



Susan Montee, JD, CPA  
Missouri State Auditor

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# City of Tracy, Missouri



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September 2009  
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Office of the  
Missouri State Auditor  
Susan Montee, JD, CPA

September 2009

An audit was conducted by our office of the City of Tracy.

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The city has not established sufficient records within its general accounting system to properly account for the financial activity of the various city funds. The city does not maintain separate records of receipts, disbursements, and fund balances for its General, Special Revenue, or Water and Sewer Funds. As a result, city officials are not able to adequately monitor the city's financial activity.

The city's budgets were not approved in a timely manner and were incomplete. In addition, the Board has not developed a process to monitor budget to actual disbursement activity. As a result, actual disbursements significantly exceeded budgeted amounts. Financial reports prepared by the city are incomplete and lack an appropriate level of detail. The city's published semi-annual financial statement for the 6 months ended December 31, 2008, reported a combined net income of all city operations, with receipts and disbursements of each fund co-mingled. Additionally, the published financial statements did not report a beginning or ending balance for any city funds. The city maintains four bank accounts that have minimal activity. In addition, the City Treasurer does not allocate interest received from bank deposits in the general account to the various city funds maintained in the account.

The Board of Aldermen does not provide adequate oversight of the accounting functions performed by the City Clerk and Treasurer and review procedures implemented do not always detect errors as intended. Additionally, receipting and reconciling procedures need improvement.

Water and sewer rates charged to customers have been insufficient to cover water and sewer operations. As a result, the city's General Fund has paid approximately \$42,700 on behalf of the Water and Sewer Fund through December 31, 2008, according to the city's financial statement audit report.

Other issues discussed in the audit include the lack of a formal bidding policy for purchases of goods and services, the lack of controls to ensure fuel purchases for law enforcement are reasonable, issues with closed meeting procedures, and concerns related to city ordinances and capital asset tracking.

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YELLOW SHEET

CITY OF TRACY

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STATE AUDITOR'S REPORT



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

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Tracy. The city engaged Stephen Connelly, Certified Public Accountant (CPA), to audit the city's financial statements for the 2 years ended December 31, 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' 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 History, 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 Tracy.



Susan Montee, JD, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Alice M. Fast, CPA, CIA, CGFM  
Audit Manager: Robert E. Showers, CPA  
In-Charge Auditor: Candi Copley

MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

CITY OF TRACY  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1. Accounting System, Budgeting, and Financial Reporting</b>
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A fund accounting system has not been established to properly account for the financial transactions of the city. The city's budget process is not adequate, and financial statements prepared and published by the city were insufficient and incorrect. Further, the Board of Aldermen should consider closing some unnecessary checking accounts and allocating interest among all city funds.

- A. The city has not established sufficient records within its general accounting system to properly account for the financial activity of the various city funds. The city does not maintain separate records of receipts, disbursements, and fund balances for its General, Special Revenue, or Water and Sewer Funds. As a result, city officials are not able to adequately monitor the city's financial activity. For example, the city's water and sewer activities are split between the general account and the water and sewer account, and no overall Water and Sewer Fund balance is maintained as required by bond covenants.

Receipts and disbursements associated with specific activities should be recorded in a fund established to account for the activities. Complete and organized accounting records are necessary to provide accurate and timely financial information to city officials upon which effective management decisions may be made. In addition, the city's independent auditor recommended the city establish separate funds for the water and sewer transactions in his report on the financial statements for the years ended December 31, 2008 and 2007.

- B. The following weaknesses exist in the city's budget process:

- 1) The city's budgets were not approved in a timely manner and were incomplete. A budget for the year ended December 31, 2007, was not approved until June 25, 2007, and the 2008 budget was not approved until April 2008. Budgets were not prepared for all city funds and were not clearly approved by the Board.

Sections 67.010 through 67.080, RSMo, set specific guidelines as to the format, approval, and amendment of the annual operating budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provide a means to effectively monitor actual costs and receipts. A complete budget should include separate receipt and disbursement estimations by fund, and include the beginning available resources and a reasonable

estimate of the ending available resources. Additionally, the beginning cash balances of the funds should agree to the accounting records and summary totals should accurately reflect the detail amounts.

- 2) The Board has not developed a process to monitor budget to actual disbursement activity. As a result, actual disbursements significantly exceeded budgeted amounts. For the 2 years ended December 31, 2008, actual disbursements exceeded budgeted amounts for the city's funds as follows:

Fund	Year Ended December 31,	
	2008	2007
General	\$26,218	66,634
Water and Sewer	8,405	85,053
Street	43,037	N/A

The Board did not prepare an amended budget for these funds or document the reasons for exceeding the budget in meeting minutes.

Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for disbursements from any fund, unless the governing body adopts a resolution setting forth the reasons making the increase necessary and approves or adopts a resolution or ordinance to authorize the disbursements.

C. Significant weaknesses exist in the city's financial reporting process:

- 1) Financial reports prepared by the city are incomplete and lack an appropriate level of detail. The city's published semi-annual financial statement for the 6 months ended December 31, 2008, reported a combined net income of all city operations, with receipts and disbursements of each fund co-mingled. Additionally, the published financial statements did not report a beginning or ending balance for any city funds.

Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually, a full and detailed account of the receipts, disbursements and indebtedness of the city. 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.

- 2) Fund balances reported to the State Auditor's office, as required by Section 105.145, RSMo, were significantly understated. At December 31, 2007, the city reported an aggregate balance for all city funds of approximately \$21,500. However, a 2007 financial statement audit

reported an aggregate balance of approximately \$135,600 for all funds at December 31, 2007. A contracted audit report was submitted in lieu of city prepared financial statements in 2008. The inadequate financial reporting is a result of the city's poor accounting system.

- D. The city maintains four bank accounts: the parks account, parks and recreation account, police training account, and police grant fund account that have minimal activity and appear unnecessary. When activity is necessary from one of these accounts, a transfer is made to the general account and disbursements are processed through the general account.

A large number of accounts requires additional record keeping and increases the likelihood that errors or misappropriation will occur. The Board should consider closing these accounts and consolidating any related activity into the general account. The monies can be tracked by maintaining separate funds if necessary.

- E. The City Treasurer does not allocate interest received from bank deposits in the general account to the various city funds maintained in the account. For example, receipts for water and sewer services, the Emergency Parks Fund, and the Emergency Road Fund are held within the general account; however, interest earned is allocated solely to the General Fund.

The city should ensure interest is allocated to the various funds in proportion to the fund balance.

**WE RECOMMEND** the Board of Aldermen:

- A. Ensure a complete financial accounting system is established, with specific activities accounted for in separate funds, as appropriate.
- B.1. Develop policies and procedures to ensure budgets are prepared in a timely manner, are prepared for all funds, and contain all information as required by state law. Additionally, the Board should document its approval of the annual budget.
- 2. Periodically compare year-to-date disbursements with budgeted amounts to monitor city finances and ensure actual disbursements do not exceed budgeted amounts. If it is necessary to exceed budgeted disbursements, the Board should ensure compliance with state law.
- C.1. Ensure published financial statements are accurate and contain the appropriate level of detail.
- 2. Ensure the accuracy of financial statements filed with the State Auditor's office.
- D. Close any unnecessary bank accounts.

- E. Ensure interest is properly allocated between funds.

**AUDITEE'S RESPONSE**

*The city provided the following written responses:*

- A. *The City generally concurs with this finding. The City has been working with Steve Connelly, CPA, to improve its accounting methods and records. Effective January 1, 2009, some changes to the accounting for the water and sewer funds were implemented, including establishment of a separate account for those revenues as directed by Missouri DNR. The City has purchased new accounting software, and plans to transfer the existing financial data to a system that adequately accounts for activity by fund.*
  
- B.1. *The Mayor and Board of Aldermen have implemented a budget process consistent with Section 67.010 RSMo. for the fiscal year 2009. The ordinance approving the budget was passed at the January 2009 meeting, before any 2009 Fiscal Year funds were expended. The City will continue to improve its compliance with §67.010 to §67.080 RSMo.*
  
- 2. *The new accounting software and greater compliance with the processes set forth in §67.010 to §67.080 RSMo. will enable the City to better monitor actual expenditures versus budgeted expenditures for periods going forward. The street repairs paid for in 2008 were needed as result of damage caused by flooding, and were largely paid for by federal flood relief funds.*
  
- C.1. *The Board of Aldermen published semi-annual statements containing all information required by Section 79.160 RSMo. for the period subject to the audit.*
  
- 2. *The City's fund balances have been corrected based upon information provided by Steve Connelly, CPA.*
  
- D. *The additional accounts were initially opened to receive grant funds. The terms of various grants received required that the grant funds be held separate from the other funds of the City. Since the need for the separate accounts has passed, those that are no longer necessary will be closed.*
  
- E. *The City concurs and interest will be properly allocated between the various funds.*

<b>2. Accounting Procedures</b>
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The Board of Aldermen does not provide adequate oversight of the accounting functions performed by the City Clerk and Treasurer and review procedures implemented do not always detect errors as intended. Additionally, receipting and reconciling procedures need improvement.

- A. Accounting duties are not adequately segregated and there is no evidence the Board of Aldermen provides adequate supervision or review of the work performed by the City Clerk and Treasurer. Duties of the City Clerk include receiving and recording utility payments and various city receipts, and preparing utility bills. Duties of the Treasurer include performing bank reconciliations; preparing, signing, and distributing checks; and preparing monthly financial reports. Additionally, the Treasurer posts disbursement transactions and transfers to accounting records and maintains the supporting documentation for transactions. The city's checking accounts require only one signature.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Requiring two signatures on checks also provides additional control over disbursements. A timely supervisory review of the City Clerk's and Treasurer's work should be performed and documented by the Board of Aldermen. The city's independent audits for the years ended December 31, 2008 and 2007 also reported the segregation of duties weakness. In 2008, as a result of the recommendations of the independent auditor, review procedures were attempted by the Mayor. However, as noted below in part C, review procedures did not always detect errors.

- B. Procedures for recording and depositing monies received are in need of improvement. Receipt slips are only issued for monies received when requested by the payer, the method of payment received is not always documented, and receipts are not always deposited intact or in a timely manner. The city collected approximately \$402,500 and \$286,000 in water and sewer receipts and miscellaneous receipts, such as franchise taxes, business licenses, dog licenses, court receipts, and copy fees in 2008 and 2007, respectively.

To properly account for all receipts and ensure they are properly deposited, official prenumbered receipt slips should be issued for all monies received immediately upon receipt, the method of payment should be recorded on each receipt slip, 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 in a timely manner.

- C. Errors were noted on the monthly bank reconciliations performed by the Treasurer. For example, the computer accounting system reported a reconciled balance of (\$61) for the combined waterworks and sewerage system account at December 31, 2008. Based on our review, the account's reconciled balance at December 31, 2008, was actually \$7,338. The incorrect bank reconciliation, which was reviewed and approved by the Mayor, included checks that cleared the bank in 2007. Accurate monthly reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected on a timely basis.

**WE RECOMMEND** the Board of Aldermen:

- A. Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the City Clerk's and Treasurer's work should be performed and documented. Additionally, the Board of Aldermen should ensure reviews are designed to detect any errors and misstatements. Further, the Board of Aldermen should consider requiring two signatures for all checks issued by the city.
- B. Require receipt slips be issued for all monies received with the method of payment indicated and reconciled to the composition of deposits. Further, the Board of Aldermen should require all receipts be deposited in a timely manner.
- C. Ensure monthly bank reconciliations are completed correctly.

**AUDITEE'S RESPONSE**

*The city provided the following written responses:*

- A. *The City has implemented additional oversight duties. More reports will be provided to the Board for review. The City will evaluate the feasibility of additional segregation and oversight.*
- B. *Receipts are always issued for receipt of cash.*
- C. *Each bank reconciliation will be reviewed by the Mayor.*

<b>3. Water and Sewer Operations</b>
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Water and sewer fees have been insufficient to cover water and sewer operations. In addition, controls over utility bill adjustments could be improved.

- A. Water and sewer rates charged to customers have been insufficient to cover water and sewer operations. As a result, the city's General Fund has paid approximately \$42,700 on behalf of the Water and Sewer Fund through December 31, 2008, according to the city's 2008 audit report. The city has experienced numerous water and sewer infrastructure failures that have resulted in significant repair costs and water losses. In addition, as discussed in Management Advisory Report (MAR) finding number 1, the city has not maintained adequate accounting records to separately track the activity of the Water and Sewer Fund, making it difficult for city officials to adequately track water and sewer activity. In an effort to cover maintenance costs and repay the debt to the General Fund, the Board of Aldermen approved a \$15 residential and \$30 commercial meter fee charge for meters in use in October 2007. The Board approved an additional increase in water and sewer rates effective January 2009.

The Board indicated it intends to repay the General Fund from Water and Sewer Fund receipts and meter fees. The use of General Fund receipts for water and sewer operations is allowable; however, interfund borrowing is not an appropriate long-term funding solution. Rates for utility services should be set to cover the costs of producing and delivering services (including administrative costs) and maintain reserves adequate to sustain the system. Section 67.042, RSMo, provides that fees may be increased if supported by a statement of the costs necessary to maintain the funding of such service.

- B. The approval of adjustments made to individual utility bills is not documented. Additionally, the city's water ordinance does not address procedures regarding adjustments to utility bills for water leaks for the equitable treatment of all utility users. All adjustments made to the monthly utility bills are recorded on adjustment sheets. Although the Mayor stated adjustments made to the utility bills are verbally approved by the Mayor or Board of Aldermen, the adjustment sheets do not document the review or approval.

To ensure all adjustments to utility bills are appropriate and have been recorded properly, the utility adjustment sheets should be reviewed and approved by the Mayor. The review and approval should be documented.

**WE RECOMMEND** the Board of Aldermen:

- A. Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing this service, but not set at a level that results in excessive fund balances. The Board should also clarify how much, if any, it intends to repay to the General Fund from water and sewer receipts.
- B. Ensure an independent review and approval of any adjustments to utility bills is performed and documented.

**AUDITEE'S RESPONSE**

*The city provided the following written responses:*

- A. *The City has implemented a budgeting process as part of amending its water and sewer rate ordinances. Rate budgets have been used for the sewer rates since the sewer project was completed in 2006. A similar budgeting process was applied to the water rates beginning in 2009.*
- B. *The City will work to develop a policy for utility bill adjustments and implement a procedure for review and approval of adjustments to utility bills.*

**4.****Disbursements**

Controls over disbursements are in need of improvement. The city does not have a bid policy and fuel use in city vehicles is not monitored.

- A. The city does not have a formal bidding policy for purchases of goods and services. For example, the city did not solicit bids for banking services, street repair work, and primary water line repair services. No documentation is retained of how particular vendors are selected.

Formal bidding procedures for major purchases provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the city's business. In addition, written documentation of bids should be maintained to provide evidence the city has complied with its purchasing policy. Bid documentation should include a list of vendors contacted, a copy of the bid specification, copies of all bids received, justification for awarding the bid, and documentation of discussions with vendors.

- B. The city does not have controls in place to ensure fuel purchases for law enforcement are reasonable. City officers purchase gasoline for the city-owned vehicle using a fuel card and review the fuel statement verifying charges are correct before the invoice is approved by the Mayor for payment. However, the city does not perform a reconciliation of fuel purchased to miles driven to determine the reasonableness of purchases.

To ensure the validity and propriety of fuel disbursements, the city should adopt procedures to ensure fuel use is reconciled to fuel purchased.

**WE RECOMMEND** the Board of Aldermen:

- A. Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected.
- B. Adopt procedures to reconcile fuel purchased to fuel use.

**AUDITEE'S RESPONSE**

*The city provided the following written responses:*

- A. *The law does not require the solicitation of bids for all contracts. The City does solicit bids when required and in many other instances.*

- B. *The City has implemented a mileage log on the police car to ensure that the amount of fuel purchased for the police car is consistent with the amount of driving performed by City officers.*

<b>5. Closed Meeting Compliance and Ordinances</b>
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Improvement is needed in the procedures and documentation related to closed meetings of the Board, and improvement is needed in the organization of the city's ordinances.

- A. The following issues were identified regarding the Board's use of closed session meetings:

- 1) The city was unable to demonstrate how some topics discussed in closed meeting sessions complied with state law. For example, the Board discussed and voted to change the public safety officer position from a part-time to a full-time position during a closed meeting session. The Board should restrict the discussion in closed sessions to the specific topics listed in the Sunshine Law, Chapter 610, RSMo. The Sunshine Law, states the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open meeting. In addition, the Sunshine Law provides public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote.
- 2) An instance was noted where the Board held a closed meeting without minutes being taken. The Sunshine Law, Section 610.020.7, RSMo, requires minutes be kept for all closed meeting sessions. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions. Without minutes of closed sessions, there is no record of the discussions held or support for the decisions made, and less assurance to the public that the various statutory provisions are followed.

- B. The city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect. Documents with the city's attorney suggest the city has over 900 ordinances.

Since the ordinances represent the legislation passed by the Board of Aldermen to govern the city and its residents, it is important the city maintain ordinances in a complete, well-organized, and up-to-date manner. A record of all ordinances passed and repealed by the city could help keep track of additions and changes made to city ordinances.

**WE REDCOMMEND** the Board of Aldermen:

- A.1. Ensure discussions held in closed session are in compliance with the Sunshine Law.
- 2. Maintain meeting minutes for all closed sessions in compliance with the Sunshine Law.
- B. Ensure a complete and up-to-date set of ordinances is created and maintained.

**AUDITEE'S RESPONSE**

*The city provided the following written responses:*

- A.1. *The City will obtain advice of counsel concerning permissible topics of discussion during closed meetings.*
- 2. *The meeting in question occurred at the end of a regular meeting of the Board of Aldermen, was closed at the request of an employee for the purpose of discussing the employee's personnel issues. No vote or action of any kind was taken by the Board during the meeting or as a result of the discussion.*
- B. *The City does maintain an up-to-date set of ordinances. The ordinances passed by the Board are in the ordinance books numerically from 1 to 954. The ordinances are assigned a number upon passage and cover the period of 1933 to the present. There is an index to the ordinances. The City will endeavor to create a list of repealed or amended ordinances to supplement the existing index.*

<b>6. Capital Assets</b>
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The city does not maintain current, complete, and detailed records of capital assets, including land, buildings, infrastructure, and equipment. In addition, an annual physical inventory is not performed. The city's computerized asset list shows an asset balance of approximately \$407,000, and a manually prepared asset list contains an additional \$9,400 worth of assets. However, based on discussions with the Treasurer, the asset lists have not been updated for several years. Significant asset additions are needed, including park assets and the water and sewer system upgrades the city has made in recent years.

Adequate capital asset records are necessary to ensure accountability for all items owned, for determining the proper amount of insurance coverage, and to provide a basis for proper financial reporting. Capital asset records should include a detailed description of the assets including the name, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets. All capital assets should be identified with a tag or other similar device, and the

city should conduct annual physical inventories and reconcile the results to the detailed records.

**WE RECOMMEND** the Board of Aldermen maintain complete and detailed capital asset records. These records should be updated for any property additions and dispositions as they occur. Further, all assets should be tagged or otherwise identified as city property, and the Board of Aldermen should ensure annual physical inventories are performed and documented and the results reconciled to the detailed list of assets.

**AUDITEE'S RESPONSE**

*The city provided the following written response:*

*Steve Connelly, CPA, has been working with Mayor Rhoads to update the City's list of capital assets.*

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

CITY OF TRACY  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

The City of Tracy is located in Platte County. The city was incorporated in 1883 and is currently a fourth-class city. The population of the city in 2000 was 213.

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 2 years ended December 31, 2008, are identified below. The Mayor is paid \$50 per month and Board of Aldermen members \$20 per month. The compensation of these officials is established by ordinance.

<u>Mayor and Board of Aldermen</u>	<u>Dates of Service During the 2 Years Ended December 31, 2008</u>
Rita Rhoads, Mayor (1)	January 2007 to December 2008
Brenda Ferguson, Mayor (1)	January 2007 to April 2008
Robert Kaveler, Member	January 2007 to December 2008
Julie Thomas, Member	January 2007 to December 2008
Robert Roediger, Member (2)	October 2008 to December 2008
Larry Hill, Member (2) (3)	May 2007 to October 2008
Cheryl Cornett, Member (3)	January 2007 to April 2007
Aaron Bryant, Member (4)	May 2008 to December 2008

- (1) Rita Rhoads was elected Mayor in April 2008 to replace Brenda Ferguson. Ms. Rhoads was a member of the Board of Aldermen from January 2007 until her election as Mayor in April 2008.
- (2) Robert Roediger was appointed in October 2008 to fill the position vacated by Larry Hill.
- (3) Larry Hill was elected by a 3 way tie breaker held on May 1, 2007. Larry was elected to replace Cheryl Cornett, who resigned her position one year prior to her term expiring.
- (4) Aaron Bryant was appointed in May 2008 to fill the position vacated by the election of Rita Rhoads as Mayor.

Other Officials	Dates of Service During the 2 Years Ended December 31, 2008	Compensation Paid for the Year Ended December 31,	
		2008	2007
Jennifer Yeager, Treasurer	January 2007 to December 2008	\$ 1,800	1,800
Frank Thurman, Police Chief	January 2007 to December 2008	7,474	7,680
Laurie Molder, City Clerk/Collector (1)	January 2007 to April 2008	3,762	9,851
Deborah Payne, City Clerk/Collector (1)	May 2008 to December 2008	4,824	0

(1) Laurie Molder resigned her position as City Clerk/Collector in April 2008. Deborah Payne was appointed City Clerk/Collector in May 2008.

In addition to the officials identified above, the city employed one full-time employee and two part-time employees on December 31, 2008.

Assessed valuations and tax rates for 2008 and 2007 were as follows:

ASSESSED VALUATIONS	2008	2007
Real estate	\$ 1,898,981	1,867,819
Personal property	536,105	265,499
Railroad and utility	26,861	29,812
Total	\$ 2,461,947	2,163,130

#### TAX RATE(S) PER \$100 ASSESSED VALUATION

	2008 Rate	2007 Rate
General	\$ .6846	.6510
Debt service	.6814	.8470

#### TAX RATE(S) PER \$1 OF RETAIL SALES

	2008 Rate	2007 Rate
General	\$ 1.000	1.000
Transportation	.050	.050