



Nicole R. Galloway, CPA
Missouri State Auditor

Village of Luray



November 2015
Report No. 2015-102

<http://auditor.mo.gov>



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CITIZENS SUMMARY

Findings in the audit of the Village of Luray

Internal Controls, Records, and Procedures

The Board of Trustees has not segregated accounting duties and there is not adequate independent oversight of the work performed by the village clerk. The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance. Additionally, the village has not established separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. The village clerk does not perform bank reconciliations for the village's general, wastewater and ballpark accounts and does not maintain cumulative book balances for these accounts. The village has not prohibited the practice of making checks payable to cash. No records of ballpark concession stand purchases, sales or inventories are maintained, and no reconciliations of concession stand purchases to the amount sold are performed. The village clerk is not bonded, as required by state law.

Disbursements

The board's review and approval of disbursements was not adequately documented. The village did not maintain adequate supporting documentation for some disbursements. The village does not have a written contract with the wastewater manager. The village did not file a 1099-MISC form with the Internal Revenue Service for payments made to the wastewater manager in 2014.

Wastewater System Controls and Procedures

Wastewater receipts were not always properly recorded and the method of payment was not always documented as cash or check on the wastewater ledger. The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without board approval. The village does not perform monthly reconciliations of total billings, payments received and amounts remaining unpaid for wastewater services. The village does not have a way to discontinue wastewater services, as the water lines are currently limited to one shut-off valve, which limits the recourse the village has to address delinquent accounts. Accounting records documenting wastewater receipts prior to October 2014, were not adequately retained.

Budgets and Financial Reporting

The village does not prepare annual budgets for village funds as required by state law. The village does not publish or post semiannual financial statements, file annual financial reports with the State Auditor's Office or obtain annual audits of its sewer system, as required by state law.

Ordinances and Sunshine Law
Issues

Minutes for some board meetings were not prepared or had not been retained, and there is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or the board approved the tax rate. The village has not adopted a written policy regarding public access to village records as required by state law. In addition, village ordinances are not complete or up to date.

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

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Village of Luray

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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Luray, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Luray. 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, 2014. The objectives of our audit were to:

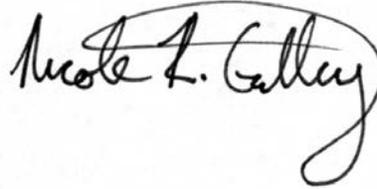
1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the village; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. 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 contract 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 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. We believe that 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 control, (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 Village of Luray.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: John Luetkemeyer, CPA
Director of Audits: Regina Pruitt, CPA
Audit Manager: Robyn Vogt, M.Acct., CPA
In-Charge Auditor: Terri Erwin, MBA, CGAP

Village of Luray

Management Advisory Report

State Auditor's Findings

1. Internal Controls, Records, and Procedures

There are significant weaknesses in village internal controls, records, and procedures.

1.1 Segregation and oversight

The Board of Trustees (Board) has not segregated accounting duties and there is not adequate independent oversight of the work performed by the Village Clerk. A Village Clerk is appointed by the Board and is compensated \$35 per month for the duties performed. Two people held the position of Village Clerk during the year ended December 31, 2014.

The Village Clerk is responsible for all record-keeping and accounting functions for the general, wastewater, and ballpark accounts. The clerk's duties include receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, preparing customer wastewater billings, and tracking wastewater account balances. Adequate independent reviews of this work are not performed.

One person performing all record-keeping and accounting functions does not allow the segregation of duties necessary for a proper evaluation and review of financial transactions. The current procedures jeopardize the system of independent checks and balances needed for good internal control. If segregation of duties is not possible, periodic independent or supervisory reviews, including a comparison of accounting records to bank records, should be performed and documented.

1.2 Accounting records

The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance.

Additionally, the village has not established a separate fund or separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. During the year ended December 31, 2014, the village received \$3,733 in motor vehicle-related revenues.

Article IV, Sections 30(a) and 30(b), Missouri Constitution requires that motor vehicle-related revenues apportioned by the state of Missouri be expended on street-related purposes, including construction, maintenance, repair, policing, signing, lighting, and cleaning of roads and streets.

Fund ledgers and summary reports of receipts by source and disbursement by type should be prepared for each fund on a monthly basis and used for comparison to budgeted amounts and overall review of village operations. Receipts and disbursements associated with restricted usage should be



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recorded in a fund established to account for this usage and ensure compliance with state laws. Complete and accurate financial records are necessary for the Board to make informed decisions and provide a basis for monitoring financial activity.

1.3 Bank reconciliations

The Village Clerk does not perform bank reconciliations for the village's general, wastewater, and ballpark accounts and does not maintain cumulative book balances for these accounts.

Monthly bank reconciliations help ensure bank and book balances are in agreement and errors are detected and corrected timely. Maintaining a book balance for each account would also aid in preparing the monthly bank reconciliations and monitoring the bank balances.

1.4 Check procedures

The village has not prohibited the practice of making checks payable to cash. We noted a check payable to cash for \$750 written in August 2014 from the ballpark account. The current Village Clerk (who was appointed in April 2015) could not explain the purpose of this check nor provide supporting documentation regarding how or where these monies were used.

To reduce the risk of misuse of monies, the practice of writing checks payable to cash should be prohibited.

1.5 Concession stand inventory

No records of ballpark concession stand purchases, sales, or inventories are maintained, and no reconciliations of concession stand purchases to the amount sold are performed. As a result, the Board has no assurance of proper handling of inventory items or monies generated through concession sales.

To ensure proper handling of inventory items and monies generated through concession sales, the village should maintain adequate records of concession stand purchases, sales, and inventories; and a reconciliation of concession inventory purchased to the amount sold and on hand should be performed on a periodic basis by an independent person.

1.6 Bond

The Village Clerk is not bonded, as required by state law. Section 80.250, RSMo, requires village officials be bonded for not less than \$1,000. Failure to properly bond village officials exposes the village to risk of loss.

Recommendations

The Board of Trustees:

- 1.1 Segregate accounting duties to the extent possible and ensure documented supervisory reviews of the accounting records and bank records are performed.



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- 1.2 Ensure a complete financial accounting system is established. Summary financial reports should be prepared documenting monthly receipt sources and disbursement types. This information should be used to compare to budget estimates and monitor village operations. Additionally, the Board should establish a separate fund or a separate accounting of restricted monies.
- 1.3 Ensure monthly bank reconciliations are prepared for all bank accounts and cumulative book balances are maintained.
- 1.4 Prohibit the practice of making checks payable to cash.
- 1.5 Ensure adequate records of concession stand purchases, sales, and inventories are maintained, and a reconciliation of concession inventory purchases to the amount sold and on hand is performed periodically.
- 1.6 Require appropriate bond coverage for all village officials.

Auditee's Response

- 1.1 *The Board is in the process of developing a system for Trustees to perform supervisory reviews over accounting records and bank records on a regular basis, and will include documentation of these reviews occurring.*
- 1.2 *The Board is in the process of starting a financial accounting ledger, which will include a separate fund for restricted monies. Also, a financial statement has been developed and is handed out at each monthly meeting for Board approval that includes all monies coming in and going out.*
- 1.3 *The Board is in the process of developing a system for Trustees to review and compare bank statements to the ledger on a regular basis that will include documentation of this review occurring.*
- 1.4 *This has not occurred with the current Board, but it will be added to the policies and procedures to make sure it will not occur in the future.*
- 1.5 *The current Board has been checking the concession purchases, sales, and inventories on a regular basis, but has not been documenting reviews performed. The Board is going to start documenting these reviews.*
- 1.6 *Implemented. The Village Clerk has been bonded since September 15, 2015.*



2. Disbursements

Significant weaknesses exist in the controls and procedures over disbursements.

2.1 Disbursement review and approval

The Board's review and approval of disbursements was not adequately documented. Although Board minutes documented discussion of pending payments, the approval of disbursements was generally not documented. In addition, invoices were not signed or initialed by the Board, and a list of all disbursements approved for payment by the Board was not prepared to accompany the minutes.

To adequately document the Board's review and approval of all disbursements, a complete and detailed listing of disbursements should be prepared, signed or initialed by the Board members to denote their approval, and retained with the official minutes. In addition, supporting documentation should be reviewed by the Board or someone independent of the disbursement process before payment is made. Failure to properly review all invoices and supporting documentation, and to document authorizations, increases the possibility of inappropriate disbursements occurring.

2.2 Supporting documentation

The village did not maintain adequate supporting documentation for some disbursements. For example, there was no supporting documentation for 2 payments of \$350 made to a Board member in February and March 2014 for snow removal.

All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

2.3 Service contract

The village does not have a written contract with the Wastewater Manager. Per village officials, a contract had been signed annually until a few years ago, but no current contract is in place, nor could a copy of a past contract be provided. During the year ended December 31, 2014, the Wastewater Manager was paid \$5,700 for her services.

The village should obtain written contracts, as needed, which specify the services to be rendered and the manner and amount of compensation to be paid. Furthermore, Section 432.070, RSMo, requires contracts of political subdivisions be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties. Additionally, the village should retain its written contracts.

2.4 IRS reporting

The village did not file a 1099-MISC form with the Internal Revenue Service for payments totaling \$5,700 made to the Wastewater Manager for the year ended December 31, 2014. Sections 6041 to 6050W of the Internal



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Revenue Code require non-wage payments of at least \$600 in one year to an individual be reported to the federal government on a 1099-MISC form.

Recommendations

The Board of Trustees:

- 2.1 Review and document approval of all disbursements and supporting documentation.
- 2.2 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.
- 2.3 Obtain and retain written contracts for services which specify the services to be rendered and the manner and amount of compensation to be paid.
- 2.4 Ensure 1099-MISC forms are issued in accordance with IRS regulations.

Auditee's Response

- 2.1 *The minutes now show that we approve all bills, payroll, and disbursements. The Village Clerk has been preparing a list of all payments to go out for the current month and hands it out to the Board at each meeting to get approved, but has not been having the members sign the list. The Board is going to start documenting that this is being approved each month in the minutes and sign the list.*
- 2.2 *The Board has started approving disbursements at each meeting by a vote and supporting documentation of the disbursements will be reviewed and maintained.*
- 2.3 *The Board is in the process of developing a contract for the Wastewater Manager and will include duties, responsibilities, and amount of compensation.*
- 2.4 *The Board is in the process of consulting with the Village Attorney to see if a 1099-MISC needs to be done.*

3. Wastewater System Controls and Procedures

There are significant weaknesses in village operations related to the wastewater system. The village provided wastewater services to 45 customers according to the December 2014 ledger. The village collected approximately \$11,300 in wastewater fees during the year ended December 31, 2014.

3.1 Wastewater receipts

Wastewater receipts were not always properly recorded and the method of payment (cash or check) was not always documented on the wastewater ledger. As a result, the composition of receipts cannot be reconciled to the



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composition of deposits. Additionally, Board members will accept wastewater payments at their homes, even though payments can be made by mail or via a locked drop box.

Of 5 receipts selected for testing from the fourth quarter 2014 wastewater ledger, the only ledger that could be located, 2 receipts received in October 2014, were not properly recorded. When comparing the billing payment stub listing the amount paid with the wastewater ledger, we noted one receipt for \$63 per the payment stub was recorded in the ledger as \$30, and the other receipt of \$60 per the payment stub was recorded in the ledger as \$63. Had the wastewater ledger been reconciled to deposits, these errors would have been detected.

Accurately recording all receipts, along with the method of payment, allows the composition of monies received to be reconciled to the composition of deposits, and ensures all monies are properly recorded and deposited intact. Also, to minimize the risk of loss, theft, or misuse, Board members should discontinue accepting wastewater payments at their homes.

3.2 Partial payments policy

The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without Board approval. Customers making partial payments are not required to sign an agreement for the payment arrangements.

To ensure all customers are treated equitably, a written policy should be established documenting the process to determine when payment plans are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, a signed written payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting the amounts due to the village.

3.3 Delinquent accounts

The village does not perform monthly reconciliations of total billings, payments received, and amounts remaining unpaid for wastewater services. Although delinquent amounts are recorded by customer in the wastewater ledger, a summary of delinquent amounts is not prepared. We prepared a list of delinquent accounts and noted of the 45 customer accounts as of December 31, 2014, 21 (47 percent) had delinquent balances, totaling approximately \$5,300. Also, of the 21 delinquent accounts, 4 (19 percent) were accounts of current or former village officials.

The village also does not have a written policy regarding the assessment of late payment fees on delinquent accounts. Customers are informed that a 10 percent late fee will be assessed. We noted during the fourth quarter 2014, late fees were not calculated correctly or consistently.



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To ensure adequate follow-up procedures are performed, a listing of all delinquent amounts should be maintained and periodically reviewed by the Board. In addition, monthly reconciliations are necessary to ensure that all accounting records balance, transactions have been properly recorded, any errors or discrepancies are detected timely. The village should also establish a written policy regarding assessing late payment fees on delinquent accounts and discontinue allowing village officials to carry delinquent wastewater balances.

3.4 Collection efforts

The village needs to continue its efforts to ensure all users are paying for the wastewater services provided. Currently, the village does not have a way to discontinue wastewater services. The water lines are currently limited to one shut-off valve, which limits the recourse the village has to address delinquent accounts. The Board's efforts to resolve delinquent customer accounts have included sending delinquent customer account holders certified letters to request payment, pricing how much it would cost the village to place separate shut-off valves for the wastewater, and discussing other collection alternatives with legal counsel.

Allowing customers to receive service without payment reduces the incentive to make payments, results in loss of village revenue, and could impact the wastewater rates for other paying customers. The Board should continue efforts to collect on delinquent accounts.

3.5 Record retention

Accounting records documenting wastewater receipts prior to October 2014, were not adequately retained, and thus, we were unable to determine if wastewater receipts were accounted for properly. The Village Clerk could only locate the wastewater ledger for the fourth quarter of 2014.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

Recommendations

The Board of Trustees:

- 3.1 Require recording the method of payment and reconciliation of the composition of receipts to the composition of deposits. In addition, the Board should ensure wastewater payments are only accepted via mail or drop box.
- 3.2 Establish a written policy regarding partial payments for delinquent accounts, and ensure signed written agreements are prepared to support partial payment arrangements.



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- 3.3 Require monthly reconciliations be performed of the amounts billed to amounts collected and delinquent accounts, and review a listing of delinquent accounts periodically. Establish a written policy regarding assessing late payment fees on delinquent accounts. In addition, the Board should discontinue the practice of allowing village officials to carry delinquent wastewater balances.
- 3.4 Continue efforts to ensure all users are paying for wastewater services provided.
- 3.5 Ensure accounting records are properly retained.

Auditee's Response

- 3.1 *The Village Clerk has been keeping a record of all payments received that include the name, date, payment source (check number, money order number, or cash) and amount paid each month. The Chairman or his designate is going to start reviewing this list and reconcile it with bank records and document their review. Board members will no longer accept payments at their homes.*
- 3.2 *The Board is in the process of having this added to the new ordinances, bylaws, and policies and procedures that the Village Attorney is developing.*
- 3.3 *The Board is in the process of starting to have a form made each month that includes amount billed and amount received for the month and handed out at each meeting for approval and documented review. The Village Clerk has also started to hand out a delinquent account list at each meeting, and this will start to be documented each month. The Board is in the process of adding a late fee amount of 10 percent of total delinquent amount each month to the policies and procedures that the Village Attorney is developing. Finally, the Board agrees that village officials should not carry delinquent wastewater balances. In the future no office holder will be allowed to have a delinquent account.*
- 3.4 *The Board is also working with the Village Attorney to collect all delinquent amounts and developing a policy for the accounts to not get so far behind.*
- 3.5 *The Village Clerk is currently developing binders for all accounts to keep all records maintained and organized.*



4. Budgets and Financial Reporting

Annual budgets are not prepared for village funds and significant improvement is needed in financial reporting practices.

4.1 Budgets

The village does not prepare annual budgets for village funds as required by state law.

Section 67.010, RSMo, requires the preparation of an annual budget that shall represent a complete financial plan for the ensuing budget year, and also sets specific requirements for information to be included in the budget. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget.

A complete and well-planned budget, in addition to meeting statutory requirements, serves as a means to manage village resources, assists in setting tax levies, and informs the public about village operations and current finances.

4.2 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.

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.

4.3 Financial reporting

The village does not file annual financial reports with the State Auditor's Office as required by state law. The village last submitted a financial report in January 2003 for the year ending December 31, 2001.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office.

4.4 Audits

The village has not obtained annual audits of its sewer system as required by state law. Section 250.150, RSMo, requires the village obtain annual audits of the sewer system and the cost be paid from revenues received from the system.

Recommendations

The Board of Trustees:

- 4.1 Prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.



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- 4.2 Publish or post semiannual financial statements as required by state law.
- 4.3 File annual financial reports with the State Auditor's Office as required by state law.
- 4.4 Obtain annual audits of the sewer system as required by state law.

Auditee's Response

- 4.1 *The Board is including in the policies and procedures to have an annual budget to be developed and documented. We anticipate having a budget in place for 2016. Approval of the budget will be documented in the minutes.*
- 4.2 *The Board is including in the policies and procedures to have a semiannual financial statement published or posted as required by law. We plan to publish the first semiannual statement as of December 31, 2015.*
- 4.3 *The Board is in the process of adding to the policies and procedures that a financial report is to be sent to the State Auditor's Office annually. We will provide this information to the State Auditor's Office in 2016.*
- 4.4 *The Board is in the process of checking with the Village Attorney about making this a policy, and will obtain an annual audit of the sewer system.*

5. Ordinances and Sunshine Law Issues

Minutes for some Board meetings were not prepared or had not been retained, there is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or the Board approved the tax rate, and the village has not adopted a written policy regarding public access to village records as required by state law. In addition, village ordinances are not complete or up to date.

5.1 Meeting minutes

Minutes for the January 2014, March 2014, July 2014, February 2015, and March 2015 monthly Board meetings could not be located. While minutes were provided for other meetings, it could not be determined if the minutes for these meetings had not been prepared, or just could not be located. In addition, for the minutes provided, they were neither signed by the Village Clerk as the preparer, nor subsequently approved by the Board.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of board actions and decisions. The meeting minutes should be signed by the Village Clerk as preparer and subsequently approved by the Board to provide an independent



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attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

5.2 Tax rate hearing

There is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or that the tax rate was formally approved by the Board. None of the available Board meeting minutes included discussion or approval of the village's property tax rate, and no other records were available to support the established rate or demonstrate a public hearing had been held.

Section 67.110, RSMo, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rate. The tax rate should be established in an ordinance as provided in Section 80.090, RSMo.

5.3 Public access policy

The village 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. This policy should identify a person to contact, provide an address to mail such requests, and establish fees which 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.

5.4 Ordinances

Village ordinances are not complete or up to date. According to village officials, many ordinances are old and no longer relevant but have not been rescinded by the Board.

Also, the village has not adopted an ordinance for the Village Clerk's job responsibilities, work hours, compensation, etc. 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.

In addition, the village has not adopted ordinances to address operations of the wastewater system, including acceptance of partial payments, collection and write-off of delinquent accounts, and assessment of late payment fees.

Because ordinances passed by the Board to govern the village and its residents have the force and effect of law, it is important ordinances be current, complete, and organized. In addition to meeting statutory requirements, ordinances documenting approved salary amounts and wastewater system procedures help ensure equitable treatment and prevent misunderstandings.



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Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 5.1 Maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer and approved by the Board.
- 5.2 Hold a public hearing each year to determine and set the tax levy.
- 5.3 Develop written policies regarding procedures to obtain access to, or copies of, public records.
- 5.4 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner, new ordinances are passed when appropriate, and an index of all ordinances passed and rescinded is established. The Board should also establish, by ordinance, the Village Clerk's duties and compensation, and address the wastewater system procedures.

Auditee's Response

- 5.1 *The Village Clerk has developed a binder to keep all minutes in and the Board will start having all minutes signed by the Village Clerk as preparer and minutes will be approved by the Board at the next Board meeting.*
- 5.2 *The Board is in the process of including in the policies and procedures to hold a public hearing annually to determine and set the tax levy. We plan to implement the recommendation in 2016.*
- 5.3 *The Board is in the process of including in the policies and procedures that the public can obtain access to or copies of public records and will include the costs.*
- 5.4 *The Board is in the process of developing new ordinances, bylaws, and policies and procedures with the Village Attorney. When completed, they will be passed, approved, and maintained according to state law. Included in these will be the Village Clerk's duties within all accounts and compensation, and they will also address the wastewater system procedures.*

Village of Luray

Organization and Statistical Information

The Village of Luray is located in Clark County. The village was incorporated in 1886. The village employs no full-time employees, but has appointed a part-time Village Clerk.

Village operations include wastewater services, street maintenance, planning and zoning, and recreational facilities (village park and a ballpark).

Chairperson and Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The chairperson is appointed by the board from the trustees. The members of the Board of Trustees at December 31, 2014, are identified below. The Chairman is paid \$35 per month and the Trustees are paid \$25 per month.

Robert Smith, Chairperson
Vernon Hopp
Rodney Nichols
Chris Moeller
Dennis Smith

Financial Activity

A summary of the village's financial activity for the year ended December 31, 2014, follows:

Village of Luray
Schedule of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended December 31, 2014

	General Account	Wastewater Account	Ballpark Account	Total
RECEIPTS				
Property taxes	\$ 1,357	0	0	1,357
Franchise taxes	2,321	0	0	2,321
Motor fuel and vehicle fees	3,733	0	0	3,733
Interest	93	0	0	93
Wastewater revenues	0	11,336	0	11,336
Entry fees	0	0	2,500	2,500
Concession stand proceeds	0	0	1,237	1,237
Miscellaneous	488	0	1,879	2,367
Total Receipts	<u>7,992</u>	<u>11,336</u>	<u>5,616</u>	<u>24,944</u>
DISBURSEMENTS				
Personal service	1,975	5,700	0	7,675
Utilities	3,782	2,959	867	7,608
Loan payment	711	711	711	2,133
Snow removal	700	0	0	700
Election costs	282	0	0	282
Expense and equipment	0	1,114	203	1,317
Wastewater testing	0	455	0	455
Concession stand inventory	0	0	716	716
Miscellaneous	505	528	1,029	2,062
Total Disbursements	<u>7,955</u>	<u>11,467</u>	<u>3,526</u>	<u>22,948</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	37	(131)	2,090	1,996
CASH AND INVESTMENTS, JANUARY 1, 2014	<u>27,306</u>	<u>13,604</u>	<u>1,014</u>	<u>41,924</u>
CASH AND INVESTMENTS, DECEMBER 31, 2014	<u>\$ 27,343</u>	<u>13,473</u>	<u>3,104</u>	<u>43,920</u>