

University of Missouri, St. Louis

IRL @ UMSL

UMSLCAB - UMSL's Political Science Millennial
Era Saint Louis Local Curated Area Budgets

Political Science Department

1-1-2007

Report to City Council and Management, 2006

City of Ferguson

Follow this and additional works at: <https://irl.umsl.edu/cab>

Recommended Citation

City of Ferguson, "Report to City Council and Management, 2006" (2007). *UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets*. 430.

<https://irl.umsl.edu/cab/430>

This Book is brought to you for free and open access by the Political Science Department at IRL @ UMSL. It has been accepted for inclusion in UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets by an authorized administrator of IRL @ UMSL. For more information, please contact marvinh@umsl.edu.

CITY OF FERGUSON, MISSOURI

**REPORT TO CITY COUNCIL
AND MANAGEMENT**

JUNE 30, 2006



BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

September 29, 2006

Honorable Mayor
and City Council Members
Ferguson, Missouri

We are pleased to discuss the results of our audit of the financial statements of City of Ferguson, Missouri for the year ended June 30, 2006.

The accompanying report addresses matters with respect to our 2006 audit and other information which we believe will be of assistance and interest to you, as well as specific matters required by professional standards to be reported to you. This report is intended solely for the information and use of the Mayor and City Council Members.

Sincerely,

Boty, Deal & Company

INDEX TO REPORT

OVERVIEW OF 2006 AUDIT	1
OTHER MATTERS	2
RECOMMENDATIONS TO MANAGEMENT	3

OVERVIEW OF 2006 AUDIT

AUDITORS' RESPONSIBILITY	<ul style="list-style-type: none">* Audit performed in accordance with auditing standards generally accepted in the United States of America.* Objective being reasonable - not absolute - assurance about the financial statements being free of material misstatement.
REPORT ON 2006 AUDIT	<ul style="list-style-type: none">* Issued an unqualified opinion dated September 29, 2006.
INTERNAL CONTROL OVER FINANCIAL REPORTING	<ul style="list-style-type: none">* Reviewed controls to extent necessary to obtain an understanding of the structure in order to render an opinion on financial statements.* Recommendations set forth on pages 3 and 4.
MANAGEMENT COOPERATION	<ul style="list-style-type: none">* Received full cooperation.

OTHER MATTERS

The Auditing Standards Board of the AICPA requires that we communicate certain matters to the Audit Committee, or its equivalent of an organization. These requirements are set out in Statement on Auditing Standards Nos. 53, 54, 61 and 89 and our comments thereto are presented below.

ERRORS	* None came to our attention.
FRAUD AND OTHER ILLEGAL ACTS	* None came to our attention.
SIGNIFICANT ACCOUNTING POLICIES	* No changes to current accounting policies
MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES	* Reviewed management's formulation of accounting estimates and concluded they were reasonable.
CONSULTATIONS WITH OTHER ACCOUNTANTS	* None.
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES	* No reportable differences.

RECOMMENDATIONS TO MANAGEMENT

OVERALL

- * Considered internal control over financial reporting to determine auditing procedures.
- * Audit procedures would not necessarily disclose all matters in internal control over financial reporting that may be material weaknesses.

CURRENT YEAR

- * Currently the Ferguson Neighborhood Improvement Program (FNIP) does not accumulate its transactions using accounting software and transactions are not processed in the accounting department. We recommend the accounting department of the City process accounting transactions initiate by the FNIP. FNIP employees should provide invoices to the accounting department to initiate transactions. The accounting department should prepare the check and it should be signed by the director of FNIP. The unopened bank statement should be given to the director of FNIP to review before returning to the accounting department for reconciliation.
- * There are a number of old outstanding receivables. The collectability of these should be reviewed. Once substantial collection procedures have been attempted, any accounts which are deemed doubtful to collect should be written off.
- * The City needs to revise procedures for recording receipt of Park and Fire taxes for consistency purposes. Taxes are received in lump sum and must be split with the TIF Fund. In one case they are split and recorded in the proper fund at the time of receipt. In other cases, tax receipts are recorded in full and later reduced by the amount transferred to other fund. Consistency in recording will reduce potential errors due to misunderstanding of how the taxes are recorded.
- * During the audit it was noted some transactions were posted directly to fund balance. Transactions should never be posted to fund balance. If transfers between funds are made, the transactions should flow through a transfer account.