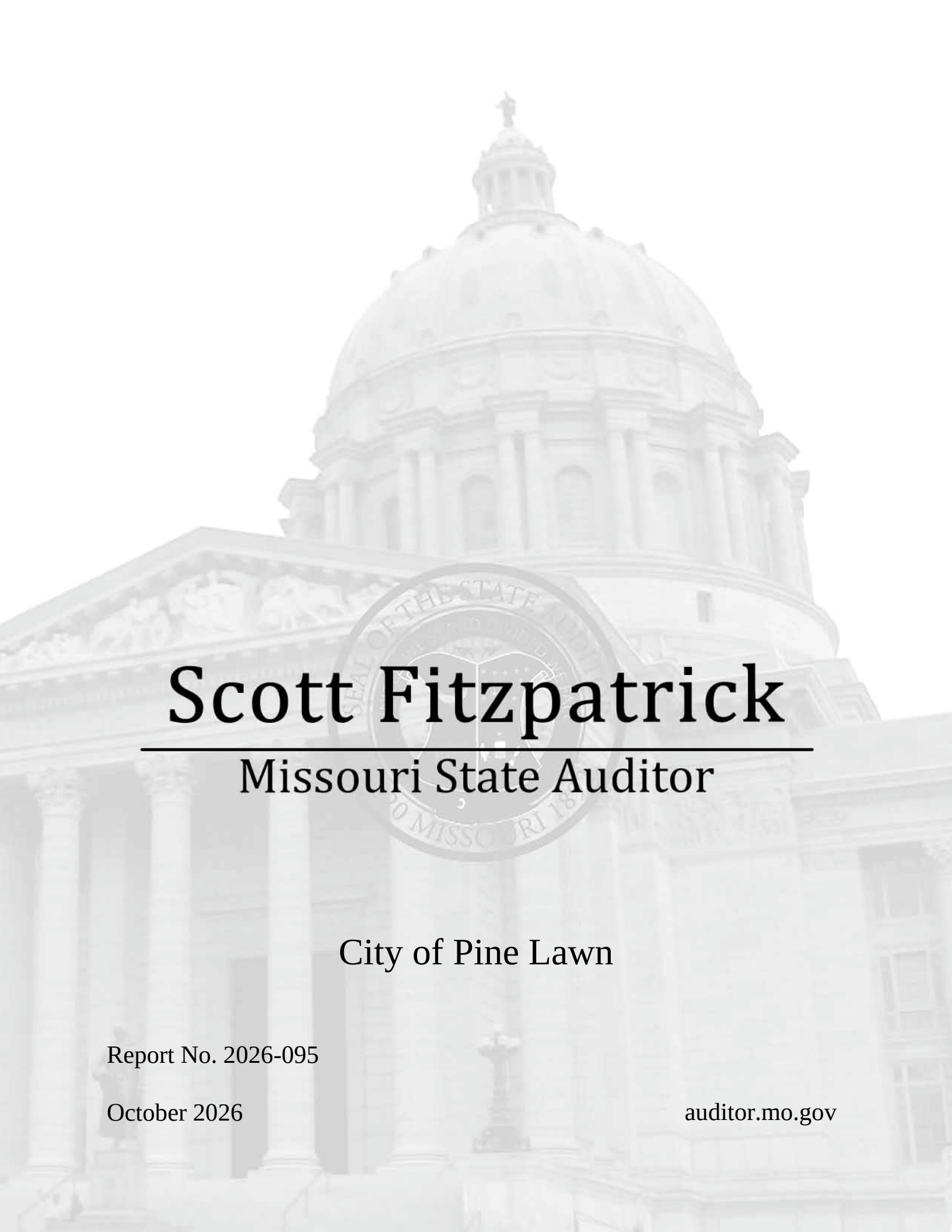




Scott Fitzpatrick

Missouri State Auditor

City of Pine Lawn

Report No. 2026-095

October 2026

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the City of Pine Lawn

Procurement and Disbursements	Controls and procedures over procurement and disbursements need improvement. There is no documentation that city officials always solicited bids or proposals as required by city code and the city did not have controls in place to ensure personnel sought bids and proposals prior to making purchases. A review of 25 haphazardly selected disbursements, totaling \$57,540, noted city officials did not obtain bids or proposals for 3 of the 6 applicable expenditures, including a consulting firm that helps with the annual tax levy for \$1,600, fuel for \$1,005, and lawn mower tires for \$3,100. The city sponsors events including out-of-town trips, luncheons, and park events and makes donations to charitable organizations that do not appear to benefit the city as a whole or to be necessary uses of taxpayer funds. As part of the events the city purchased food and other items totaling approximately \$2,209 in fiscal year 2025. Charitable donations to organizations and programs, including Toys for Tots, totaled \$1,216 in fiscal year 2025.
Bank Reconciliations	The city contracted bookkeeper does not perform timely bank reconciliations of the city's general account. The bookkeeper indicated when she was hired in June 2021, the city did not have any bank reconciliations on file. She started performing reconciliations chronologically beginning with 2016 and had only reconciled up to June 2023, as of February 2026.
Late Fees and Finance Charges	City personnel did not ensure bills were paid timely, credit card balances were monitored to avoid finance charges, and credit card bills were paid in full each month. During the year ended June 30, 2025, the city incurred late fees and finance charges totaling \$1,595, including \$1,219 in copier contract late fees, \$190 in credit card late fees, and \$186 in finances charges.
Closed Meeting Minutes	The Board did not prepare sufficient meeting minutes for 7 of 8 closed meetings held during the period January 2024 through May 2025.
Electronic Communication Policy	The city 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.

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.

City of Pine Lawn

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Procurement and Disbursements4 2. Bank Reconciliations.....5 3. Late Fees and Finance Charges6 4. Closed Meeting Minutes7 5. Electronic Communication Policy.....8
---	---

Organization and Statistical Information	10
Schedule of Receipts, Disbursements, and Changes in Cash Balances, Year Ended June 30, 2025	11



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Pine Lawn, Missouri

We have audited certain operations of the City of Pine Lawn as they relate to the city's finances in fulfillment of our duties under Chapter 29, RSMo. The State Auditor initiated the audit in response to a formal request from the Board of Aldermen. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2025. The objectives of our audit were to:

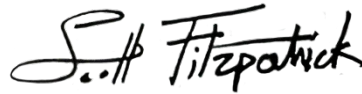
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city; 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. We obtained an understanding of city operations as they relate to citizen concerns significant to our objectives, including open records (Sunshine) law compliance, budgets and financial statements, receipts, and expenditures. We also 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.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pine Lawn.

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

Scott Fitzpatrick
State Auditor

City of Pine Lawn

Management Advisory Report

State Auditor's Findings

1. Procurement and Disbursements

Controls and procedures over procurement and disbursements need improvement. During the fiscal year ended June 30, 2025, the city made 424 disbursements totaling approximately \$1.6 million.

1.1 Procurement procedures

There is no documentation that city officials always solicited bids or proposals as required by city code and the city did not have controls in place to ensure personnel sought bids and proposals prior to making purchases. Our review of 25 haphazardly selected disbursements, totaling \$57,540, noted city officials did not obtain bids or proposals for 3 of the 6 applicable expenditures, including a consulting firm that helped with the annual tax levy for \$1,600, fuel for \$1,005, and lawn mower tires for \$3,100. The City Clerk indicated the vendors were chosen because they historically provided these goods and services to the city.

City Code, Section 145.020, states for purchases between \$1,000 and up to \$5,000, a department head shall solicit at least 3 non-sealed written bids. Soliciting competitive bids and proposals is necessary to comply with city code and ensures the city is receiving the most economical and best qualified service provider and/or product.

1.2 Questionable purchases

The city sponsors events including out-of-town trips, luncheons, and park events and makes donations to charitable organizations that do not appear to benefit the city as a whole or to be necessary uses of taxpayer funds. As part of the events the city purchased food and other items totaling approximately \$2,209 in fiscal year 2025. Charitable donations to organizations and programs, including Toys for Tots, a local toy donation program, totaled \$1,216 in fiscal year 2025. For Thanksgiving in 2024, the city donated \$145 in groceries to a local non-profit and \$200 to another local non-profit. The city also paid \$96 for lunch for volunteers of the second non-profit. City officials stated they believed it was their responsibility to help the community. However, they also indicated they incurred credit card finance charges because they were unable to always pay the city credit card bill in full, as described in Management Advisory Report (MAR) finding number 3, indicating the need to limit spending to necessary city business.

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. City residents have placed a fiduciary trust in their public officials to spend city money in a prudent and necessary manner that is beneficial to the city.

Recommendations

The Board of Aldermen:

- 1.1 Solicit bids and proposals in accordance with city code.



City of Pine Lawn
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.2 Ensure all disbursements are necessary and prudent uses of public funds.

1.1 *The finding is contested. City officials consistently solicited bids or proposals as required by the city's codebook and the Pine Lawn Purchasing Policy. The city did, in fact, have controls in place to ensure personnel sought bids and proposals prior to making purchases. As far as the tires for the lawn mower in the amount of \$3,100, that expenditure derived from, and incurred as part of, a service agreement with the same company that the lawn mowers were purchased. Discounts apply because of this service agreement. Plus the expenditure was considered exigent as lawn equipment is urgently needed during the cutting season.*

In sum, the city understands the Auditor's concern regarding documentation of competitive pricing efforts and will continue to secure proper documentation whenever circumstances reasonably permit.

1.2 *The finding is contested. The city did not make a \$1,216 charitable donation to "Toys for Tots" (a national nonprofit organization). In the City of Pine Lawn, Toys for Tots is simply the language/title used for our annual Christmas toy give away event. The city accepts donations and uses them to purchase and distribute toys, for free, to Pine Lawn children. It is a pass-through program. As such, the city does not make any charitable donations from its general revenue or any other city account.*

Auditor's Comment

1.1 The city's response indicates it bid in accordance with city code. However, on multiple occasions, we requested bid/proposal documentation for the purchases listed in the finding and the city did not provide documentation to support this claim.

1.2 While the city's support of community events is admirable, use of city funds to do so violates constitutional provisions. In addition, the city did not provide documentation to support the donations did not come from city funds.

2. Bank Reconciliations

The city contracted bookkeeper does not perform timely bank reconciliations of the city's general account. The bookkeeper indicated when she was hired in June 2021, the city did not have any bank reconciliations on file. She started performing reconciliations chronologically beginning with 2016 and had only reconciled up to June 2023, as of February 2026. She had not found any errors in her historical reconciliation, but she had not reconciled the current months to know if there were any current issues.



City of Pine Lawn
Management Advisory Report - State Auditor's Findings

Preparing timely bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded and increases the likelihood errors will be identified and corrected.

Recommendation

The Board of Aldermen ensure bank reconciliations are prepared timely.

Auditee's Response

The finding is contested. The city recognizes the importance of timely bank reconciliations and notes that substantial efforts have been undertaken to reconstruct and reconcile prior years' financial activity due to the absence of reconciliations before the engagement of the current bookkeeper. In fact, prior to this audit, the city assessed a need for fiscal improvements and subsequently secured a bookkeeper and a professional version of Intuit QuickBooks to resume the reconciliation of the city's general accounts. The bookkeeper currently reconciles newer bank statements and older statements simultaneously. The city remains committed to completing historical reconciliations and has developed procedures for improving the timeliness of current reconciliations moving forward.

The city duly notes the Auditor's recommendation but seeks consideration of the city's improved practices. The city also seeks a final finding consistent with the bookkeeper's current practice of meticulously reconciling many archived statements while simultaneously bringing the reconciliation process up to date.

Auditor's Comment

The finding acknowledges the contracted bookkeeper's efforts to catch up on older bank reconciliations, while noting there is no process to reconcile the accounts for current periods. To again verify this, in July 2026, we requested the bank reconciliations for June 2025 and June 2026. The City Clerk responded that the contracted bookkeeper is still working on the 2023 bank reconciliations and has not worked on anything more recent than that, contrary to the Board's response.

3. Late Fees and Finance Charges

City personnel did not ensure bills were paid timely, credit card balances were monitored to avoid finance charges, and credit card bills were paid in full each month. During the year ended June 30, 2025, the city incurred late fees and finance charges totaling \$1,595, including \$1,219 in copier contract late fees, \$190 in credit card late fees, and \$186 in finances charges.

Controls and procedures to ensure timely payment of amounts owed and accurate bank account balances are necessary to prevent late fees, finance charges, and bank overdraft fees. The City Clerk indicated bills were paid late because they arrived between Board meetings and she held the bills for Board approval, even if it caused the bill to be paid after the due date. She also indicated the credit card was not paid in full because the monthly charges exceeded the amount the city felt it could pay in a particular month.



City of Pine Lawn
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Aldermen implement procedures to ensure bills are paid timely to avoid late fees and finance charges.

Auditee's Response

The finding is contested. While the city has incurred finance charges and late fees, this is mainly a function of timing as reflected by gaps between the billing cycle and the Board's required approval process. It is not a lack of oversight. The city flatly refutes any suggestion that late fees and charges derive from intentional dereliction, a lack of good faith, or the lack of a commitment to satisfy payments to the city's vendors and creditors. Bills received after a Board meeting are not processed for payment until the following month's meeting. This delay causes some invoices/bills to remain outstanding beyond the due dates. It is important to note that the Assistant City Administrator and City Clerk have been successful in obtaining reversals or credits for many of the late fees and finance charges previously incurred.

The city appreciates the Auditor's recommendation and will continue to evaluate procedures that will reduce late fees and finance charges in the future.

Auditor's Comment

As stated in the finding, modifying controls and procedures would help avoid late fees and finance charges. If nothing else, the Board could meet more frequently to approve payments timely and avoid late fees and penalties. This would also save city officials from spending unnecessary time trying to get the fees and charges reversed.

4. Closed Meeting Minutes

The Board did not prepare sufficient meeting minutes for 7 of 8 closed meetings held during the period January 2024 through May 2025. The minutes for these meeting were either non-existent, only documented the votes to go into and out of closed session, or did not include sufficient information to determine what was discussed. The Board thought that when it went into closed session, the conversation topics were private, and notes should not be taken. Section 610.020.7, RSMo, requires minutes of open and closed meetings be maintained as a record of business conducted and to provide an official record of actions and decisions.

Recommendations

The Board of Aldermen ensure sufficient meeting minutes are prepared and retained for all closed meetings.

Auditee's Responses

The finding is contested. The city has consistently maintained minutes reflecting actions taken during closed-session meetings. Missouri law only requires that closed-session minutes reflect actions taken and general categories discussed, which are publicly announced and specifically identified before proceeding into closed-session. The statute does not require verbatim notes or a written transcription of discussions occurring during closed-session. Doing so would undermine the very purpose for having a closed-session discussion. It is believed that none of the closed-session



City of Pine Lawn
Management Advisory Report - State Auditor's Findings

meetings, cited by the auditors, involved actions or votes beyond the routine opening and closing of the meeting. The city ensures that any action taken during closed-session is properly recorded and reflected by a roll-call vote.

The city will continue to ensure compliance with Missouri's statutory requirements.

Auditor's Comment

At a minimum, closed meeting minutes should include a general description of the topics discussed to ensure those topics agree with the reasons given for going into a closed meeting. The minutes provided for the 7 meetings discussed in the finding contained no such information.

5. Electronic Communication Policy

The city 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. City officials indicated they were not aware of the record retention requirements and the electronic communications guidelines.

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.¹

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the city is retained as required by state law.

Recommendation

The Board of Aldermen 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 finding is contested. While it is true that the city currently does not maintain a separate written records retention policy, that is because the city has historically maintained its records in perpetuity rather than pursuant to destruction schedules. In other words, the city consistently focuses its efforts

¹ 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 September 28, 2026.



City of Pine Lawn
Management Advisory Report - State Auditor's Findings

on preserving records rather than disposing of them. Notwithstanding this focus, the city gives deference to Sections 109.255 and 109.270, RSMo, together with guidance issued by the Missouri Secretary of State and Local Records Board. Together they provide a good framework for records retention, destruction, and management. The city views these retention guidelines as a binding resource for developing formal destruction procedures in the future.

Auditor's Comment

The Board's response of "the city currently does not maintain a separate written records retention policy" indicates the Board agrees with our finding. As stated in the finding, the guidance provided by the state recommends that local entities develop an electronic messaging policy. If the Board wants to use state statutes and guidance as its policy, as indicated, a written policy stating this would be the best way to communicate this to city personnel and citizens. If the Board chooses to maintain all official records "in perpetuity" that guidance should be documented in an official policy as well.

City of Pine Lawn

Organization and Statistical Information

Mayor and Board of Aldermen

The City of Pine Lawn is located in St. Louis County. The city was incorporated in 1947 and is currently a fourth-class city. The city employed 3 full-time employees and 7 part-time employees on June 30, 2025. The city's population was 2,754 in 2020, according to the U.S. Census Bureau.

The city government consists of a mayor and 8-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at June 30, 2025, are identified below. The mayor is paid \$700 per month and aldermen are paid \$450 per month if it is their first term in office and \$500 if it is a subsequent term. Police services are provided by the North County Police Cooperative.

Terry Epps, Mayor
Jannie Ward, President of the Board ¹
Dionne Jones, Alderwoman
Trisha Pritchard, Alderwoman
Regina Gathright, Alderwoman
Tyrone Polk, Alderman
Gerald Metts, Alderman
Iphenia Butler, Alderwoman
Karen Phipps, Alderwoman

¹ The President of the Board performs the duties of the mayor if the mayor is unable.

Principal Officials

Lillian Eunice, City Administrator
Donte Samuels, Assistant City Administrator
Victoria Stevenson, City Clerk
Marilyn Peaston, Housing Clerk

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2025, follows.

City of Pine Lawn
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2025

	General Revenue Account	Capital Improvement Account	Payroll Account	Public Safety Account	Other Accounts	Total
RECEIPTS						
Receipts	\$ 1,295,942	226,581	0	179,063	115,508	1,817,094
Transfers In	530,333	0	553,766	0	30,000	1,114,099
Total Receipts	1,826,275	226,581	553,766	179,063	145,508	2,931,193
DISBURSEMENTS						
Disbursements	1,359,319	198,766	537,294	0	48,836	2,144,215
Transfers Out	583,765	0	0	193,563	336,770	1,114,098
Total Disbursements	1,943,084	198,766	537,294	193,563	385,606	3,258,313
RECEIPTS OVER (UNDER) DISBURSEMENTS	(116,809)	27,815	16,472	(14,500)	(240,098)	(327,120)
CASH, JULY 1, 2024	169,335	1,011,522	502	14,515	679,290	1,875,164
CASH, JUNE 30, 2025	\$ 52,526	1,039,337	16,974	15	439,192	1,548,044