



Susan Montee, JD, CPA  
Missouri State Auditor

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# City of Clever



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**Susan Montee, JD, CPA**  
Missouri State Auditor

# YELLOW SHEET

## Findings in the audit of the City of Clever

### Missing Funds

The City of Clever has a history of missing funds and given the varying methods in which funds are missing from the city, it is apparent the city's financial activity was not adequately monitored. This audit identified missing cash receipts of at least \$7,568 between July 1, 2007, and February 29, 2008. Unrecorded checks were substituted into deposits in exchange for cash receipts, numerous cash receipts were not recorded in the computer system and not deposited, and credit adjustments were posted to reduce utility bills and cash was not deposited. The former City Clerk was charged and convicted of felony stealing for writing unauthorized checks to herself and other improper disbursements which, according to the city totaled \$42,393 between August 1, 2006, and December 17, 2007. Our audit Report No. 2008-44, *Thirty-Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008 identified at least \$4,628 in municipal court cash receipts missing between July 1, 2006, and March 13, 2008.

### Accounting Controls and Procedures

Numerous weaknesses were identified with the city's accounting controls and procedures. The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions. Had adequate controls been in place, some of the missing funds may have been prevented. Receipt slips are not issued for some monies received and the method of payment received is not always documented. Additionally, receipts are not always deposited timely or intact. Further, some receipts and disbursements were incorrectly recorded in the city's accounting records, and the current City Clerk combined some general ledger account lines in the accounting software program causing the program to compile inaccurate totals in the city's financial reports. Also, some city records were not retained, there is a lack of follow up on outstanding checks, and bond coverage is not adequate.

### Disbursements

Most disbursements are paid prior to Board approval, bids are not always solicited as required by city policy, the evaluation and selection of engineering services is not adequately documented, and the city has not updated written contracts for some services. City officials have not complied with the city's conflict of interest and purchasing policy. In addition, fuel purchases are not adequately tracked and monitored and mileage logs are not maintained for city vehicles. Some disbursements do not appear to represent necessary uses of public funds, and documentation does not exist to support the allocation of disbursements to city funds.

### Financial Reporting and Budgets

The city does not comply with state law related to publishing financial statements and preparing budgets. The city's 2009 budget did not include all required information, and a budget was not prepared for the Library Fund.



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Board Meeting Compliance	Minutes were not always prepared to document the matters discussed in closed meetings. Board meetings were routinely closed without recording the results of the vote to go into closed session or the reasons for the closed meeting. Minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law.
Payroll and Related Matters	Controls and procedures related to timesheets, employee leave, and payroll taxes and reporting need improvement. Timesheets for city employees are not signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval. Policy restrictions on employee earned leave benefits are not always followed and documentation of leave benefit accumulations, usage, and remaining balances are not properly maintained for some city employees. Additionally, the city does not have adequate procedures to ensure payroll and withholding amounts are properly reported and paid timely. The city paid \$1,786 in penalties and interest for failing to file 2005 W-2 forms, failing to make a December 2007 federal tax deposit, and failing to file June 2008 payroll tax reports in a timely manner.
Water and Sewer System	The city needs to improve accountability over its water and sewer system. The city has not documented a review of water and sewer rates annually and has not notified users of rates charged in accordance with city policies. The city's computerized water and sewer billing system automatically compares the total water pumped to the total water billed to customers; however, there is no documentation the Board investigates and resolves significant unexplained water losses. Monthly water reports indicate in April 2009, the city experienced an unexplained water loss of 44 percent. In addition, adjustments made by the City Clerk and Assistant City Clerk to increase or decrease a customer's water and sewer account are not properly approved. Further, the city does not adequately account for refundable utility deposits paid by customers.
Assets and Data Controls	The city has not used 10 acres purchased in 2006 for \$120,000, and does not have a documented plan for its use. The city did not obtain an appraisal prior to purchasing the property to ensure \$12,000 per acre was a reasonable price. Also, controls over city assets and computerized data need improvement.
Municipal Division	While city officials responded that numerous improvements were implemented in response to recommendations made in Report No. 2008-44, <i>Thirty Eighth Judicial Circuit City of Clever Municipal Division</i> , issued in July 2008, some recommendations were not implemented, and monies are again missing. Municipal Division monies are not deposited timely and receipts are not reconciled to deposits.

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**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Honorable Mayor and Members of the Board of Aldermen  
City of Clever, Missouri

The State Auditor was requested by former Governor Matt Blunt under Section 26.060, RSMo, to audit the City of Clever. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the taxpayer concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; 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. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We 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, 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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 city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Clever.



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State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
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# City of Clever Management Advisory Report State Auditor's Findings

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## 1. Missing Funds

The City of Clever has a history of missing funds and this audit identified additional missing cash receipts of at least \$7,568 between July 1, 2007, and February 29, 2008.

In December 2007, the Mayor identified improper and unauthorized disbursements of city funds by the former City Clerk. After an investigation by the Christian County Sheriff's Department the former City Clerk, Julia Keithley, was charged and convicted of felony stealing for writing unauthorized checks to herself and other improper disbursements totaling \$42,393 (according to documentation provided by the city) between August 1, 2006, and December 17, 2007. The former City Clerk was hired in December 2004, and was terminated on December 17, 2007.

The former Assistant City Clerk, Misti Clinkingbeard, assumed most of the City Clerk's duties after December 17, 2007, and abruptly terminated employment on February 25, 2008, after our initial visit to the City of Clever on February 20, 2008, to begin the audit of the municipal division. Report No. 2008-44, *Thirty-Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008 identified at least \$4,628 missing in municipal court cash receipts between July 1, 2006, and March 13, 2008.

Most of the missing cash receipts identified during this audit occurred between December 17, 2007, and February 20, 2008, while the former Assistant City Clerk was performing the duties of the City Clerk.

The Supporting Documentation for Missing Cash Receipts and Unauthorized Disbursements information at the end of this report provides detail regarding the missing cash receipts and unauthorized disbursements. The lack of adequate controls and the absence of proper oversight by the Board of Aldermen, as further discussed in the remainder of this report, resulted in the untimely detection of the missing cash receipts and unauthorized disbursements. Given the varying methods in which funds are missing from the city, it is apparent the city's financial activity was not adequately monitored.

### 1.1 Missing cash receipts

Cash is missing from the city's account.

- A comparison of the composition of utility receipts to the composition of utility deposits identified unrecorded checks substituted into deposits in exchange for cash receipts. For example, a check for \$325 for a business license was deposited with water and sewer collections on December 28, 2007, and recorded cash totaling this amount was not deposited and is missing. Additionally, other unrecorded checks for donations and water deposits were substituted for missing cash receipts. During the period reviewed, cash receipts posted to computerized water and sewer system records and deposit logs exceeded cash deposited and \$3,758 is missing.



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- Numerous instances were noted where manual receipt slips were issued for cash received for utility deposits, business licenses, dog tags, and other miscellaneous receipts, but the receipt of cash was not recorded in the city's computer system and the monies were not deposited into the city's account. Cash receipts of at least \$2,716 were not posted to the city's computer or on the city's deposit log and are missing.
- Several instances were identified where customers paid water and sewer bills in cash and billing stubs were marked paid or manual receipt slips were written, but instead of posting the cash received to the city's computerized water and sewer system, credit adjustments were posted to reduce the water and sewer bills by all or part of the amount of cash received. The cash was not deposited and is missing. For example, on January 29, 2008, a customer paid a water and sewer bill totaling \$151 in cash, a manual receipt slip was issued, and an adjustment was posted to the customer's account reducing the amount due by \$151, but the cash was not deposited into the city's bank account. Cash totaling \$1,094 was received but not deposited, and the customers accounts were adjusted to conceal the undeposited cash.

Because of the lack of availability of some cash receipt records, our review did not include periods prior to July 1, 2007, and as a result, additional cash receipts may be missing that are not reflected in this report.

## 1.2 Unauthorized disbursements

According to a list provided by city officials, unauthorized disbursements totaled approximately \$42,393 between August 1, 2006, and December 17, 2007.

Many of the unauthorized checks were issued with the payee printed as "customer" and negotiated by the former City Clerk. It was the practice of the city to issue checks payable to "customer" when refunding or applying water deposits. According to documentation provided by the city, one check written to "customer" in November 2007 was for \$6,471 with the former City Clerk's name subsequently typed in on the payee line and negotiated. Other unauthorized disbursements included duplicate payroll checks written to the former City Clerk and payments to vendors for the former City Clerk's personal bills.

While city checks require two signatures, many of the unauthorized checks only included the former City Clerk's signature. Additionally, the Mayor indicated when her name was signed on some of these checks, the signature was forged.

In addition, charges for collect phone calls from the Department of Corrections to the city's telephone totaling about \$485 are included in the total unauthorized disbursement amount. City officials indicate these were personal calls.



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The city received \$20,000 from the former City Clerk's bond and \$24,817 from the city's insurance policy. The former City Clerk was sentenced to 120 days in the county jail, 200 hours of community service, 5 years probation, and payment of restitution.

## Recommendations

The Board of Aldermen work with law enforcement officials regarding criminal prosecution of the missing cash receipts and take the necessary actions to recover any additional restitution amounts.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*We have worked with law enforcement officials and the Prosecuting Attorney regarding the criminal prosecution of the city's former City Clerk. We will continue to work with the Prosecuting Attorney and encourage the prosecution of the individual responsible for the missing cash receipts identified in this report, and also make every effort to obtain restitution of city funds.*

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## 2. Accounting Controls and Procedures

Numerous weaknesses were identified with the city's accounting controls and procedures.

### 2.1 Segregation of duties

The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions performed by the City Clerk. While some changes have been made since the Board of Aldermen learned about the missing cash receipts and unauthorized disbursements, oversight of the City Clerk's duties is still not adequate.

The City Clerk is responsible for most record keeping duties of the city, including duties which would normally be performed by a City Treasurer and a City Collector. These duties include receiving, recording, and depositing monies; preparing invoices for payment; preparing checks; performing bank reconciliations; and preparing financial reports.

Although the Mayor and the Board of Aldermen began reviewing various city financial records more closely since the missing funds were identified, no personnel independent of the cash custody and record keeping functions provide adequate supervision or review of the cash receipting and depositing duties. The city has attempted to better segregate the duties of the City Clerk by using the position of Assistant City Clerk to perform more of the receiving duties; however, this position has seen significant turnover in employees and has often been vacant. Additionally, numerous disbursements are paid by the City Clerk without adequate oversight (see MAR finding number 3). Had controls and oversight procedures been in



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place, some of the missing funds noted in this report may have been prevented.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. The current procedures jeopardize the system of independent checks and balances intended by state law. If segregating these offices is not possible, at a minimum, procedures for adequate independent review should be established and documented.

## 2.2 Receipt procedures

Receipt slips are not issued for some monies received and the method of payment received is not always documented. Receipt slips are not issued for property tax payments received from the County Collector or for franchise fees received from electric and gas companies. Manually issued receipt slips do not always indicate the composition of receipts, and the city does not utilize the composition indicator to document the method of payment for water and sewer receipts recorded in the computerized billing system. Without the indication of receipt composition, a reconciliation of the composition of receipts to deposits cannot be performed and the city has less assurance all monies collected are properly recorded and deposited. Additionally, receipts are not always deposited timely or intact.

To properly account for all receipts and ensure they are properly deposited, official prenumbered receipt slips should be issued for all monies received, the correct method of payment should be recorded on each receipt slip or in the water and sewer billing system, and the composition of receipts should be reconciled to the composition of deposits. To minimize the possibility of loss, theft, or misuse of funds, monies received should be deposited intact and in a timely manner.

## 2.3 Accounting system

The city's accounting records are not accurately maintained.

- Some monies received by the city were recorded in the city's accounting records as a reduction of disbursements. This practice causes both receipts and disbursements to be understated in the financial reports provided to the Board of Aldermen. For example, in May 2008, the city received \$6,800 in federal grant funds to pay for sidewalk construction. This income was recorded as a reduction of professional fee expenses instead of federal grant income. Several other similar examples were also noted.
- The current City Clerk combined some general ledger account lines in the accounting software program causing the program to compile



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inaccurate totals in the city's prior year financial reports used as a comparative statement of actual disbursements. The City Clerk was unaware of these financial statement errors until we brought it to her attention.

- Some disbursements are inaccurately classified in the city's accounting records. For example, the City Clerk improperly recorded the purchase of a generator for city hall costing \$16,041 as supplies.

Accurate financial information is necessary to provide the Board with sufficient information to make informed decisions and to provide residents with reliable information about the city's finances. Several adjustments were made by the city's independent auditor to correct accounting errors.

## 2.4 Record retention

Some city records were not properly retained. Copies of voided receipt slips were not defaced and retained. Manual receipt books containing receipt slips issued between July 23 and August 13, 2007, and some daily documentation of water and sewer receipts cannot be located by the city. Additionally, some cash receipt records prior to July 1, 2007, cannot be located. To allow for proper oversight and provide an audit trail, city officials should ensure all city records are retained and all copies of voided receipt slips are kept in the receipt slip book.

## 2.5 Outstanding checks

The city does not adequately follow up on outstanding checks. At June 30, 2009, the city's general account had 17 checks totaling \$4,184 and the water and sewer account had 24 checks totaling \$3,005 which had been outstanding for over one year. In addition, some of the outstanding checks were not recorded in the city's accounting system and may have been voided, and some checks appear to be uncashed payroll checks.

To properly monitor disbursements, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, amounts should be paid out in accordance with applicable state laws.

## 2.6 Bonding

Officials authorized to sign checks were not bonded until September 2009, after we inquired about bond coverage. Apparently coverage was canceled in June 2008 and no action was taken to ensure coverage was reinstated. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

## Recommendations

The Board of Aldermen:

- 2.1 Consider appointing separate individuals to the positions of City Clerk and City Treasurer and/or segregate the duties of the City



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Clerk's office to the extent possible. If proper segregation of duties cannot be achieved, at a minimum, there should be documented independent reviews of the accounting records.

- 2.2 Require receipt slips be issued for all monies received with the method of payment indicated and reconciled to the composition of deposits. Additionally, the Board should ensure deposits are made intact and in a timely manner.
- 2.3 Ensure accounting records are accurately maintained.
- 2.4 Ensure city records are properly retained.
- 2.5 Establish procedures to follow up and resolve outstanding checks in a timely manner.
- 2.6 Maintain bond coverage for all officials with access to city assets.

## Auditee's Responses

*The Board of Aldermen provided the following written responses:*

- 2.1 *Because of limited city funds and limited staff we are unable to hire separate individuals to fill these positions. To provide the necessary oversight we are currently reviewing city bank statements and other financial reports and we will begin documenting our review by initialing city bank statements.*
- 2.2 *All city receipts are now deposited timely, and we will take steps to ensure receipt slips are issued for all monies received.*
- 2.3 *The city's accounting records are now correct. The city's computer programmer has been contacted to help correct all deficiencies in the city's accounting records.*
- 2.4 *City records are now properly retained.*
- 2.5 *Outstanding checks are currently being reviewed and follow up procedures will be completed by the City Clerk with the Board's approval.*
- 2.6 *We have now obtained bond coverage for all city officials with access to city assets.*

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## 3. Disbursements

Since identifying the unauthorized disbursements addressed in MAR finding number 1, the Board of Aldermen has made some improvement in the controls over city disbursements; however, some weaknesses still exist.



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### 3.1 Review and documentation procedures

In April 2008, the Board approved a request by the current City Clerk to pay routine monthly budgeted disbursements prior to the Board's approval to prevent late payments; however, it is not clear which invoices can be paid ahead of time or the documentation required, and our review noted most disbursements were paid prior to Board approval. In addition, instances of late fees and finance charges were still occasionally incurred by the city. For example, in May 2009, \$50 was assessed on the city's VISA card because of late payment.

Additionally, subsequent Board approval of disbursements is not adequately documented. Board meeting minutes indicate disbursements are approved; however, a detailed list of checks issued is not signed and included with the meeting minutes to document which disbursements the Board approved.

A thorough and documented review of disbursements reduces the possibility of unauthorized payments and ensures disbursements represent appropriate uses of public funds. The Board of Aldermen's lack of oversight related to city disbursements allowed the former City Clerk to make unauthorized disbursements identified in MAR finding number 1.

To ensure city disbursements are proper, written policies should be adopted providing specific instruction as to which vendors are appropriate for the City Clerk to pay prior to the Board's approval, and a complete and detailed list of checks should be prepared and signed or initialed by the Board to document the approval of all disbursements. Further, procedures should be implemented to ensure bills are paid timely.

### 3.2 Contracts and bidding

The city has not solicited bids as required by city policy or documented its evaluation and selection of engineering services as required by state law. Additionally, the city has not updated written contracts for some services.

- The city has not documented its evaluation and selection of engineering services since 1995, and the city has contracted with the same engineering firm for all engineering services. The city paid approximately \$18,700 and \$4,500 for engineering services for the years ended June 30, 2009 and 2008, respectively, and approximately \$25,000 for the 6 months ended December 31, 2009.
- In November 2008, the city purchased water meters totaling \$17,547 for the city's water and sewer system without soliciting bids or maintaining documentation of price comparisons. City personnel indicated these items are specialized parts from a sole source vendor; however, this information was not documented in the Board minutes or the city vendor files. City policy does not address procedures to be followed in the instances of sole source purchases.



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- The city paid approximately \$36,000 during the year ended June 30, 2009, for water and sewer treatment services without soliciting bids for the services and without an updated written agreement. The city's agreement has not been updated since November 2005, and compensation amounts have increased above the original contracted amount. After we brought this to the Mayor's attention, the city updated the agreement in August 2009 without soliciting proposals.
- In October 2008, the city purchased four dart system stinger guns at a total cost of \$2,031. The Police Chief indicated bids were obtained from two sources, with one distributor's price being considerably less; however, no documentation of bids received was retained by the city.
- The city accepted the second lowest bid of \$825 for a utility trailer from the Police Chief; however, there was no documentation explaining why the city did not accept the lowest bid of \$804 that included a warranty.

Competitive bidding procedures for major purchases provide a framework for economical management of the city's resources and help ensure the city receives a fair value by contracting with the lowest or best bidder. The city's purchasing policy requires three bids to be solicited for purchases between \$500 and \$1,500, three written bids with approval by the Mayor for purchases between \$1,500 and \$5,000, and formal advertisement for proposals with a contract approved by the Board for purchases over \$5,000. Documentation of the various bids or proposals received, and the Board's selection process and criteria including sole source procurement should be retained to demonstrate compliance with city policy and support purchasing decisions. Additionally, Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering services. Sections 105.454 and 105.458, RSMo, require public notice to solicit proposals and the acceptance of the lowest bid or offer for financial transactions involving more than \$500 between the city and appointed officials. Further, current up-to-date written contracts, in addition to being required by law, are necessary to ensure all parties are aware of their duties, rights, and responsibilities and to provide protection to all parties.

### 3.3 Conflicts with city policies

City officials have not complied with the city's conflict of interest policy and purchasing policy.

- The current City Clerk and Assistant City Clerk accepted gifts in the form of personalized embroidered jackets from the company contracted to perform water and sewer treatment services. The City Clerk performs most of the city purchasing duties.
- The city paid a company owned by the Police Chief to perform minor repairs and maintenance on the city's police vehicles, and also to perform some alterations on water meter covers. Payments totaled \$664



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and \$658 during the years ended June 30, 2009 and 2008, respectively. The city did not document how this complied with city policy. In addition, the city did not ensure the payments were reported on Internal Revenue Service (IRS) Form 1099-Miscellaneous.

The city's purchasing policy expressly prohibits an employee from accepting a rebate, gift, money, or anything of value except as given for the use and benefit of the city, and the city's conflict of interest policy indicates that no employee shall profit from any contract, sale, or service between the city and the person or company. The city should ensure business matters involving the city and city employees comply with the city's current policies. Further, Sections 6041 through 6051 of the Internal Revenue Code requires the payment of \$600 or more in one year to an individual for professional services or for services performed as a trade or business by nonemployees (other than corporations) be reported to the federal government on Form 1099-Miscellaneous.

### 3.4 Fuel and mileage logs

Fuel purchases are not adequately tracked and monitored and mileage logs are not maintained for city vehicles. During the year ended June 30, 2009, the city purchased over \$13,000 in fuel for the city's six vehicles and one dump truck.

Fuel purchases are charged on the city's fuel credit cards and paid monthly; however, receipts for fuel purchases are not retained and mileage logs are not maintained to determine if fuel costs are reasonable and city vehicles are used appropriately. According to the Police Chief, he throws away fuel receipts after he reviews them; however, there is no documentation on credit card statements to indicate the amounts charged have been compared to fuel receipts or otherwise reviewed.

Our review of the June 2008 credit card statement identified a 5-day period where 68 gallons of fuel totaling \$245 was purchased by a single fuel card number. This amount of fuel is significantly more than routinely purchased by a single fuel cardholder. City officials believe this card may have been shared by two police officers because one fuel card was mutilated during this time period; however, without fuel receipts, mileage logs, and documentation of credit card assignments, such an expense appears questionable.

Mileage logs for city owned vehicles are necessary to document the appropriate use of vehicles, support fuel charges and ensure the reasonableness of fuel disbursements. Mileage logs should be retained and periodically reconciled to fuel purchases, and fuel receipts should document which city owned vehicle received fuel.



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### 3.5 Questionable purchases

Some disbursements do not appear to represent necessary uses of public funds.

In November 2008, the Board approved paying an additional \$200 to all full time employees, having a holiday party not to exceed \$125, and purchasing three \$25 dollar gift cards to be distributed to the city's building inspector, contracted engineer, and contracted water and sewer operator. These disbursements totaled \$1,579. Further, these disbursements were approved in a closed meeting of the Board of Aldermen which does not appear to be an allowable topic for closed sessions.

Awarding additional pay to employees on a discretionary basis is questionable and may violate Article III, Section 39, Missouri Constitution. The city's residents have placed a fiduciary trust in their public officials to expend public funds properly. The Board should evaluate the propriety of spending public funds on these types of items.

### 3.6 Cost allocation

Documentation does not exist to support the allocation of disbursements, including payroll and fringe benefit costs, to various city funds. The city has established Water and Sewer Funds for the operation of its water and sewer system and a General Fund to account for general city administration. The city's maintenance employee is paid equally from the city's Water and Sewer Funds even though part of his duties are not related to those funds. The City Clerk's wages are allocated 38 percent from the General Fund, 12 percent from the Court Fund, 25 percent from the Water Fund, and 25 percent from the Sewer Fund. There is no documentation to support how this allocation was determined.

To ensure restricted funds are used for intended purposes, the city should properly allocate disbursements to the Water, Sewer, Court, and General Funds based upon specific criteria, such as the number of hours worked by each employee on specific areas or projects.

## Recommendations

The Board of Aldermen:

- 3.1 Provide adequate controls over city disbursements to prevent improper and unauthorized disbursements from occurring in the future. Additionally, a written policy providing specific instruction on which vendors are appropriate for the City Clerk to pay prior to Board approval should be adopted. Further, the Board should sign or initial a complete and detailed list of checks to document the Board's approval of disbursements and should ensure bills are paid timely.
- 3.2 Ensure compliance with the city purchasing policy and consider expanding the current policy to address professional services and



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sole source procurement. Additionally, the Board should ensure written agreements with all parties are up to date.

- 3.3 Avoid apparent and actual conflicts of interest and ensure strict compliance with the city's purchasing and conflict of interest policies. The Board of Aldermen should establish procedures to ensure IRS Forms 1099-Miscellaneous are filed as required.
- 3.4 Require mileage logs for city owned vehicles with information on the logs periodically reconciled to fuel purchases, and retain fuel receipts to support fuel purchases.
- 3.5 Ensure payments made to city employees comply with the Missouri Constitution, and all disbursements from city monies represent necessary uses of public funds.
- 3.6 Develop and implement a reasonable method for allocating common costs between city funds, and maintain documentation to support the allocation.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 3.1 *We will implement a policy to approve all disbursements before payment is made with the exception of only those bills that would incur late fees or penalties if paid after the Board meeting date. The Board will allow the City Clerk to pay these bills before the Board meeting; however, these payments will still be reviewed and approved by the Board after payment is made. To limit the number of bills to be paid by the City Clerk, the Board will request vendors to change billing cycles to coincide with Board meeting dates. Our review of bills will be documented and we will ensure payments are made timely.*
- 3.2 *We will revise the city's purchasing policy to include periodic requests for proposals for professional services and address instances of sole source procurement. City contracts are now up to date.*
- 3.3 *We will ensure city policy is followed in the future and compensation is properly reported.*
- 3.4 *Mileage logs for city vehicles are now being maintained. The City now uses the state negotiated fuel credit card vendor for fuel purchases and is receiving electronic fuel receipts.*
- 3.5 *We agree with this recommendation.*



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3.6 *We will develop and document a reasonable method to allocate payroll, fringe benefits, and other city disbursements between city funds.*

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## 4. Financial Reporting and Budgets

The city does not comply with state law related to publishing financial statements and preparing budgets.

### 4.1 Financial reporting

The city has not published financial statements as required by Section 79.160, RSMo, since 2006. The current City Clerk indicated she was not aware this was required by law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the city.

### 4.2 Budgets

The city's 2009 budget was not complete.

- City budgets did not include a budget message, budget summary, beginning and ending available resources, and actual receipts and disbursements for the 2 preceding budget years as required by state law. Additionally, the budget did not include the city's indebtedness information.
- The city did not prepare a budget for the Library Fund. This fund was established after an endowment was received in 2006 for the construction of a library building and purchasing library books. The Library Fund had a balance of \$187,033 at June 30, 2009.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format of the annual operating budget. A complete and well planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific expectations for each area of city operations and provides a means to effectively monitor actual financial activity.

## Recommendations

The Board of Aldermen:

- 4.1 Publish semi-annual financial statements as required by state law.
- 4.2 Prepare budget documents for all city funds in accordance with state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 4.1 *This recommendation has been implemented.*



4.2 *Beginning with the next budget cycle, the Board will ensure the city's budget complies with state law.*

## 5. Board Meeting Compliance

Minutes were not always prepared to document the matters discussed in closed meetings, and the Board meetings were routinely closed on several occasions without recording the results of the vote to go into closed session or the reasons for the closed meeting. Additionally, minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law.

- On May 18, 2009, closed meeting minutes indicate the Board approved two motions to hire employees, with no other discussions during the closed meeting documented. However, Board member e-mails dated May 20, 2009, suggest additional topics regarding city budget issues and purchasing a police car were discussed.
- Closed meeting minutes for July 20, 2009, indicate the Board approved 3 percent salary increases for all employees and a change of working hours for the City Clerk.

Section 610.021, RSMo, allows the Board to close meetings to the extent the meetings relate to certain specified subjects, including litigation, real estate transactions, and personnel. In addition, this law provides that public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reasons justifying such meeting, record, or vote. Further, Section 610.022, RSMo, requires the Board to vote prior to going into closed session and requires the result of the vote and the reasons for going into closed session to be entered into the minutes. Section, 610.020.7, RSMo, requires minutes be kept for all closed meeting sessions.

## Recommendations

The Board of Aldermen ensure discussions held in closed session meetings are in compliance with state law, open meeting minutes properly disclose the votes to close the meeting and the topics to be discussed, and minutes are maintained for all closed meetings.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*We will comply with laws governing open and closed meetings.*

## 6. Payroll and Related Matters

Controls and procedures related to timesheets, employee leave, and payroll taxes and reporting need improvement.

### 6.1 Timesheets

Timesheets for city employees are not signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval.



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To ensure the propriety of salary disbursements, timesheets should be prepared and signed by the employee and signed by the employee's supervisor.

## 6.2 Compensatory, vacation, and sick benefits

Policy restrictions on employee earned leave benefits are not always followed and documentation of leave benefit accumulations, usage, and remaining balances are not properly maintained for some city employees.

- In June 2009, the Board approved to monetarily compensate the Police Chief for two weeks vacation; however, city policy allows for police department employees to only be compensated in lieu of taking one week earned vacation a year.
- Records of sick leave earned, used, and accumulated are not maintained for police officers. While the Police Chief maintains records of vacation leave for police officers, sick leave time is not tracked.
- Compensatory time earned by city employees is not properly authorized. City policy requires all compensatory time to be authorized by the Mayor, personnel director, or department head prior to being earned. Several instances were noted where compensatory time was not approved prior to working additional hours.

To ensure employee leave benefits are appropriate, leave should be properly documented, earned, and approved in accordance with city policy.

## 6.3 Payroll tax penalties

The city does not have adequate procedures to ensure payroll and withholding amounts are properly reported and paid timely. The city paid \$1,786 in penalties and interest for failing to file 2005 W-2 forms, failing to make a December 2007 federal tax deposit, and failing to file June 2008 payroll tax reports in a timely manner. The timely filing of tax forms and timely deposits of tax withholdings would prevent these unnecessary penalty and interest charges.

## Recommendations

The Board of Aldermen:

- 6.1 Ensure timesheets are signed by both the employee and the employee's supervisor.
- 6.2 Ensure leave benefits are properly earned and documentation is maintained in accordance with city policy.
- 6.3 Ensure payroll reports and the related taxes are filed and paid timely.



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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 6.1 *Timesheets are now being signed by administrative employees and supervisors. We will ensure that signed timesheets are submitted by police department employees in the future.*
- 6.2 *We will ensure leave records are properly maintained for police department employees and submitted to the Board. Also, the approval of compensatory time will be documented in the future.*
- 6.3 *Payroll tax reports are now properly filed and the city has not incurred any additional tax penalties.*

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## 7. Water and Sewer System

The city needs to improve accountability over its water and sewer system.

### 7.1 Rate review and reporting

The city has not documented a review of water and sewer rates annually and has not notified users of rates charged in accordance with city policies.

The city has not reviewed water and sewer rates annually. Rates were reviewed in 2008 to qualify for federal funds for water and sewer improvements; however, prior to that rates had not been reviewed since 2001.

City Ordinance 295 requires the Board of Aldermen to review the user charge rates at least annually and notify each user of the rate charged for operation and maintenance including the cost of replacement of the system.

### 7.2 Water loss

The city has not documented efforts to resolve significant water losses. Although the city's computerized water and sewer billing system automatically compares the total water pumped to the total water billed to customers, there is no documentation the Board investigates and resolves significant unexplained water losses. Monthly water reports indicate in April 2009, the city experienced an unexplained water loss of 44 percent. During a 3 month period ending June 30, 2009, the city used an average of approximately 6.7 million gallons of water per month. Of that amount, an average of approximately 2.6 million gallons was unbilled and lost.

To help detect significant water loss and ensure all water use is properly billed, the Board should review the reconciliation of gallons of water pumped to gallons of water billed on a monthly basis and document its effort to resolve the differences.

### 7.3 Water and sewer adjustments

Adjustments made to individual water and sewer accounts are not properly approved. Adjustments made by the current City Clerk and Assistant City



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Clerk to utility accounts include adjustments for incorrect meter readings, the removal or addition of various fees, and bad debt write offs. While reasons to adjust the billings may be valid, it appears most adjustments are made at the discretion of the City Clerk.

Board meeting minutes indicate water and sewer reports are now approved at each Board meeting, and city officials indicate the prior month's adjustments are included in these reports; however, there is no documentation to clearly indicate what adjustments are approved by the Board. As noted in MAR finding number 1, some credit adjustments posted during 2008 appear to have been made to help conceal undeposited cash receipts.

City ordinances 251 and 295 require all adjustments be approved by the Board of Aldermen prior to the adjustment being made. To ensure all adjustments to utility bills are appropriate, a properly documented review of the utility adjustment report should be performed by the Board.

## 7.4 Utility deposits

The city does not reconcile refundable utility deposits posted to customer accounts in the city's computer system to the water deposit bank account. Additionally, some utility deposits are not properly posted to the city's computer system.

New customers to city services are required by ordinance to pay a refundable deposit before receiving water, sewer, and trash service. At our request, the City Clerk printed a list of utility deposits as of October 2009, which totaled approximately \$58,000 while the bank account balances of the city utility deposit accounts totaled approximately \$63,000. Our review identified some paid utility deposits were not on the list. In addition, as noted in MAR finding number 1, some utility deposits received by the city were not recorded and were substituted into city deposits for missing cash receipts.

To ensure all utility deposits received have been accounted for properly, a review of utility deposits should be performed comparing each customer's account information with utility deposit receipts and refunds. Additionally, the list of utility deposits should be reconciled to the balances of the utility deposit accounts monthly.

## Recommendations

The Board of Aldermen:

- 7.1 Review water rates annually and notify users of rates charged as required by city ordinance.
- 7.2 Review the city's monthly water loss reports and document its effort to resolve any significant water loss.



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- 7.3 Ensure an independent review and approval of all credit adjustments to utility bills is performed and documented.
- 7.4 Ensure a complete list of utility deposits is prepared monthly and reconciled to the balances in the utility deposit bank accounts.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 7.1 *We will review water rates annually while preparing the city's annual budget and water rates are now reported on utility bills.*
- 7.2 *We are now reviewing water loss reports and have recently identified various areas that have been contributing to the city's water loss.*
- 7.3 *We are now approving all water and sewer account adjustments monthly.*
- 7.4 *The city clerk will review the list of utility deposits to ensure it is accurate and begin reconciling the list to the amount of utility deposit funds in the bank.*

## 8. Assets and Data Controls

The city spent \$120,000 on land 3 years ago that has not been utilized, and controls over city assets and computerized data need improvement.

### 8.1 Land purchase

In 2006, the city purchased 10 acres located outside city limits for \$120,000. The city has not utilized the acreage and does not have a documented plan for its use. Although the meeting minutes document the Board's vote to purchase the land, the minutes do not document any discussion by the Board regarding the Board's plan to use the property. According to the Mayor, the city had planned to use the acreage for a water tower but with current economic conditions the city has not pursued this plan. There is no evidence to indicate why the city needed this large of an acreage for a water tower location, and the city did not obtain an appraisal prior to purchasing the property to ensure \$12,000 per acre was a reasonable price. Since the purchase of this property, the city has annexed the property into the city limits but has not made any improvements.

Considering the large investment of city funds, the Board of Aldermen should have a documented plan for the utilization of the acreage. Adequate planning will help ensure the best use of city property.

### 8.2 Annual inventories and proper identification

City officials do not perform an annual inventory of city property and some city equipment and assets are not tagged.



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To ensure city assets are accounted for properly, capital assets should be identified with a tag or other similar device indicating they are owned by the city, and the city should conduct annual physical inventories and reconcile the results to the detailed list of assets.

### 8.3 Data security and preservation

Computer systems and data are vulnerable to unauthorized use, modification, or destruction because access is not limited and passwords are not kept confidential. In addition, computer back-ups are only performed approximately monthly and are not stored off-site.

To establish individual responsibility and to help preserve the integrity of computer systems and data files, access should be limited to authorized individuals through the use of confidential passwords. Regular and timely backup copies of computer information are necessary to provide a means for recreating destroyed data. Backup copies should be maintained and stored off-site to provide increased assurance that city records can be recreated.

## Recommendations

The Board of Aldermen:

- 8.1 Document the city's plan for the 10 acres and, in the future, obtain an independent appraisal prior to the purchase of real estate.
- 8.2 Ensure all assets are tagged or otherwise identified as city property and annual physical inventories are performed with the results reconciled to the detailed list of assets.
- 8.3 Ensure access to specific computer programs/data files is restricted to authorized individuals through a system of passwords and security codes that are kept confidential, and backup copies of computer programs and data are prepared timely and stored in a secure, off-site location.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *We will discuss and document plans for the acreage. We will also ensure appraisals are obtained on future land purchases.*
- 8.2 *We agree and will take steps to implement this recommendation.*
- 8.3 *We will consult our software providers to ensure city computers are password protected, and we will also begin maintaining computer backups off site.*



## 9. Municipal Division

While city officials responded that numerous improvements were implemented in response to recommendations made in Report No. 2008-44, *Thirty Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008, some recommendations were not implemented, and monies are again missing.

Municipal Division monies are not deposited timely and receipts are not reconciled to deposits. For example, receipt records indicated \$400 in court fines and costs (four \$100 payments) were received from a defendant during June and July 2009. A review of court deposits during this period indicated court monies totaling only \$300 were deposited for this defendant and \$100 is missing.

Additionally, these receipts were not deposited by the Court Clerk until August 7, 2009, and this deposit totaled over \$2,500. If receipt records would have been reconciled to deposits, the difference between monies recorded and deposited might have been identified. Also, holding monies received for long periods of time prior to deposit puts funds at risk of being lost or misused, and provides less assurance that all receipts are accounted for properly.

To ensure the proper handling and safeguarding of city monies the composition of receipt slips should be reconciled to the composition of bank deposits, and deposits should be made in a timely manner.

### Recommendation

The Board of Aldermen ensure all court receipts are properly accounted for by reconciling court receipts to deposits and depositing monies timely. Additionally, the Board of Aldermen should investigate the missing \$100 and take appropriate action to recover this amount.

### Auditee's Response

*The Board of Aldermen provided the following written response:*

*The Court Clerk is currently making timely deposits. We will ensure court receipts are properly accounted for in the future and we will investigate the \$100 in missing court monies.*

# City of Clever

## Organization and Statistical Information

The City of Clever is located in Christian County. The city was incorporated in 1909 and is currently a fourth-class city.

### Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended June 30, 2009, are identified below. The Mayor is paid \$100 per month and members of the Board of Aldermen are paid \$50 per month. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended June 30, 2009
Trisha Elam, Mayor	July 2008-June 2009
Patsy Bacon, West Ward Alderman	July 2008-June 2009
Jaredd King, West Ward Alderman	April 2009-June 2009
Randy Kauffman, West Ward Alderman	July 2008-March 2009
Christopher Montgomery, East Ward Alderman	July 2008-June 2009
Shawn Stockstill, East Ward Alderman (1)	July 2008-May 2009

- (1) Resigned in May 2009, the position remained vacant until December 2009 when Brandon Gilmore was appointed.

### Other Officials

Name and Title	Dates of Service During the Year Ended June 30, 2009	Compensation Paid for the Year Ended June 30, 2009
Kristy Stewart, City Clerk	July 2008-June 2009	\$29,204
Terry Bean, Police Chief (1)	July 2008-June 2009	39,501
Laura Wheeler, Assistant City Clerk (2)	May 2009-June 2009	884
Kathy Kuykendall, Assistant City Clerk	July 2008-April 2009	13,305

- (1) Includes \$1,489 paid to company owned by the Police Chief for additional city services.

- (2) Resigned on July 17, 2009, and Jacqueline Johnson hired as Assistant City Clerk.

In addition to the officials identified above, the city employed 6 full-time employees and 2 part-time employees on June 30, 2009.

# City of Clever

## Supporting Documentation for Missing Cash Receipts and Unauthorized Disbursements

The following tables provide supporting documentation for the missing cash receipts discussed in MAR finding number 1.

Missing Utility Cash Receipts	Deposit Date	Cash Received*	Cash Deposited	Difference (short) long
	7/5/2007	\$	87	3
7/6/2007		317	190	(127)
7/13/2007		245	143	(102)
8/1/2007		285	202	(83)
8/9/2007		250	150	(100)
8/15/2007		186	175	(11)
8/20/2007		556	498	(58)
8/22/2007		78	50	(28)
9/14/2007		352	309	(43)
9/25/2007		687	631	(56)
10/15/2007		172	147	(25)
10/12/2007		195	161	(34)
10/29/2007		392	362	(30)
11/23/2007		198	138	(60)
11/27/2007		536	426	(110)
11/29/2007		268	231	(37)
12/3/2007		118	94	(24)
12/11/2007		121	112	(9)
12/12/2007		162	88	(74)
12/15/2007		356	326	(30)
12/19/2007		274	154	(120)
12/28/2007		587	262	(325)
12/31/2007		293	148	(145)
1/7/2008		394	327	(67)
1/11/2008		322	0	(322)
1/15/2008		264	188	(76)
1/25/2008		966	656	(310)
1/29/2008		253	13	(240)
1/30/2008		182	2	(180)
2/6/2008		1,072	890	(182)
2/14/2008		79	34	(45)
2/19/2008		97	50	(47)
2/20/2008		273	0	(273)
2/26/2008		631	570	(61)
2/21/2008		413	173	(240)
	\$	<u>11,661</u>	<u>7,903</u>	<u>(3,758)</u>

\*Represents utility cash receipts posted to the city's computerized utility billing system or recorded on the deposit log with the method of payment verified through information recorded on billing stubs and manual receipt slips.

Note: This chart only includes deposits with questionable amounts of cash receipts missing from amounts deposited.



City of Clever  
 Supporting Documentation for Missing Cash Receipts  
 and Unauthorized Disbursements

Missing Cash Receipts Not Posted to City's Computer System or Deposit Log	Receipt			Amount
	Number*	Date	Description	Received
	572491	7/19/2007	table deposit	\$ 25
	115178	8/6/2007	trash bags	10
	572148	8/16/2007	utility deposit	60
	572166	8/21/2007	utility payment	57
	572176	8/22/2007	fax	3
	572049	9/24/2007	utility deposit	50
	572059	9/25/2007	utility deposit	45
	572363	9/12/2007	copies	3
	572233	10/15/2007	utility deposit	120
	572244	10/15/2007	utility deposit	60
	572247	10/15/2007	permit	67
	571929	10/24/2007	utility deposit	120
	571956	11/1/2007	building deposit	25
	571958	11/1/2007	utility payment	40
	571969	11/5/2007	utility deposit	15
	571979	11/5/2007	utility deposit	120
	571982	11/6/2007	building deposit	25
	572119	11/14/2007	utility deposit	120
	572128	11/15/2008	utility deposit	60
	572130	11/16/2007	utility deposit	120
	572146	11/21/2007	utility deposit	173
	572186	12/4/2007	fax	2
	572195	12/7/2007	building deposit	25
	572197	12/10/2007	utility payment	17
	572306	12/12/2007	licenses	25
	572308	12/12/2007	licenses	25
	572309	12/12/2007	licenses	25
	572311	12/12/2007	licenses	25
	572314	12/13/2007	notary	2
	572324	12/17/2007	fax	2
	572341	12/21/2007	building deposit	25
	572351	12/28/2007	utility deposit	120
	572357	12/31/2007	utility deposit	120
	8831	1/17/2008	utility deposit	60
	8832	1/17/2008	utility deposit	60
	8833	1/17/2008	utility deposit	60
	330601	1/18/2007	licenses	300
	330604	1/22/2008	dog tag	5
	330610	1/22/2008	utility deposit	60
	572376	1/14/2008	dog tag	15
	572393	1/18/2008	utility deposit	60
	572400	1/18/2008	utility deposit	120
	330643	2/4/2008	utility deposit	120
	330655	2/6/2008	truck permit	5
	330677	2/14/2008	utility deposit	120
				\$ <u><u>2,716</u></u>

\* Represents cash receipts recorded on manual receipt slips not included in a city deposit.



City of Clever  
Supporting Documentation for Missing Cash Receipts  
and Unauthorized Disbursements

Missing Cash Receipts with  
Corresponding Credit Adjustment  
to Utility Account

Receipt Number*	Date	Description	Amount Received
572001	9/18/2007	utility payment	\$ 183
330632	1/29/2008	utility payment	151
billing stub	1/14/2008	utility payment	60
8811	1/14/2008	utility payment	55
billing stub	1/14/2008	utility payment	47
billing stub	1/14/2008	utility payment	50
billing stub	1/14/2008	utility payment	59
330641	2/4/2008	utility payment	41
billing stub	2/7/2008	utility payment	140
billing stub	2/8/2008	utility payment	160
billing stub	2/21/2008	utility payment	148
			<u>\$ 1,094</u>

\* Represents cash receipts recorded on manual receipt slips or customer billing stubs, not deposited in the city's bank account, and an adjustment was made to the customers' utility account for all or part of the amount paid.



City of Clever  
 Supporting Documentation for Missing Cash Receipts  
 and Unauthorized Disbursements

Unauthorized Disbursements by  
 Former City Clerk

Check Date	Check Number	Payee	Check Amount	
8/2/2006	5734	Julia Keithley	\$ 1,259	
9/9/2006	9668	Julia Keithley	1,500	
9/12/2006	5828	Customer	1,149	**
10/23/2006	5901	Customer	975	**
11/21/2006	6440	Customer	1,955	**
12/8/2006	9853	Julia Keithley	71	
12/20/2006	9900	Julia Keithley	2,191	
1/3/2007	9910	Julia Keithley	2,000	
1/3/2007	6505	Julia Keithley	2,000	
1/9/2007	9933	Visa Card Services	797	
1/13/2007	9944	Customer	607	**
2/13/2007	6553	Visa Card Services	180	****
3/27/2007	10064	Springfield Cardinals	625	****
3/27/2007	10059	Julia Keithley	520	
4/6/2007	10079	Julia Keithley	3,000	
4/10/2007	10081	Julia Keithley	1,092	
4/15/2007	10111	Springfield Cardinals	625	
5/11/2007	6738	Julia Keithley	3,000	
6/21/2007	10230	Customer	230	**
6/22/2007	10232	AM Pyrotechnics	1,630	
6/25/2007	10234	Party Station	595	
7/19/2007	10283	Julia Keithley	806	
7/19/2007	9562	Julia Keithley	767	
7/31/2007	10292	Customer/St. Johns Health Care	361	****
9/21/2007	10402	Customer	2,988	**
9/26/2007	10418	Julia Keithley	805	
10/10/2007	10449	Julia Keithley	927	*
10/25/2007	10467	Julia Keithley	927	*
11/12/2007	6971	Customer	6,472	**
11/15/2007	10510	Julia Keithley	927	*
11/20/2007	10520	Julia Keithley	927	*
12/14/2007	7038	AT&T	485	**
Total			\$ 42,393	

Chart information provided by the city.

\* Additional unauthorized payroll checks

\*\* Checks endorsed by Julia Keithley and negotiated

\*\*\* Personal phone charges for period October through December 2007

\*\*\*\* Checks issued for payment of former City Clerk's personal bills