

OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
YEAR ENDED APRIL 30, 1987

MARGARET KELLY, CPA



Report No. 89-84
September 27, 1989

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI

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STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

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Honorable Vincent C. Schoemehl Jr., Mayor
City of St. Louis

and

James M. Shea, Director
Department of Public Utilities
City of St. Louis, Missouri 63103

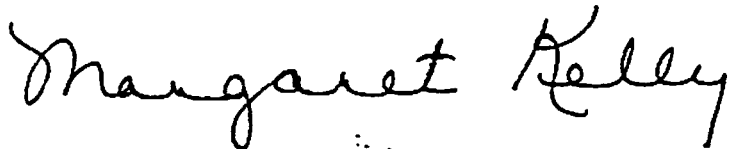
The State Auditor was petitioned under Section 29.230, RSMo 1986, to perform an audit of the city of St. Louis, Missouri. Accordingly, we have conducted a review of the Department of Public Utilities except the Water Division, city of St. Louis. Our review included, but was not necessarily limited to, the city's fiscal year ended June 30, 1988. The purposes of our review were to:

1. Study and evaluate the Department of Public Utilities' system of internal controls.
2. Perform a limited review of certain management practices to determine the efficiency and effectiveness of those practices.
3. Review probable compliance with certain constitutional provisions, statutes, administrative rules, attorney general's opinion, and city ordinances as we deemed necessary or appropriate.
4. Perform a limited review of the integrity and completeness of the Department of Public Utilities' financial reporting system.
5. Perform procedures we deemed necessary to evaluate petitioner's concerns.

Our review was made in accordance with generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the Department of Public Utilities' financial records, payroll procedures and documents, expenditures, contractual agreements, and other pertinent procedures and documents; interviewed personnel of the Department of Public Utilities and compiled the information in the appendices from the records and reports of the Department of Public Utilities. The data presented in the appendices were obtained from the city's accounting system. However, they were not verified by us via additional audit procedures and, therefore, we express no opinion on them.

The accompanying History and Organization is presented for informational purposes. This background information was obtained from office management and was not subject to the audit procedures applied by us in our examination.

Our comments on management practices and related areas are presented in the accompanying Management Advisory Report.

A handwritten signature in cursive script that reads "Margaret Kelly". The signature is written in dark ink and is positioned above the printed name and title.

Margaret Kelly, CPA
State Auditor

September 8, 1988

HISTORY AND ORGANIZATION

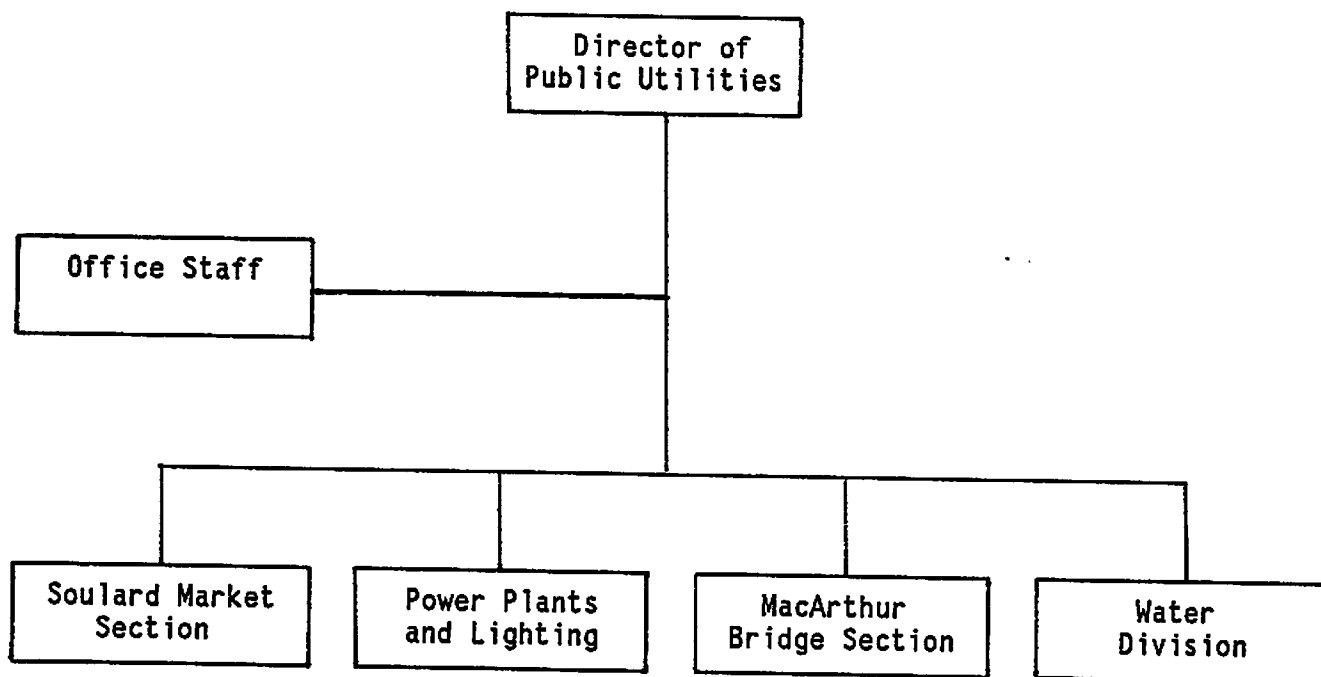
DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
HISTORY AND ORGANIZATION

The Department of Public Utilities is an operating department of the city of St. Louis, Missouri. The department is responsible for maintenance of the electrical, mechanical, heating, ventilation, and air conditioning systems for most city buildings; installation, maintenance, and removal of city street, alley, and easement lights; operation and maintenance of the MacArthur Bridge (railroad bridge) and other city-owned railroad sections; and supplying water service for the city of St. Louis. Other responsibilities include the review and preliminary approval of payments for utility bills incurred by city departments; coordination of energy conservation efforts by city departments; and administrative management, operation, and maintenance of the Soulard Market. Responsibilities are governed by Missouri Statutes, the city charter, and city ordinances.

The Director of the Department of Public Utilities is appointed by the Mayor of the city of St. Louis. James M. Shea currently serves as the Director of the Department of Public Utilities. Mr. Shea has served in that capacity since being appointed in April 1985.

At April 30, 1987, the department employed approximately ninety-eight full-time employees.

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
ORGANIZATION CHART
APRIL 30, 1987



MANAGEMENT ADVISORY REPORT

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SUMMARY OF FINDINGS

1. Flea Market Accounting Controls for Receipts (pages 10-11)

- A. We were unable to assure ourselves that all monies received were deposited intact because of the inadequate and inaccurate receipt records maintained.
- B. The department had an inadequate segregation of responsibilities for flea market receipts.

2. Soulard Market Operations (pages 11-12)

- A. The department allowed two vendors to rent stands after the Comptroller rejected their applications.
- B. The department did not enforce contractual provisions requiring market vendors to have valid merchant licenses.

3. Soulard Market Accounts Receivable Controls (pages 12-13)

The department does not have written policies regarding the collection and write off of delinquent accounts receivable.

4. Soulard Market Cash Receipt Controls (pages 13-15)

- A. The department failed to return a vendor's payment after the Comptroller rejected the vendor's application.
- B. The department does not issue receipt slips for daily rental fees paid by check.
- C. Cash receipts are deposited weekly rather than daily as required by the city charter.

5. Sale of Scrap Aluminum (pages 15-16)

The department did not adequately monitor receipts from the sale of scrap aluminum and lost revenue could have been as much as \$39,733.

6. Construction Billings (pages 16-17)

- A. The Street Lighting Supervisor failed to submit \$761 of work orders to the Accounting Section for billing.
- B. The Accounting Section failed to bill contractors for \$730 of construction costs incurred.
- C. The department did not document reasons or require written authorization for cancellation of construction invoices.

7. Cash Accounting Controls (pages 17-19)

- A. The department does not deposit receipts on a timely basis.
- B. The department does not establish an immediate record of mail receipts.
- C. The department does not restrictively endorse checks immediately upon receipt.
- D. The department has an inadequate segregation of duties for cash processing.
- E. The department has an inadequate segregation of duties for construction deposits.

8. Accounts Receivable Controls and Accounting Procedures (pages 20-21)

- A. The department has an inadequate segregation of duties related to accounts receivable.
- B. The Director's office and MacArthur Bridge do not use prenumbered invoices.
- C. The department does not reconcile subsidiary accounts receivable balances to the control account.

9. Contractual Agreements (pages 21-22)

The department did not enter into a written contract with M. L. King Industrial Park Association prior to providing and maintaining street lighting on vacated streets. The department did not pay electricity costs for the Law Library Association in violation of the written contract between the parties.

10. Fixed Asset Inventory Procedures (page 22)

The department was not performing annual physical inventories of fixed assets as required by the city's fixed asset management system.

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT

As part of our review of the Department of Public Utilities, city of St. Louis, for the year ended April 30, 1987, we studied and evaluated the internal accounting control system to the extent needed to evaluate the system as required by generally accepted government auditing standards. For the purpose of this report, we have classified the significant internal accounting controls as cash, payroll, revenues, and expenditures. Our study included each of these control categories. Since the purpose of our study and evaluation was to determine the nature, timing, and extent of our audit procedures, it was more limited than would be needed to express an opinion on the internal accounting control system taken as a whole.

It is management's responsibility to establish and maintain the internal control system. In so doing, management assesses and weighs the expected benefits and related costs of control procedures. The system should provide reasonable, but not absolute, assurance that assets are safeguarded against loss, and that transactions are carried out as authorized by management and are recorded in a manner that will permit the subsequent preparation of reliable and proper financial reports.

Because of the inherent limitations in any internal control system, errors or irregularities may still occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation was made for the limited purpose described in the first paragraph and, thus, might not disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the internal accounting control system of the city taken as a whole. However, our study and evaluation disclosed certain conditions that we believe are material weaknesses and these findings are presented in this report.

We reviewed probable compliance with certain constitutional provisions, statutes, ordinances, and attorney general's opinions as we deemed necessary or appropriate. This review was not intended to provide assurance of full compliance with all regulatory provisions and, thus, did not include all regulatory provisions which may apply. However, our review disclosed certain conditions that may represent noncompliance and these findings are presented in this report.

During our review, we identified certain management practices which we believe could be improved. Our review was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in this report should not be considered as all inclusive of areas where improvements may be needed.

The State Auditor was petitioned under Section 29.230, RSMo 1986, to audit the city of St. Louis. We included those procedures necessary in our judgment to evaluate the petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of examination for the purposes stated above included, but were not limited to, the period covered by the financial statements for the year ended April 30, 1987.

1. Flea Market Accounting Controls for Receipts

The Department of Public Utilities operates a flea market at Soulard Market on six Sundays each year. Vendors are allowed to rent stands at a reduced rate for the day of the flea market only. An administrative assistant completed a collection report of the market area for each flea market that was intended to show vendors that had paid for the spaces and their assigned spaces. All rental fees received should be recorded on collection reports. During our review of the flea market accounting controls, we noted the following areas where improvements could be made:

- A. We were unable to assure ourselves that all monies received were deposited intact because of the inadequate and inaccurate receipt records maintained.
 - 1) The department did not establish an immediate record of monies received by check from prospective flea market vendors. Receipts were not issued the vendors who paid by check. In addition, collections were not correctly recorded on collection reports. Because the department did not record monies received by check immediately upon receipt, no initial record of the receipt was available to reconcile to the monies deposited by the City Treasurer. Thus, it appears it was possible for flea market monies received by check to be misappropriated or substituted for cash received without being discovered in a timely manner, if at all, by the department.
 - 2) We were unable to trace \$920 that was recorded as received on Soulard Flea Market collection reports to the Comptroller's revenue report. We also were unable to reconcile amount deposited according to the Comptroller's revenue report to the amounts collected per the collection report. The difference amounted to \$580. Because the collection reports were inadequate and inaccurate, it was not practical in the circumstances to determine whether the monies we could not locate had been deposited in an incorrect account or had been misappropriated.

The department should issue prenumbered, duplicate receipt slips for all flea market monies received. The receipt slips should be prenumbered to allow the department to account for the numerical sequence and, therefore, obtain reasonable assurance that all monies received are accounted for. Duplicate receipt slips would allow the department to give the vendors the original copy of the receipt and reconcile receipts to amounts deposited by the City Treasurer per the Comptroller's revenue report.

As an additional assurance that all vendors at each flea market have paid for their spaces, the department should reconcile the monies received per the duplicate cash receipts for each flea market to the vendors listed on the report of vendors for the flea market. This procedure would help the department to ensure that all vendors at each flea market had paid the required fees. Any discrepancies discovered should be appropriately investigated and resolved.

- B. There was an inadequate segregation of receipt processing responsibilities for the flea market receipts. One person was responsible for receiving the receipts, recording the receipts on a revenue coding form (RCF) for deposit, and submitting the RCF and the monies received to the City Treasurer for deposit.

To help ensure that all flea market receipts are deposited intact on a timely basis, the department should segregate the functions of receiving, recording, and submitting the flea market cash receipts for deposit. Segregating the various functions provides a system of checks to ensure the monies are properly handled and deposited. These procedural changes should require only a restructuring of duties between current employees rather than the addition of new employees.

WE RECOMMEND the Department of Public Utilities:

- A. Issue prenumbered, duplicate receipt slips for all flea market monies received. The receipt slips should be reconciled monthly to monies deposited per the Comptroller's revenue report and to the vendor reports of the flea market. Any differences noted should be properly investigated.
- B. Segregate the functions of receiving, recording, and submitting monies received to the City Treasurer.

AUDITEE'S RESPONSE

- A. Prenumbered, duplicate receipt books have been distributed for use beginning with the new fiscal year, July 1, 1989.
- B. The functions of receiving, recording, and submitting monies for deposit have been segregated.

2. Soulard Market Operations

Soulard Market is a city-owned market operated by the Department of Public Utilities. Private citizens rent spaces from the department to sell their wares. During our review of operations at the market, we noted the following areas where improvements could be made:

- A. During our audit period, the department allowed two vendors to occupy stands at Soulard Market without the required approval from the Comptroller's office. Applications for these stands had been rejected by the Comptroller.

Section 11.44.120, of the city code states, "All proceedings for the collection and return of market rents, renting of space therein, and control of all financial matters connected therewith shall be under the supervision of the Comptroller."

The department had no authority to continue renting the stands after the Comptroller rejected their applications.

- B. The department did not adequately enforce contractual provisions to ensure the vendors had valid merchants' licenses. We noted 45 of 151 vendors, or 29.8 percent, during fiscal year 1987 did not have a valid merchant's license.

The applications for permission to occupy stand or store space at Soulard Market state, "I agree to obtain and keep current all licenses pertaining to my business and to abide by all applicable city, state, and federal laws in offering articles for sale on the market." The application becomes an enforceable contract upon the signatures of the applicant, the market supervisor, and Comptroller.

City of St. Louis business licenses are based on sales volume, therefore, it was not practical to determine the amount of potential revenue. Because the department did not enforce the contractual provisions, however, the city lost an undeterminable amount of revenue.

To ensure the city does not lose revenue, the Department of Public Utilities should consult with the Central Business Index of the Comptroller's office (CBI) to determine whether potential vendors have valid merchants' licenses prior to granting permission to occupy stands or store space.

WE RECOMMEND the Department of Public Utilities:

- A. Assign stands at Soulard Market only to vendors whose applications have been approved by the Comptroller.
- B. Verify contractual provisions have been met by consulting the CBI to determine whether all potential vendors have valid business licenses prior to assigning stands or stores at Soulard Market to the vendors.

AUDITEE'S RESPONSE

- A. The department will comply with the audit recommendation.
- B. Verification of business licenses has always been a function of the Comptroller's office. The department will meet with the Comptroller's office to develop procedures to verify business licenses.

3. Soulard Market Accounts Receivable Controls

The Department of Public Utilities has not established a formal written policy regarding the write off of uncollectable accounts and the addition of

delinquent payment penalties. Under the current unwritten procedures, the department generally extends the length of time allowed for vendors to make the payment(s). The department charges rent for these stands on a quarterly basis. At March 31, 1988, we noted the department had allowed two vendors to be delinquent three quarters, one vendor to be delinquent two quarters, and thirty-one vendors to be delinquent for one quarter. Although this represents a delinquency of only one to three payments, it results in a significant time lag in collecting revenues. If not consistently applied, this procedure provides an unfair business advantage to vendors who are allowed to retain stands without making timely payment for those stands.

After a stand rental payment has been delinquent for ten days, the department adds a \$10 penalty to the payment amount that is due. The department's accountant prepares a delinquent account listing at the end of each quarter. The listing is given to the Administrative Assistant who manages Soulard Market. The Administrative Assistant said that he takes each case into consideration and usually allows the vendor to make the payment at a later date. After a vendor's payment has been delinquent for two or three quarters, the vendor is subject to eviction. This decision is also made on a case-by-case basis. As a result, there is little consistency in the application of delinquent penalties or eviction.

A formal written policy regarding the collection of delinquent accounts would help to ensure that all delinquent accounts are handled in the same manner.

WE RECOMMEND the Department of Public Utilities establish and follow formal written policies regarding the collection and write off of delinquent accounts receivable and the addition of delinquent payment penalties.

AUDITEE'S RESPONSE

New formal written contracts are being formulated along with three-year leases that will spell out lease procedures. There will be a clause pertaining to penalties for late payments. These new contracts will take effect the first of the fiscal year, July 1, 1989, and will address the finding. A formal written policy for uncollectable accounts will be instituted.

4. Soulard Market Cash Receipt Controls

- A. The Department of Public Utilities failed to return a vendor's payment of \$890 after the Comptroller rejected the vendor's application. The check, dated April 18, 1986, was received by the department on April 29, 1986, and was attached to the rejected application in the vendor files. We found the check attached to the application on February 17, 1988, twenty-two months after the check was received. The check was apparently overlooked by department personnel, who were not aware the check was in the files, and it appears doubtful department procedures would have uncovered the check. By not returning the check to the vendor promptly, the department increased the risk the check could be misappropriated. To ensure that monies received are not misappropriated, the department should enforce controls requiring all checks received to

either be deposited or returned to the makers of the checks in a timely manner.

- B. The department does not issue receipt slips for daily rental fees paid by check. Consequently, the department has no initial record of checks received and is unable to reconcile monies received to monies subsequently deposited. As a result, the department has no assurance that all monies received are deposited.

The department should require an employee not involved in handling cash to prepare a listing each day of the vendors' names and stands rented. The listing should be used to compute amount of fees that should have been collected. This would allow the department to determine if all funds received were deposited.

- C. Cash receipts are deposited weekly rather than daily. Article XV, Section 24, of the city charter states, in part, "All money belonging to the city received by any officer or agent thereof shall be deposited daily in the treasury division,"

By not depositing cash receipts daily with the City Treasurer, the department increases the risk that cash receipts could be lost or misappropriated. The department could reduce this risk by depositing cash receipts on a daily basis as required by the city charter.

WE RECOMMEND the Department of Public Utilities:

- A. Ensure that all checks received are either timely deposited or returned to their makers.
- B. Require an employee not involved in handling cash to prepare a listing each day of the vendors names and stands rented. The listing should be used to determine if all funds received were deposited.
- C. Deposit receipts intact on a daily basis as required by the city charter.

AUDITEE'S RESPONSE

- A. The department will institute a procedure for all new prospective tenants requiring checks to be attached to the application and forwarded to the Comptroller's office for selection and signature. If the tenant is not selected, the check and contract will be returned to this office for return to the rejected applicant.
- B. A procedure will be established immediately that all daily renters will be issued a numbered receipt and that number will be recorded on the daily renter sheet.
- C. The department has met this requirement in the past, depositing money on a daily basis, but our heaviest days are Friday, Saturday, and some Sundays. At the present time, no mechanism exists to deposit funds on

weekends. However, funds collected over the weekend will be deposited the following Monday.

5. Sale of Scrap Aluminum

The Department of Public Utilities (department) did not adequately monitor the sale of scrap aluminum. As a result, the department cannot determine whether it received the maximum possible revenue from the sales.

In March 1986, the department began replacing most mercury vapor street lighting fixtures with more efficient high pressure sodium lighting fixtures. The lights replaced were taken to the city's Medium Security Institution (MSI) where they were dismantled by inmate labor. The department sold the salvageable aluminum to a St. Louis scrap dealer without requesting bids that could have ensured the department received the highest possible price for the metal. The scrap dealer picked up the scrap metal at MSI, weighed each load, and remitted the sale proceeds to the Director of Public Utilities. The weight of scrap metal removed from MSI was not verified by the department or MSI. The Director of Public Utilities gave the remittances to the department's accountant who sent the receipts to the City Treasurer for deposit.

We estimated the revenues the department may have lost from the sales as follows:

Street lights replaced per department records	\$	31,206
Estimated aluminum fixture (pounds)	X	11
		<hr/>
Estimated Aluminum Salvageable (Pounds)		343,266
		<hr/>
Average price per pound	X	0.287
		<hr/>
Estimated Amount to be Received		98,517
		<hr/>
Actual amount received		(58,784)
		<hr/>
Estimated Revenue That May Have Been Lost	\$	39,733
		<hr/>

Our estimate of the revenue the department may have lost could have been affected if the weight of the aluminum in each fixture varied, or the weighted average price per pound did not reflect the actual pricing situation.

Since these estimates are based upon available department records, however, it is not likely they are inaccurate enough to negate the estimate.

Because the department has not monitored this process or established adequate controls over the revenue or the scrap aluminum, there are several possible explanations for this type of revenue discrepancy. These explanations include the possibility of inaccurate weighing of aluminum;

untimely payments by the contractor; accounting errors in recording the revenue; and misappropriation of scrap materials and/or payments. However, since the department did not establish adequate internal controls, or maintain sufficient records, we were not able to determine what caused the revenue shortfall, or the exact amount.

The department has an obligation to effectively monitor all scrap material sales to ensure they received the correct amount of revenue. The department's monitoring of this contract provided little assurance it received or deposited all revenue from the sales.

WE RECOMMEND the Department of Public Utilities determine the total amount of scrap aluminum processed and ensure all payments were received and deposited.

AUDITEE'S RESPONSE

This program still is ongoing and collections are still being received beyond the audit period. We disagree with the method by which estimated revenues were calculated in that an average number of pounds was used, where a more accurate method would have been to use the percentage of different weight luminaries, i.e., 34.4 percent of luminaries removed weighed 12 pounds and 69.9 percent of luminaries removed weighed 8 pounds. Also, the analysis used an average price per pound rather than the actual price which varied significantly (low 21-cent per pound, high 55-cent per pound). Since this audit, the city has received an additional \$23,113 which would equate to an additional 3,602 luminaries. In total, the city has recovered \$83,978 from this program which would equate, in our estimate, to 35,577 luminaries.

AUDITOR'S COMMENT

Our computation of estimated lost revenue was based on average weight and price which was obtained from the department Director. The additional funds received include only \$16,533 relating to the sale of salvageable metal from replaced street lights. This amount was received after we had contacted the vendor to determine the amount actually paid to the department.

6. Construction Billings

The department bills contractors for construction costs associated with the removal, repair, and replacement of city street lighting to facilitate private construction projects. City lighting crews complete a separate work report for each day for each construction project worked. The work reports are submitted to the Street Lighting Supervisor who accumulates the daily reports for each project and submits the reports to the Accounting Section when the project is completed. The Accounting Section then bills the contractor. We tested \$10,573 of construction work orders and found the department failed to bill contractors for \$1,491 of costs associated with these work orders. We also noted four canceled invoices totaling \$1,643 with no documented explanation for the cancellations. Specifically, our review disclosed the following:

- A. The Street Lighting Manager did not account for the numerical sequence of construction work orders. As a result, work orders

totaling \$761 were not submitted to the Accounting Section for billing during the audit period. By accounting for the numerical sequence of work orders, the Street Lighting Manager could ensure all billable work orders are submitted to the Accounting Section.

- B. The Accounting Section failed to bill contractors for \$730 of construction costs incurred. By having a person independent of the work order and invoice preparation process verify all work orders are accurately invoiced, the Accounting Section could assure itself that all work orders submitted for billing are properly billed.
- C. Four invoices totaling \$1,643 canceled by the department during the audit period were not authorized in writing and the reasons for the cancellations were not documented. Because the reasons for the cancellations were not documented and there was no written authorization for the cancellations, we were unable to determine whether the cancellations were proper.

WE RECOMMEND:

- A. The Street Lighting Manager should account for the numerical sequence of work orders. The unbilled work reports totaling \$761 should be submitted to the Accounting Section for billing.
- B. The Accounting Department bill contractors for the \$730 that was overlooked during the billing process and require that a person independent of the work order and invoice preparation process verify the accuracy of invoices prepared by comparing the invoices to the work orders.
- C. The department document reasons and require written authorization for the cancellation of all construction invoices.

AUDITEE'S RESPONSE

The department:

A&B. Is reviewing a change in the work order system to meet the recommendation. The Lighting Division has been transferred to the Street Department.

C. Will implement the audit recommendation.

7. Cash Accounting Controls

During our review of the department's cash accounting controls, we noted several areas where improvements could be made:

- A. Receipts collected by the Department of Public Utilities are not being deposited on a timely basis. Deposits with the City Treasurer are normally made weekly.

Department personnel said because the department is not located in City Hall, it is inconvenient to make deposits more often than

weekly. However, a bonded water division messenger makes daily trips to City Hall and could deliver monies to the City Treasurer for deposit. Although undeposited receipts are stored in a safe until deposit, maintaining a large amount of cash receipts increases the risk of loss or misuse of city funds. Article XV, Section 24, of the city charter requires all money collected for the city to be deposited daily with the City Treasurer's office. In order to improve controls over cash receipts and to comply with the city charter, the department should make deposits with the City Treasurer's office daily. Daily deposits of cash receipts provide increased assurance that all funds are properly accounted for and allow for more timely detection of errors or misappropriations, should they occur.

- B. No immediate record is established of receipts received through the mail. A daily listing of all mail receipts collected would provide initial control over cash receipts. Someone other than the person responsible for the custody and recording of cash should prepare daily listings of mail receipts collected. Mail listings should be used to reconcile receipts to deposits. Such a reconciliation helps ensure that all cash receipts are properly deposited.
- C. Checks are not restrictively endorsed immediately upon receipt by the department. When checks are received by the Director's office through the mail, the mail opener forwards the checks to the Accounting Section of the Director's office, where the receipt is recorded and placed in a desk drawer. At the end of the day, all receipts are placed in a safe where they stay until the weekly deposit is prepared. Although checks are endorsed by the Accounting Section upon receipt, the endorsements are not restrictive. Currently, endorsements indicate the department name and address. However, these endorsements do not state "for deposit only."

Checks received at Soulard Market for rent payments are delivered by the Market Supervisor to the Accounting Section for recording and subsequent deposit. These checks are not endorsed until they are received by the Accounting Section, which may be several days after the initial receipt by the Market Supervisor.

While all checks are endorsed prior to deposit, control over checks could be improved by restrictively endorsing them immediately upon receipt.

- D. A lack of segregation of duties relating to cash procedures exists in the Accounting Section. One employee may perform several of the following functions:
 - 1) Physically receive money,
 - 2) Record cash receipts,
 - 3) Prepare and make deposits,

- 4) Reconcile cash receipt records to the Comptroller's monthly general ledger, and
- 5) Collect insufficient funds checks.

A proper segregation of duties provides for timely detection of errors, increases the assurance that all receipts are properly recorded, and provides safeguards against possible loss or misuse of funds. While the complete segregation of duties is not always possible, each division of the department appears to have sufficient personnel to adequately segregate all sensitive cash-related duties. Even if complete segregation is not possible, the functions noted above should be segregated to the extent possible.

- E. The Street Lighting Manager prepares construction cost estimates for contractors relating to the removal, repair, and replacement of city street lighting as noted in Management Advisory Report No. 6. The Manager also handles the deposits received based on those estimates. He is also responsible for determining if an additional billing is necessary. The department then bills contractors for costs exceeding the deposit amount. By allowing one person to initiate a transaction and later handle monies received as a result of that transaction, the department unnecessarily increases the risk of misappropriation of monies received.

To obtain additional assurance that all monies received are subsequently deposited, the department should require the employee opening the mail to give all monies received directly to the Accounting Section for deposit.

WE RECOMMEND the department:

- A. Deposit cash receipts daily.
- B. Prepare immediate listings of all mail receipts.
- C. Restrictively endorse all checks immediately upon receipt.
- D. Segregate the functions of cash handling and recordings and assign the responsibility for reconciling receipts and deposits to someone independent of both these functions.
- E. Route construction deposit checks directly to the Accounting Section.

AUDITEE'S RESPONSE

The department:

- A. Will ensure that deposits will be made daily.
- B-E. Will set up procedures to comply with the recommendations.

8. Accounts Receivable Controls and Accounting Procedures

The Director's office, MacArthur Bridge, and Soulard Market bill outside agencies for private street and alley light usage, reimbursable repairs of street lights, railroad bridge usage, maintenance and operation of the railroad control tower, and rental payments for stores and stalls occupied by outside vendors.

During our review of the department's controls and accounting procedures related to these billings, we noted the following areas where improvements could be made:

A. Current accounting procedures create an inadequate segregation of duties by assigning the same person the responsibility of performing two or more of the following duties:

- 1) Preparing billing statements,
- 2) Receiving and depositing payments,
- 3) Recording payments in the receivables records,
- 4) Resolving discrepancies in account balances, and
- 5) Handling uncollectable accounts.

In order to obtain adequate control over receivables, duties must be properly segregated by assigning the responsibility for receiving and handling payments to someone with no record-keeping responsibilities or authority to resolve discrepancies in account balances.

Although the accounting and clerical staff is small, it is sufficient to allow for adequate segregation by merely reassigning current job responsibilities.

B. The Director's office and MacArthur Bridge do not use prenumbered invoices. Instead, the invoices are manually numbered as they are used. By not using and properly monitoring prenumbered invoices, the department cannot adequately control or monitor the use of invoices. As a result, improper billings could be prepared, or all services may not be billed. To decrease the possibility of errors or misappropriations and increase the likelihood that if they occur, they are detected on a timely basis, the department should use and account for the numerical sequence of prenumbered invoices.

C. Individual subsidiary account receivable records are maintained for the Director's office, MacArthur Bridge, and Soulard Market. However, weekly or monthly billing and payment totals are not posted to a control account. Thus, no reconciliation of the subsidiary account balances to control totals can be performed.

A control account is a summary receivable account which the total amounts invoiced and subsequent total daily receipt amounts are

posted. The total of the individual receivable accounts should be reconciled monthly to the balance of the control account. Any differences should be investigated and resolved.

In order to ensure that postings to subsidiary records are accurate and that total billings and payments are being properly posted and accounted for, periodic reconciliations of the subsidiary accounts to a control account must be performed.

WE RECOMMEND the department:

- A. Segregate duties related to accounts receivable by assigning the responsibility for receiving and handling payments to an individual with no record-keeping responsibility or authority to resolve discrepancies in account balances.
- B. Use prenumbered invoices for all billings.
- C. Maintain subsidiary and control accounts for all receivables. Someone independent of the billing and receipt functions should perform monthly reconciliations of the two records.

AUDITEE'S RESPONSE

The department will set up procedures to comply with the recommendations.

9. Contractual Agreements

- A. The Department of Public Utilities has not established a written contract with the Dr. M. L. King Industrial Park Association (Park Association) for providing and maintaining street lighting on vacated streets. The Park Association pays annual costs of maintenance and operation of the street lighting in advance as required by Ordinance No. 56895 and the city provides maintenance and operates the lighting.

Ordinance No. 56895 requires the Director of Public Utilities to enter into written contracts to furnish, operate, and maintain street lighting along private streets.

- B. The department charged the Law Library Association (association) for electrical power costs in violation of a written contract between the city and the association. The contract states that the city is to "... furnish all necessary light, heat, water, electricity, telephones, janitorial service, and elevator service ... Lessee." (Emphasis added.) Apparently, the association and the department verbally agreed that the association would pay for electricity used by an air conditioner when the association installed the air conditioner. The department did not require a new contract or an amendment to cover the verbal agreement.

Section 432.070, RSMo 1986, requires that all contractual arrangements entered into by cities be in writing. In addition, a written contract reduces the possibility that misunderstandings over each parties rights and responsibilities may occur.

WE RECOMMEND the Department of Public Utilities enter into written contracts covering all contractual arrangements and amend contracts when necessary.

AUDITEE'S RESPONSE

- A. The city will draft and secure a contract with the Dr. Martin Luther King Industrial Park Association. This function has been transferred to the Street Department effective July 1, 1989.
- B. The department will attempt to amend the contract with the Law Library Association.

10. Fixed Asset Inventory Procedures

General fixed assets owned by the city of St. Louis are recorded and controlled through the city's fixed asset management system (FAMS). The FAMS Policy and Procedures Manual states that each organizational unit is to designate an employee as the FAMS coordinator. Responsibilities of the FAMS coordinator include, but are not limited to, ensuring that physical inventories of fixed assets are performed annually, reviewing all fixed asset transactions to ensure they are properly recorded on FAMS and instituting physical safeguards over city assets.

Our review of the department's internal controls and fixed asset inventory procedures indicated that annual physical inventories of fixed assets are not being performed throughout the department. The FAMS Policy and Procedures Manual clearly assigns the responsibility of taking annual physical inventories to each user department.

In order to provide greater assurance that all fixed assets are being properly controlled and accounted for, annual physical inventories should be performed by someone independent of all fixed asset custodial and record-keeping functions.

WE RECOMMEND the department implement procedures to ensure that physical inventories of fixed assets are performed annually by individuals independent of all custodial and record-keeping responsibilities.

AUDITEE'S RESPONSE

The department will revise its policy to comply with this recommendation.

APPENDICES

Appendix A-1

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES BY DIVISION
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Office of Director	Soulard Market	MacArthur Bridge	Total (Memorandum Only)
GENERAL FUND				
Construction charges	\$ 76,601	-0-	-0-	76,601
Toll charges	-0-	-0-	2,813,711	2,813,711
Service reimbursements	34,876	-0-	-0-	34,876
Rents	-0-	181,338	-0-	181,338
Property damages	173,609	-0-	-0-	173,609
Vending machines	-0-	289	-0-	289
Miscellaneous and dishonored checks	(74)	(1,402)	-0-	(1,476)
Total General Fund	\$ 285,012	180,225	2,813,711	3,278,948

Appendix A-2

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES BY DIVISION
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Office of Director	Soulard Market	MacArthur Bridge	Total (Memorandum Only)
GENERAL FUND				
Construction charges	\$ 74,591	-0-	-0-	74,591
Toll charges	-0-	-0-	2,800,808	2,800,808
Service reimbursements	24,841	-0-	-0-	24,841
Rents	-0-	144,307	-0-	144,307
Property damages	143,047	-0-	-0-	143,047
Vending machines	-0-	264	-0-	264
Sale of salvage	26,791	-0-	100	26,891
Miscellaneous	62,699	-0-	24,052	86,751
Total General Fund	\$ 331,969	144,571	2,824,960	3,301,500

Appendix B-1

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - GENERAL FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

Revenue Type	Estimated	Actual	Actual Over (Under) Estimated
Construction charges	\$ 55,000	76,601	21,601
Toll charges	2,834,500	2,813,711	(20,789)
Service reimbursements	30,000	34,876	4,876
Rents	233,000	181,338	(51,662)
Property damages	165,000	173,609	8,609
Vending machines	300	289	(11)
Sales of salvage	10,000	-0-	(10,000)
Miscellaneous and dishonored checks	-0-	(1,476)	(1,476)
Total	\$ 3,327,800	3,278,948	(48,852)

Appendix B-2

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - GENERAL FUND
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

Revenue Type	Estimated	Actual	Actual Over (Under) Estimated
Construction charges	\$ 50,000	74,591	24,591
Toll charges	2,585,000	2,800,808	215,808
Service reimbursements	27,000	24,841	(2,159)
Rents	157,500	144,307	(13,193)
Property damages	125,000	143,047	18,047
Vending machines	500	264	(236)
Sales of salvage	54,000	26,891	(27,109)
Miscellaneous	90,000	86,751	(3,249)
• Total	\$ 3,089,000	3,301,500	212,500

Appendix C-1

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES -
GENERAL FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Lapsed Balances
PERSONAL SERVICE			
Salaries	\$ 3,020,490	2,964,456	56,034
Fringe benefits	382,693	371,958	10,735
Workers' compensation	30,252	30,466	(214)
Total Personal Service	3,433,435	3,366,880	66,555
EXPENSE AND EQUIPMENT			
Office and operating supplies	94,525	73,252	21,273
Construction and maintenance supplies	1,073,596	901,688	171,908
Operating expenses	7,274,130	7,621,987	(347,857)
Contractual services	158,400	122,965	35,435
Equipment purchases and repair	311,533	249,603	61,930
Miscellaneous and special purpose expenses	521,792	395,384	126,408
Total Expense and Equipment	9,433,976	9,364,879	69,097
Total General Fund	\$ 12,867,411	12,731,759	135,652

Appendix C-2

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES -
GENERAL FUND
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Lapsed Balances
PERSONAL SERVICE			
Salaries	\$ 2,613,851	2,579,693	34,158
Fringe benefits	474,525	446,621	27,904
Workers' compensation	22,200	14,438	7,762
Total Personal Service	3,110,576	3,040,752	69,824
EXPENSE AND EQUIPMENT			
Office and operating supplies	106,892	83,504	23,388
Construction and maintenance supplies	398,000	372,543	25,457
Operating expenses	6,897,914	6,336,135	561,779
Contractual services	120,346	120,218	128
Equipment purchases and repair	286,320	268,553	17,767
Miscellaneous and special purpose expenses	1,430,272	911,796	518,476
Total Expense and Equipment	9,239,744	8,092,749	1,146,995
Total General Fund	\$ 12,350,320	11,133,501	1,216,819

Appendix D-1

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - OFFICE OF THE DIRECTOR
FIVE YEARS ENDED JUNE 30, 1988

(UNAUDITED)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 141,153	112,063	108,450	100,356	102,724
Employer:					
Social security coverage	9,124	6,918	6,620	6,924	6,723
Medical insurance	4,280	3,690	2,964	2,808	2,282
Retirement contribution	-0-	6,688	6,628	9,205	-0-
Life insurance costs	1,023	822	682	549	713
Workers' compensation settlements	17,216	-0-	3,600	-0-	-0-
Total Personal Service	172,796	130,181	128,944	119,842	112,442
EXPENSE AND EQUIPMENT					
Office supplies	495	350	500	274	-0-
Postage	300	300	300	235	250
Allowance for personal-owned cars	2,570	2,522	2,469	1,673	1,169
Printing services	-0-	-0-	26	415	-0-
Equipment services by Equipment					
Services Division	-0-	122,233	128,998	96,398	139,835
Capital equipment - Equipment Services					
Division	-0-	146,320	-0-	-0-	-0-
Special purposes No. 1	-0-	-0-	10,967	46,946	55,128
Total Expense and Equipment	3,365	271,725	143,260	145,941	196,382
Total Expenditures	\$ 176,161	401,906	272,204	265,783	308,824

* Fourteen months ended June 30, 1988.

Appendix D-2

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL
LIGHTING AND PUBLIC BUILDINGS
FIVE YEARS ENDED JUNE 30, 1988

(U N A U D I T E D)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 324,873	249,304	280,386	418,335	261,830
Employer:					
Social security coverage	24,464	18,680	21,122	30,943	18,274
Medical insurance	15,230	12,916	13,744	19,499	8,366
Retirement contribution	-0-	14,843	18,252	42,067	-0-
Life insurance costs	2,361	1,846	1,877	2,575	1,735
Workers' compensation	37	-0-	-0-	333	-0-
Overtime	5,590	8,358	12,023	22,749	7,562
Total Personal Service	372,555	305,947	347,404	536,501	297,767
EXPENSE AND EQUIPMENT					
Small tools and implements	1,373	1,108	1,210	1,170	2,008
Light bulbs and lamps	21,991	31,125	39,454	30,980	26,486
Miscellaneous supplies	-0-	-0-	-0-	346	97
Electrical materials	34,144	24,113	59,267	31,762	23,222
Telephone and other communication	2,968	-0-	-0-	-0-	794
Office services	-0-	-0-	-0-	65	96
Repair to office and other operating equipment	137,651	124,362	149,376	248,468	268,754
Light and power services	2,399,256	1,996,003	2,181,175	1,549,022	1,173,299
Printing services	-0-	-0-	-0-	48	8
Special purposes No. 3	-0-	40,001	-0-	-0-	-0-
Special purposes No. 4	-0-	49,777	-0-	-0-	-0-
Total Expense and Equipment	2,597,383	2,266,489	2,430,482	1,861,861	1,494,764
Total Expenditures	\$ 2,969,938	2,572,436	2,777,886	2,398,362	1,792,531

* Fourteen months ended June 30, 1988.

Appendix D-3

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL
LIGHTING AND STREETS
FIVE YEARS ENDED JUNE 30, 1988

(UNAUDITED)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 992,840	778,367	721,371	611,496	145,257
Temporary employees	-0-	-0-	92,643	-0-	-0-
Per performance	-0-	172,551	-0-	-0-	-0-
Employer:					
Social security coverage	74,069	72,984	60,386	44,307	11,192
Medical insurance	51,265	43,336	33,820	28,008	17,176
Retirement contribution	-0-	41,348	40,532	52,343	-0-
Life insurance costs	7,250	5,684	4,566	3,405	3,570
Workers' compensation	12,405	8,688	1,881	11,614	-0-
Overtime	19,599	67,805	35,075	11,504	14,093
Total Personal Service	1,157,428	1,190,763	990,274	762,677	191,288
EXPENSE AND EQUIPMENT					
Office supplies	557	245	419	-0-	-0-
Laundry and cleaning supplies	160	0	302	217	46
Small tools and implements	1,229	718	241	652	11
Educational and recreational supplies	-0-	40	239	70	-0-
Light bulbs and lamps	22,723	21,898	29,999	56,381	-0-
Miscellaneous supplies	549	188	-0-	-0-	-0-
Construction materials and building hardware	129,321	138,402	134,291	111,332	2,308
Electrical materials	130,679	126,304	127,500	286,845	41,440
Miscellaneous materials	-0-	-0-	6,979	-0-	-0-
Light heat pow vent wat E	-0-	-0-	-0-	-0-	396,122
Telephone and other communications	9,023	7,850	11,608	9,097	7,017
Office services	1,974	1,527	1,802	2,669	3,946
Allowance for personal-owned cars	383	195	228	980	1,191
Repairs to office and other operating equipment	628	944	888	945	168
Light and power services	2,599,785	2,417,708	2,973,540	2,907,156	3,113,291
Maintenance of street lighting	538,000	531,867	542,702	-0-	-0-
Printing services	-0-	315	853	598	350
Miscellaneous contractual services	369	1,000	5,547	368	296
Special purposes No. 1	-0-	86,072	58,576	-0-	-0-
Special purposes No. 2	973,413				
Special purposes No. 3	5,787	54,678	-0-	-0-	-0-
Total Expense and Equipment	4,414,580	3,389,952	3,895,714	3,377,310	3,566,186
Total Expenditures	\$ 5,572,008	4,580,715	4,885,988	4,139,987	3,757,474

* Fourteen months ended June 30, 1988.

Appendix D-4

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL
POWER PLANTS
FIVE YEARS ENDED JUNE 30, 1988

(UNAUDITED)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries regular employees	\$ 880,961	705,908	874,609	909,958	1,028,887
Employer:					
Social security coverage	65,562	51,647	63,175	65,747	71,493
Medical insurance	39,299	34,631	36,746	37,368	33,690
Retirement contribution	-0-	41,306	48,485	80,138	-0-
Life insurance costs	6,331	5,123	5,468	4,885	6,977
Workers' compensation	526	106	363	620	-0-
Overtime	23,959	21,703	23,835	34,541	33,710
Total Personal Service	1,016,638	860,424	1,052,681	1,133,257	1,174,757
EXPENSE AND EQUIPMENT					
Laundry and cleaning supplies	197	85	79	168	-0-
Household supplies	92	117	109	168	70
Fuel supplies	149	-0-	512	718	-0-
Small tools and implements	3,278	3,080	3,494	2,313	1,221
Miscellaneous supplies	24,291	15,709	19,549	21,892	20,831
Construction materials and building hardware	536	374	236	270	358
Electrical materials	1,012	989	566	423	340
Plumbing, heating, venting, and air conditioning	22,248	17,667	18,159	22,203	15,900
Painting materials	701	314	198	683	112
Miscellaneous materials	19,257	15,092	15,185	12,130	11,898
Telephone and other communication	1,905	1,183	455	-0-	142
Office services	24	23	54	5	8
Allowance for personal-owned cars	2,223	1,917	1,372	1,390	1,219
Repairs to office and other operating equipment	111,219	58,621	43,903	51,332	37,086
Heating services	1,681,429	1,011,119	1,875,588	2,032,651	1,381,464
Printing services	-0-	108	209	700	91
Special purposes No. 1	15,886	6,944	17,259	14,650	20,373
Special purposes No. 2	88,099	103,543	54,742	-0-	-0-
Special purposes No. 3	-0-	336,230	-0-	-0-	-0-
Special purposes No. 4	5,413	3,293	-0-	-0-	-0-
Total Expense and Equipment	1,977,959	1,576,414	2,051,669	2,161,696	1,491,113
Total Expenditures	\$ 2,994,597	2,436,838	3,104,350	3,294,953	2,665,870

* Fourteen months ended June 30, 1988.

Appendix D-5

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL
SOULARD MARKET
FIVE YEARS ENDED JUNE 30, 1988

(UNAUDITED)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 65,211	58,040	55,882	58,389	56,420
Employer:					
Social security coverage	5,105	4,323	4,111	4,257	4,057
Medical insurance	4,832	4,920	3,534	3,744	3,042
Retirement contribution	-0-	3,453	3,240	5,342	-0-
Life insurance costs	452	427	336	328	417
Overtime	4,881	2,417	2,159	2,299	3,286
Total Personal Service	80,481	73,580	69,262	74,359	67,222
EXPENSE AND EQUIPMENT					
Laundry and cleaning supplies	474	484	.183	407	341
Household supplies	687	312	622	582	650
Painting supplies	935	-0-	-0-	-0-	1,045
Miscellaneous supplies	100	50	49	61	100
Postage	80	80	80	80	80
Office services	3,875	3,150	2,600	2,563	2,541
Allowance for personal-owned cars	50	120	120	120	109
Repairs to:					
Building and structures	-0-	-0-	-0-	-0-	1,872
Office and other operating equipment	105	-0-	115	471	38
Rental of motor vehicles	280	490	120	-0-	600
Advertising services	13,993	8,070	6,875	7,611	7,154
Cleaning services	62,117	51,000	49,513	55,368	28,800
Printing services	-0-	630	909	360	140
Extermination	-0-	-0-	-0-	30	162
Special purposes No. 1	17,115	-0-	-0-	-0-	-0-
Total Expense and Equipment	99,811	64,386	61,186	67,653	43,632
Total Expenditures	\$ 180,292	137,966	130,448	142,012	110,854

* Fourteen months ended June 30, 1988.

Appendix D-6

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL
MACARTHUR BRIDGE
FIVE YEARS ENDED JUNE 30, 1988

(UNAUDITED)

	1988*	1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 464,294	368,266	361,135	350,579	357,611
Per performance	28,215	31,609	-0-	-0-	-0-
Employer:					
Social security coverage	36,684	28,927	25,433	24,343	24,065
Medical insurance	21,169	18,356	14,706	14,040	11,408
Retirement contribution	-0-	21,007	22,081	32,188	-0-
Life insurance costs	3,455	2,746	2,299	1,948	2,555
Workers' compensation	282	5,644	1,216	-0-	-0-
Overtime	12,879	3,302	723	1,305	2,834
Total Personal Service	566,978	479,857	427,593	424,403	398,473
EXPENSE AND EQUIPMENT					
Office supplies	100	77	126	60	20
Motor vehicle supplies	3,076	1,886	2,834	4,753	4,869
Fuel supplies	2,180	1,672	2,262	2,593	2,765
Small tools and implements	1,290	1,292	1,491	1,138	1,084
Miscellaneous supplies	2,947	1,992	4,410	4,648	5,283
Construction materials and building hardware	39,058	32,254	40,027	880	23,909
Electrical materials	4,737	3,170	3,609	5,336	2,425
Painting materials	284	283	-0-	265	279
Motor vehicle materials and repair parts	10	33	378	59	481
Miscellaneous materials	3,649	542	465	2,607	8,369
Postage	40	40	40	40	40
Allowance for personal-owned cars	420	360	360	360	316
Repairs to office and other operating equipment	-0-	-0-	-0-	-0-	326
Equipment rental	-0-	-0-	-0-	-0-	235
Light and power services	-0-	-0-	-0-	2,719	4,658
Heating services	-0-	-0-	-0-	6,872	4,200
Printing services	-0-	300	245	109	326
Miscellaneous contractual	4,157	119,218	91,306	1,473	1,766
Maintenance and operations:					
Carroll Street	3,300	8,771	12,938	164,275	195,756
Valley Junction	105,000	100,000	97,530	103,000	99,000
Maintenance and operations	10,139	6,560	6,059	9,507	9,944
Taxes	36,846	32,254	30,060	38,412	38,527
Rents	11,464	9,827	9,827	9,108	9,827
Surety bond premium and insurance	-0-	-0-	-0-	10,537	10,245
Special purposes No. 2	-0-	-0-	2,057	2,124	4,529
Special purposes No. 3	43,088	188,718	-0-	-0-	-0-
Total Expense and Equipment	271,785	509,254	306,024	370,875	429,179
Total Expenditures	\$ 838,763	989,111	733,617	795,278	827,652

* Fourteen months ended June 30, 1988.
