosi, MO 63664 at 10:00 am on Friday, May 19, 2023, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 3rd day of May, 2023, pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by personal service on this 5 day of May, 2023.





Appendix C
Village of Mineral Point
State Auditor Subpoena - Rebecca Wilshire

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Village of Mineral Point for the time period of April 2022 to February 2023.

This request includes, but is not limited to, the following:

Payroll Checks:

1. All documentation (invoices, timesheets, etc.) for services provided to the Village of Mineral Point during 2022-2023;
2. All records related to Village of Mineral Point check #4381 written to Destiny Buhler dated 5/17/22 in the amount of \$225.82 for "Payroll 5/9-5/12".
3. All records related to Village of Mineral Point check #4382 written to Destiny Buhler dated 5/23/22 in the amount of \$40.00 for "Advance".
4. All records related to Village of Mineral Point check #4385 written to Destiny Buhler dated 5/26/22 in the amount of \$185.87 for "Week 5/23-5/26".
5. All records related to Village of Mineral Point check #4386 written to Destiny Buhler dated 5/26/22 in the amount of \$225.87 for "Week 5/23-5/26".
6. All records related to Village of Mineral Point check #1002 written to Destiny Buhler dated 6/11/22 in the amount of \$100 for "Pay Advance".
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8. All records related to Village of Mineral Point check #4390 written to Destiny Buhler dated 6/16/22 in the amount of \$187.87 for "Payroll 6/13-6/16".
9. All records related to Village of Mineral Point check #4391 written to Destiny Buhler dated 6/16/22 in the amount of \$125.87 for "Payroll 6/13-6/16".
10. All records related to Village of Mineral Point check #4392 written to Destiny Buhler dated 6/21/22 in the amount of \$80 for "Pay Advance".
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12. All records related to Village of Mineral Point check #4402 written to Destiny Buhler dated 7/25/22 in the amount of \$58 for "Reimbursement".
13. All records related to Village of Mineral Point check #4404 written to Destiny Buhler dated 7/28/22 in the amount of \$200.
14. All records related to Village of Mineral Point check #4407 written to Destiny Buhler dated 7/28/22 in the amount of \$58 for "Reimbursement".
15. All records related to Village of Mineral Point check #4409 written to Destiny Buhler dated 8/1/22 in the amount of \$92.



Appendix C
Village of Mineral Point
State Auditor Subpoena - Rebecca Wilshire

Other Checks and Transactions:

16. All records related to the Village of Mineral Point withdrawal dated 5/19/22 in the amount of \$3,499.00 from the Belgrade CARES account.
17. All records related to the Village of Mineral Point withdrawal dated 6/16/22 in the amount of \$5,416.00 from the Belgrade CARES account.
18. All records related to the Village of Mineral Point deposit dated 6/30/22 in the amount of \$3,499.00 from the Belgrade CARES account.
19. All records related to Village of Mineral Point ACH deposits and payments, involving a PayPal account, between 7/7/22 and 7/8/22, from the Unico General account. During this period, deposits totaled \$0.18 (\$0.04 + \$0.14) and payments totaled \$58.43 (\$0.18 + \$2.99 + \$5.40 + \$10.00 + \$39.86).
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This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.