



Thomas A. Schweich

Missouri State Auditor

City of Lowry City

July 2011
Report No. 2011-32



<http://auditor.mo.gov>



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Lowry City

Utility Policies, Procedures, and Records

The city has not reviewed its water and sewer rates for several years and has not prepared a statement of costs to help determine if it is charging appropriate rates. The city is less likely to detect errors, theft, or misuse in the Water and Sewer Fund because the city does not perform monthly reconciliations of the utility amounts billed, collected and unpaid, and the City Treasurer is able to post adjustments without independent approval. The city was not adequately managing delinquent accounts; service was not discontinued upon non-payment, and the monthly delinquent account reports were not provided to the Board of Aldermen or maintained by the City Treasurer. Refundable utility deposits were not properly tracked and reconciled to the appropriate bank account. The City Treasurer calculated the amount of utility deposits paid as of January 6, 2011, to be \$18,855, but the city only had \$16,300 in bank accounts designated for utility deposits.

Restricted Funds

The city allocated expenses between restricted funds without adequate documentation of the justification. For example, City Treasurer wages were split evenly between the General Fund and the Water and Sewer Fund, but there is no record of how many hours the City Treasurer spent working on each city service or how this allocation was determined. The Police Fund has accumulated an excess balance of Law Enforcement Training fees.

Accounting Controls and Procedures

The city does not always issue prenumbered receipt slips for monies collected, which makes it difficult to ensure all monies are accounted for properly. The city maintains fuel tanks, but fuel use is not reconciled to fuel purchases to ensure fuel costs are reasonable. Some disbursements lacked adequate supporting documentation, including \$370 in 2009 and \$570 in 2010 paid to the Fire Chief to pay volunteer firemen for attending each monthly meeting and \$200 paid to the City Clerk for a copy machine. Neither the Mayor nor the Mayor Pro Tem are bonded even though they can sign checks written on city bank accounts.

Property Tax System Controls and Procedures

The city should improve controls with respect to the property tax process. A detailed annual report of property taxes is not presented to the Board of Aldermen. The City Collector does not maintain an account book and did not prepare a list of delinquent taxes for approval by the Board of Aldermen until November 2010.

Payroll Issues	The city did not properly report wages, withhold employee payroll taxes from, or pay the employer's share of payroll taxes on property tax commissions retained by the City Treasurer/Collector. The Board of Aldermen approved and paid \$150 bonuses to each full-time employee in December 2010 and 2009 in violation of the Missouri Constitution's prohibition against the payment of additional compensation to public officers for services previously rendered.
Audits, Budgets, and Financial Reporting	The city has not obtained required annual audits of its water and sewer systems, and budgets are missing required elements.
Minutes and Ordinances	Open meeting minutes did not always document a permissible reason for closing meetings or a roll call vote to go into a closed meeting. City ordinances are not complete, up-to-date, and sufficient, and the city is not complying with some ordinances. The city should adopt ordinances setting employee compensation and the term of office and duties of the City Clerk, property tax rates, penalties for delinquent taxes, and procedures regarding utility collections. Also, the City Collector retains 4 percent of property taxes collected, but the ordinance only authorizes the City Collector to retain 2 percent.

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

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Lowry City did not receive any federal stimulus monies during the year ended June 30, 2010.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

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

City of Lowry City

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THOMAS A. SCHWEICH

Missouri State Auditor

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Lowry City. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

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

Our methodology included reviewing minutes of meetings, 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. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Lowry City.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
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City of Lowry City

Management Advisory Report

State Auditor's Findings

1. Utility Policies, Procedures, and Records

There are significant weaknesses in city operations related to water and sewer services. As a result, there is less assurance utility rates are set at an appropriate level and utility monies are handled and accounted for properly.

1.1 Water and sewer rates

The city has not performed a review of water and sewer rates for several years. Water and sewer rates have not changed since 2002. The city collected approximately \$120,000 in water and sewer fees during the year ended June 30, 2010.

Water and sewer fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its water and sewer costs, including depreciation and debt service costs, and set rates to cover the total costs of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

1.2 Reconciliations and adjustment approval

Adequate reconciliations of water and sewer customer account activity are not performed, and adjustments made to customer accounts are not properly approved.

Although daily reports of receipts posted to the computerized utility system are generated and compared to individual deposits, the city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid. Additionally, the City Treasurer who is responsible for all utility billing, receipting, and recording functions has the ability to post adjustments to the computer system without obtaining independent approval. Further, adjustment reports are not generated and reviewed by the Board. This lack of reconciliations and oversight increases the risk of theft, loss, or misuse of funds and the possibility such problems might go undetected.

Monthly reconciliations are necessary to ensure all accounting records balance, transactions are properly recorded, and any errors or discrepancies are detected on a timely basis. Further, to ensure only the proper accounts and amounts are adjusted, all adjustments should be reviewed or approved by an independent person and adjustment reports should be generated and reviewed by the Board.

1.3 Shut-off procedures

The City Treasurer does not document actions taken on delinquent accounts, and water service is not always disconnected in accordance with written city guidelines. Additionally, the monthly report documenting past due accounts is not provided to the Board or retained by the City Treasurer.



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According to the City Treasurer, utility bills are sent out the last day of each month, and the current practice is to assess a 10 percent late fee if the bill is not paid by the tenth of the following month. If residents do not pay their bill by the twentieth, their services are disconnected. There is a \$25 reconnect fee. However, if the customer talks to the City Treasurer about payment arrangements or if the customer normally pays, the City Treasurer will not have their water service disconnected. We noted instances during the year ended June 30, 2010, where various customers had delinquent utility accounts not paid within the required time period; however, service was not disconnected.

Allowing customers to receive utility service without paying timely reduces the incentive to make timely payments and may result in a loss of revenue to the city. To ensure all utility customers are treated equitably and the city guidelines are followed, the City Treasurer should provide the Board of Aldermen with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.

1.4 Utility deposits

Refundable utility deposits are not properly tracked and reconciled to restricted bank account balances. Before receiving utility service, new customers are required to pay a \$100 refundable deposit. The city does not prepare a list of customer utility deposits monthly and reconcile the list to the amount of deposits held in city accounts. Additionally, while the city has two bank accounts designated for utility deposits, no funds were deposited into these accounts during our audit period. Instead, utility deposits collected were deposited into the Water and Sewer Fund checking account and never transferred to the utility deposit bank accounts. At our request, the City Treasurer prepared a list of utility deposits on hand from customer account information and calculated the amount of utility deposits paid as of January 6, 2011, to be \$18,855; however, the city only has a total of \$16,300 in bank accounts designated for utility deposits. Inadequate reconciliation procedures increase the possibility of undetected errors.

Utility deposits represent a liability to the city and by not depositing all utility deposits into the bank account established for that purpose, the city is unable to determine if the monies available are sufficient to meet the refundable deposit obligation. Complete and accurate records and reconciliation procedures are necessary to ensure utility deposits are accounted for properly and monies held are sufficient to meet the refundable deposit obligation.

Recommendations

The Board of Aldermen:

- 1.1 Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing these services.



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- 1.2 Ensure monthly reconciliations of the amounts billed to amounts collected and delinquent accounts are performed, all adjustments to customer accounts are properly authorized, and adjustment reports are generated and reviewed.
- 1.3 Ensure city utility disconnect procedures are followed, and require the City Treasurer to provide the Board with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.
- 1.4 Prepare a complete list of utility deposits monthly and reconcile to the bank account balances. Any differences should be investigated. Additionally, the Board of Aldermen should determine the amount of deposits held in the Water and Sewer Fund bank account, transfer the monies to the utility deposits bank accounts, and deposit all subsequent utility deposits received into the utility deposit bank account.

Auditee's Response

The Board of Aldermen provided the following responses:

- 1.1 *We agree and will begin reviewing water and sewer rates when we prepare our annual budget.*
- 1.2 *We will now begin reviewing adjustment reports monthly and ensure monthly reconciliations are properly performed.*
- 1.3 *Documentation of delinquent account follow up procedures is shown on the monthly delinquent listing. This listing was previously thrown away; however, it will now be retained to document collection and shut off procedures.*
- 1.4 *We will immediately set up an Excel spreadsheet for customer deposits and reconcile the total to the balance in the bank accounts. Any customer deposits included in the Water and Sewer Fund bank account will be transferred to the utility deposit bank accounts.*

2. Restricted Funds

The city has not established adequate procedures to ensure the use of various city funds is properly restricted, and the Law Enforcement Training Fund has accumulated a balance in excess of amounts allowed by state law.

2.1 Disbursement allocation

Disbursements are often allocated to various city funds without adequate documentation of how the allocation was determined. For instance, the City Treasurer's wages are paid 50 percent from the General Fund and 50 percent from the Water and Sewer Fund, with no documentation maintained to indicate the number of hours worked for each city service or how these allocations were determined. The Treasurer was paid a total of \$21,266



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during the year ended June 30, 2010. Additionally, \$5,069 paid for a mower was divided equally between the Water and Sewer, Street, and Cemetery Funds, while the \$40 cost of a battery for the mower was split 40 percent to the Street Fund and 60 percent to the Cemetery Fund.

To ensure restricted funds are used for intended purposes, the city should properly allocate disbursements to the various city funds based upon specific criteria, such as the number of hours worked on specific areas or projects. Additionally, documentation should be maintained to support the allocations.

2.2 Law Enforcement Training fees

The Police Fund has accumulated an excess balance of Law Enforcement Training (LET) fees. As of December 31, 2010, the Police Fund balance was approximately \$12,000 of which approximately \$11,000 was LET fees and the remainder was Police Officer Standards and Training (POST) monies.

Section 488.5336, RSMo, provides that no municipality shall retain more than \$1,500 of LET fees per certified law enforcement officer, candidate for certification, or a coroner and the coroner's deputies and requires any excess be transmitted quarterly to the city General Fund. As of June 2010, there were two law enforcement officers in the city.

Recommendations

The Board of Aldermen:

- 2.1 Ensure disbursements and salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.
- 2.2 Determine the excess balance of LET fees within the Police Fund and transfer any overage to the General Fund.

Auditee's Response

The Board of Aldermen provided the following responses:

- 2.1 *We will perform a monthly time study of the City Treasurer's time to determine the proper percentage of salary to allocate to each fund. This time study will be performed before the end of this year and documentation will be maintained to support our allocation. Also, we will immediately begin to retain supporting documentation of how other expense allocations are determined.*
- 2.2 *We have already started putting LET fees we now receive into the General Fund. A transfer will be made by next month to move the excess LET balance to the General Fund.*



3. Accounting Controls and Procedures

Accounting controls and procedures utilized by the city need improvement.

3.1 Receipt slips

Receipt slips are not always issued for fire dues, rentals, permits, and licenses. Additionally, manual receipt slips issued for water and sewer deposits are not prenumbered.

To ensure all monies received are properly recorded, prenumbered receipt slips should be issued for all monies not recorded on utility billing stubs or property tax statements, and the numerical sequence of receipt slips should be accounted for properly.

3.2 Fuel purchases

Although fuel usage logs are maintained for the fuel tanks, fuel use is not reconciled to fuel purchases. The city maintains diesel and regular gasoline fuel tanks for use by the fire, street, and water/sewer departments. The city spent over \$10,500 for fuel during the year ended June 30, 2010. To ensure fuel costs for vehicles and equipment are reasonable, the city should reconcile fuel use to fuel purchases.

3.3 Supporting documentation

Adequate supporting documentation was not obtained for some disbursements. This includes checks issued to the Fire Chief for \$370 and \$570 in December 2009 and 2010, respectively, to pay volunteer firemen \$5 for attending each monthly meeting and a check issued to the City Clerk for \$200 for a copy machine.

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

3.4 Bonding

The Mayor, the City Treasurer/Collector, and the Mayor Pro Tem can sign checks issued on city bank accounts; however, the Mayor and the Mayor Pro tem are not bonded. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

- 3.1 Require prenumbered receipt slips be issued for all monies not recorded on a utility stub or property tax statement.
- 3.2 Reconcile fuel use to fuel purchases and investigate any differences.
- 3.3 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.



Auditee's Response

3.4 Maintain bond coverage for all officials with access to city assets.

The Board of Aldermen provided the following responses:

3.1 *We will immediately implement this recommendation.*

3.2 *Starting next month we will reconcile fuel used to fuel purchased and investigate any differences.*

3.3 *Adequate supporting documentation will now be retained for all disbursements. Documentation was maintained to support payment to the firemen for attending meetings; however, this documentation was later destroyed. In the future a copy will be filed with the city.*

3.4 *This recommendation has been implemented. Bond coverage has been obtained.*

4. Property Tax System Controls and Procedures

Several concerns were noted with reporting and monitoring procedures for the property tax system. The City Treasurer has been appointed by the Board of Aldermen as City Collector. During the year ended June 30, 2010, the city received property taxes of approximately \$34,000. With the exception of the City Clerk reviewing property tax deposits into the city's bank account, no one is involved in the property tax process other than the City Treasurer/Collector. As a result, there is less assurance that property taxes are handled properly.

4.1 Detailed report of property taxes

A detailed annual report of property taxes is not prepared and presented to the Board of Aldermen.

Section 79.310, RSMo, requires the City Collector to make a detailed report to the Board of Aldermen, stating the monies collected during the year, the amounts uncollected, and the names of the persons from which amounts are uncollected. A detailed annual report, which complies with state law, classified by type of tax would provide greater assurance taxes have been properly collected, written off, or determined to be delinquent. Such reports should summarize all taxes charged to the City Collector, collections, delinquent credits, abatements and additions, and protested amounts. Annual reports, examined by the Board of Aldermen, would help detect any errors or irregularities that might occur.

4.2 Account book

An account book to record property tax charges, collections, and remaining delinquent taxes is not maintained by the City Collector. A properly maintained account book, including (by type) the property taxes charged to the City Collector at the beginning of the year, collections each month, and balances uncollected, can be useful in preparing the annual report required by state law.



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4.3 List of delinquent taxes

A list of delinquent taxes is not prepared and approved by the Board of Aldermen. The City Collector did prepare a list of delinquent real estate taxes for the November 2010 board meeting; however, this was the first such report that had been prepared for several years.

Section 94.320, RSMo, provides the Board of Aldermen shall require the City Collector, at the first meeting of the Board in April each year, to prepare lists of delinquent taxes. The Board of Aldermen shall examine and approve the lists and charge the City Collector with the lists to collect the taxes due.

Recommendations

The Board of Aldermen:

- 4.1 Require the City Collector to prepare detailed annual reports as required by state law.
- 4.2 Require the City Collector to maintain an account book.
- 4.3 Require the City Collector to submit an annual list of all taxes remaining due and uncollected to the Board.

Auditee's Response

The Board of Aldermen provided the following responses:

- 4.1 *A report has been prepared and provided to the Board of Aldermen.*
- 4.2 *An account book will be prepared beginning with the next tax year.*
- 4.3 *A report has been prepared and provided to the Board of Aldermen.*

5. Payroll Issues

Some wages were not properly reported and bonuses were paid to employees.

5.1 Reporting wages

The city did not properly report as wages, withhold employee payroll taxes from, or pay the employer share of payroll taxes on property tax commissions retained by the City Treasurer/Collector. Commissions totaled \$1,500 in 2010 and \$1,214 in 2009. The city did file IRS form 1099s; however, the payments appear to represent compensation subject to Form W-2 reporting and payroll tax withholding.

Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require



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employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees.

5.2 Bonuses

The Board of Aldermen approved and paid Christmas bonuses of \$150 to each of the city's full-time employees in December 2010 and 2009 totaling \$1,050.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

Recommendations

The Board of Aldermen:

- 5.1 Ensure all compensation paid to employees is subject to payroll taxes and properly reported on W-2 forms.
- 5.2 Discontinue granting bonuses to employees.

Auditee's Response

The Board of Aldermen provided the following responses:

- 5.1 *If we contract with the County Collector for the collection of city property taxes this will no longer be an issue; however, if we continue to collect city property taxes at city hall, we will look into implementing this recommendation before the next tax year.*
- 5.2 *We will stop paying bonuses immediately and consider other methods of compensating our employees.*

6. Audits, Budgets, and Financial Reporting

The city did not obtain an annual audit or properly prepare and monitor budgets.

6.1 Audits

The city does not obtain annual audits of its water and sewer systems. Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. In addition to being required by state law, annual audits of city funds help ensure monies are properly handled and financial transactions are properly recorded.

6.2 Budgets

City budgets are not complete. The budgets do not include a budget message, beginning and estimated ending resources, a comparison between



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budgeted and actual amounts for the 2 preceding years, or amounts related to the debt of the city.

Section 67.010, RSMo, requires the preparation of an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing financial expectations for each area of city operations. It will also assist in setting utility rates and informing the public about city operations and current finances.

Recommendations

The Board of Aldermen:

- 6.1 Obtain annual audits as required by state law.
- 6.2 Prepare annual budgets that contain all information as required by state law.

Auditee's Response

The Board of Aldermen provided the following responses:

- 6.1 *In the past we have had difficulty in finding someone to perform our audit. We have funds included in this year's budget for an audit. We will contract for an audit of the year ending June 30, 2011.*
- 6.2 *We are already working on a budget for next year and all the required information will be included.*

7. Minutes and Ordinances

The city did not always ensure compliance with the Sunshine Law, and improvement is needed in city ordinances.

7.1 Closed meetings

The minutes of open meetings do not always document reasons for closing meetings or the specific section of law that allows for the closed meeting. In addition, a roll call vote to go into a closed meeting is not always taken and/or recorded in the minutes.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. Additionally, a record of votes, including roll call votes, is required.

7.2 Ordinances

City ordinances are not complete and up-to-date, and the city does not comply with some ordinance provisions. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.



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- The city has not established an ordinance for employee compensation or the term of office and duties for the City Clerk. Section 79.270, RSMo, provides that compensation of city officials and employees be set by ordinance, and Section 79.320, RSMo, requires the term of office and duties be established by ordinance for the City Clerk. In addition to meeting statutory requirements, establishing ordinances to set compensation rates, duties, and terms of office documents the approved amounts to be paid and eliminates misunderstandings.
- The city has not adopted ordinances to set property tax rates. Section 94.190.3 RSMo, requires the property tax rate be set annually by ordinance.
- Ordinance number 196 provides for the City Collector to receive 2 percent of the property taxes collected; however, the City Collector retains 4 percent.
- There is no ordinance to establish penalties for delinquent taxes, although such penalties are charged.
- The Board has not adopted an ordinance regarding utility collections, fees, deposit amounts, and delinquent accounts. Although there are some written guidelines, these guidelines are not comprehensive or always followed.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important that city officials comply with city ordinances, adopt city ordinances as required by state law, and maintain ordinances in a complete up-to-date manner. Additionally, to ensure all utility and property tax accounts are handled equitably and in a consistent manner, the Board should establish comprehensive ordinances addressing these areas.

Recommendations

The Board of Aldermen:

- 7.1 Ensure roll call votes are taken during open meetings to close meetings, and the specific statute and subsection allowing closure is noted in the open meeting minutes.
- 7.2 Ensure city officials comply with city ordinances, new ordinances are passed where appropriate, and ordinances are maintained in a complete, up-to-date manner.



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Auditee's Response

The Board of Aldermen provided the following responses:

- 7.1 *We will ensure compliance with the Sunshine Law in all future meetings.*

- 7.2 *Some improvements have already been made on the city's ordinances and we will be working on additional ordinances.*

City of Lowry City

Organization and Statistical Information

The City of Lowry City is located in St. Clair County. The city was incorporated in 1897 and is currently a fourth-class city. The city employed four full-time employees and five part-time employees on June 30, 2010.

City operations include law enforcement, fire services, utilities (water and sewer), cemetery, and street maintenance.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The mayor and Board of Aldermen, at June 30, 2010, are identified below. The Mayor is paid \$90 per meeting plus \$10 per special meeting attended and Board of Aldermen members are paid \$40 per meeting plus \$10 per special meeting attended. The compensation of these officials is established by ordinance.

John Neuenschwander, Mayor
Sean Langston, Alderman
Steve Elsey, Alderman
Charles Cone, Alderman
Mike Floyd, Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Lowry City did not receive any federal stimulus monies during the year end June 30, 2010.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2010, follows:

City of Lowry City
Year Ended June 30, 2010

	General Fund	Police Fund	Fire Fund	Water and Sewer Fund	Street Fund	Cemetery Fund	Total
RECEIPTS							
Property tax	\$ 33,773	0	0	0	0	0	33,773
Sales and use tax	127,842	0	13,755	0	0	0	141,597
Franchise tax	35,796	0	0	0	0	0	35,796
Motor fuel and vehicle fees	0	0	0	0	27,298	0	27,298
Water and sewer fees	0	0	0	122,846	0	0	122,846
Interest	752	256	0	2,359	13	3,351	6,731
Grants	28,742	0	54,864	0	0	0	83,606
Fines, fees, and other	29,657	7,560	14,227	5,699	684	1,554	59,381
Transfers in	25,389	26,600	150	9,500	0	1,000	62,639
Total Receipts	281,951	34,416	82,996	140,404	27,995	5,905	573,667
DISBURSEMENTS							
Wages and payroll taxes	46,942	22,049	0	40,867	8,084	4,657	122,599
Repairs and maintenance	6,588	332	782	3,839	871	122	12,534
Supplies	5,754	275	1,211	5,437	1,867	190	14,734
Insurance	17,365	664	260	182	0	0	18,471
Equipment	29,545	1,676	55,437	11,716	600	0	98,974
Health insurance	5,145	1,919	0	4,844	0	0	11,908
Fuel	8,627	0	1,111	473	292	0	10,503
Lagoon/water testing	0	0	0	1,583	0	0	1,583
Advertising	788	101	56	310	0	0	1,255
Phone and utilities	11,464	523	316	12,039	0	0	24,342
Legal	391	641	0	197	0	0	1,229
Postage	352	0	185	400	0	0	937
Road maintenance supplies	0	0	0	0	2,632	0	2,632
Sales tax	0	0	0	1,471	0	0	1,471
Training/meeting	0	0	370	110	0	0	480
New building	22,135	0	0	14,511	0	0	36,646
Paving	0	0	0	0	20,766	0	20,766
Sidewalk project	15,124	0	0	0	0	0	15,124
Street lights	12,999	0	0	0	0	0	12,999
Other	14,771	447	274	5,403	88	205	21,188
Debt service - principal	0	0	0	16,000	0	0	16,000
- interest	0	0	0	20,974	0	0	20,974
Transfers out	27,600	5,345	12,879	7,902	6,152	2,761	62,639
Total Disbursements	225,590	33,972	72,881	148,258	41,352	7,935	529,988
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	56,361	444	10,115	(7,854)	(13,357)	(2,030)	43,679
CASH, JULY 1, 2009	88,494	11,365	11,595	268,233	34,990	128,384	543,061
CASH, JUNE 30, 2010	\$ 144,855	11,809	21,710	260,379	21,633	126,354	586,740

Note: The Police Fund cash balance includes the Law Enforcement Training savings account and certificates of deposits. The Water and Sewer Fund includes utility deposit monies. The Cemetery Fund includes the operating account, the perpetual trust accounts, and land purchase accounts.