



Scott Fitzpatrick

Missouri State Auditor

City of Stotts City

Report No. 2026-042

May 2026

auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Stotts City

Accounting Controls and Procedures	The Board of Aldermen has not established adequate segregation of duties over the various accounting functions performed by the City Clerk and the City Collector. The city's procedures for receipting and depositing money are inadequate. As a result, there is no assurance all money collected is properly receipted and deposited. City officials do not prepare monthly bank reconciliations for any of the city's 9 bank accounts.
Utility System Controls and Procedures	The city has not performed a formal review, such as a cost study, of water or sewer rates. The City Collector indicated the most recent rate was decided by using the number of open accounts and proposed increases to determine the yearly income; however, documentation of this calculation was not provided. In addition, in March 2024, the Board approved a sewer base rate increase of \$9 from \$26 to \$35, and in October 2024, the Board approved a water rate increase of \$30 for the first 1,000 gallons used, which included an increase of \$20 to cover operating costs. The increased rate also included \$10 to cover the cost of this SAO petition audit, with the potential to decrease by \$10 after the audit is paid. However, no ordinances were passed to approve the increases, so the city does not have a document for citizens to access the approved rates. City personnel did not perform monthly reconciliations of total gallons of water billed to gallons of water pumped.
Budget, Planning, Financial Reporting, and Audits	City officials did not include all statutorily required elements in the city budget prepared for the year ended December 31, 2024. The budget did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balances, a budget summary, or balances of the city's 2 USDA loans. As part of the city budget process, city officials have not developed a formal street maintenance plan. The city did not publish semiannual financial statements for the 6 months ended June 30, 2024, December 31, 2024, and June 30, 2025. As a result, information regarding the city's financial activity and condition is not readily available to citizens. The city has not obtained annual audits of its waterworks and sewerage systems as required by state law. As a result, the city is not held accountable regarding the records and accounts of the systems.
Sunshine Law	The Board did not always ensure compliance with the Sunshine Law or have a public access policy. City personnel did not retain the Board of Aldermen meeting minutes for the February 2024 regular meeting and the March 2024 special meeting. In addition, during fieldwork we observed meeting minutes were not signed by the Mayor and City Clerk for 10 out of 11 meetings for which minutes were retained, held during the year ended December 31, 2024. The Board has not adopted a written policy regarding public access to city records as required by state law. As a result, there is no assurance city records are made available to the public as required by state law.
Electronic Communications Policy	The city has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

Capital Assets

The city does not maintain records of its capital assets including buildings, utility system infrastructure, equipment, and other property, and has not developed procedures to identify capital asset purchases and dispositions throughout the year.

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

*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 Stotts City

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Accounting Controls and Procedures4 2. Utility System Controls and Procedures.....6 3. Budgeting, Planning, Financial Reporting, and Audits9 4. Sunshine Law10 5. Electronic Communications Policy12 6. Capital Assets13
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Organization and Statistical Information	14
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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Stotts 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 December 31, 2024. 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 procedures, 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; and performing sample testing using judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We also obtained an understanding of city operations as they relate to citizen concerns significant to our objectives including open records (Sunshine) law compliance, budgets and financial statements, payroll, receipts and expenditures. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. 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 applicable 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.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

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 Stotts City.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

City of Stotts City Management Advisory Report State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended December 31, 2024, city receipts and disbursements totaled approximately \$103,700 and \$87,400, respectively. The city receives payments for water and sewer utility services, franchise fees, property taxes, and other miscellaneous receipts.

1.1 Segregation of duties and oversight

The Board of Aldermen has not established adequate segregation of duties over the various accounting functions performed by the City Clerk and the City Collector.

The City Clerk performs all disbursement activity, including payroll. The city has an unwritten policy requiring two signatures on all city checks. During the year ended December 31, 2024, we noted 11 checks, totaling \$3,921, were signed only by the City Clerk. These checks included all checks in September as well as 2 checks written to a law firm in November and December. The City Clerk indicated there was only 1 signature in September because the only other authorized signer was not at the board meeting that month. The City Clerk and Mayor indicated they were not aware of the importance of having dual independent authorized signatures.

The City Collector processes utility billings, collections, and deposits. There is no documented review of these records by the City Clerk, Mayor, or the Board of Aldermen. The City Clerk indicated she and the Board of Aldermen did not think of reviewing the Collector's utility billings, collections, and deposits. The Mayor indicated she believed the summary of the Collector's billings was sufficient review of the utility system.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Dual independent authorized signatures help provide assurance that checks represent payment for legitimate city purposes. To effectively strengthen internal controls, accounting duties related to processing disbursements, including payroll, should be properly segregated or there should be timely supervisory or independent reviews. Failure to require dual independent signatures on all checks is a significant control weakness and may have allowed overpayments, improper use, and conflicts of interest to occur.

1.2 Receipting and depositing

The city's procedures for receipting and depositing money are inadequate. As a result, there is no assurance all money collected is properly receipted and deposited. During the year ended December 31, 2024, the city collected approximately \$87,300 in water and sewer fees. We noted the following issues:



City of Stotts City
Management Advisory Report - State Auditor's Findings

- The City Collector logs receipts for water and sewer fees in a spreadsheet but does not issue receipt slips. The method of payment was not always recorded in the receipt log maintained by the City Collector. Therefore, the cash composition of utility payments received are not reconciled to the deposit slips. The City Collector and Mayor indicated they were not aware of the importance of issuing receipt slips and indicating the method of payment for all money received.
- The City Collector indicated checks, money orders, and cash are kept in a desk drawer in her home office until deposited. Collections are kept in the Collector's home office because the city does not have a usable city hall building. The City Collector indicated she believed the receipts were secure at her personal residence; however, she also said she keeps the drawer locked only about 50 percent of the time. The Mayor indicated she was not aware money was not always kept in a secure location.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of money received could occur and go undetected.

1.3 Bank accounts

City officials do not prepare monthly bank reconciliations for any of the city's 9 bank accounts. The City Clerk maintains checkbook registers for the general, water, and sewer accounts. She indicated each checkbook register is compared to a list of cleared checks and any outstanding checks are noted. However, she does not record deposits or maintain a book balance in the checkbook registers, and there are no indications on any accounting records that reconciliations are performed. In addition, the City Clerk does not prepare monthly lists of liabilities to reconcile to the account balances. City officials do not maintain checkbook registers or ledgers for the other 6 bank accounts. Also, in September 2024, the water account incurred \$70 in overdraft fees. The City Clerk indicated she was not aware procedures for monitoring bank accounts were inadequate. The Mayor indicated she believes this was due to a lack of training.

Performing monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Maintaining a checkbook register, and including deposits and a running book balance, would aid in preparing the monthly bank reconciliations and monitoring the bank balances. Regular identification and comparison of liabilities to the reconciled bank balance is necessary to ensure accounting records are in balance and money is available to satisfy all liabilities.



Recommendations

The Board of Aldermen:

- 1.1 Segregate accounting duties to the extent possible, implement appropriate reviews and monitoring procedures, and require dual independent signatures on all checks.
- 1.2 Ensure pre-numbered receipt slips are issued in numerical sequence for all money received, money is kept in a secure location until deposited, and the composition of receipts is reconciled to the composition of deposits.
- 1.3 Ensure monthly bank reconciliations are prepared for all bank accounts and properly monitor bank account balances to avoid bank charges. In addition, prepare a monthly list of liabilities and reconcile the list to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

- 1.1 *The Board of Aldermen has officially passed a motion to have two signatures on all checks. Additionally, the current City Clerk will not sign checks unless there is an emergency instance. The Mayor will document and sign reviews of all accounting records including reviews of utility accounting checkups. These reviews will be done quarterly.*
- 1.2 *Pre numbered receipt slips will be issued for all monies received, the numerical sequence of receipt slips will be accounted for, and the composition of receipts will be reconciled to the composition of deposits. The bills now show payment received for the previous bill. The logs now state the exact form of payment. All payments are kept in a locked area, either in a lock box or at city hall.*
- 1.3 *Reconciliations of all accounts are now being kept by the City Clerk, either on ledger forms or spreadsheets. Liabilities are being monitored and logged. Board to review quarterly.*

2. Utility System Controls and Procedures

Utility system controls and procedures need improvement.

2.1 Water and sewer rates

The city has not performed a formal review, such as a cost study, of water or sewer rates. The City Collector indicated the most recent rate was decided by using the number of open accounts and proposed increases to determine the yearly income; however, documentation of this calculation was not provided.



City of Stotts City
Management Advisory Report - State Auditor's Findings

In addition, in March 2024, the Board approved a sewer base rate increase of \$9 from \$26 to \$35, and in October 2024, the Board approved a water rate increase of \$30 for the first 1,000 gallons used, which included an increase of \$20 to cover operating costs. The increased rate also included \$10 to cover the cost of this SAO petition audit, with the potential to decrease by \$10 after the audit is paid. However, no ordinances were passed to approve the increases, so the city does not have a document for citizens to access the approved rates.

The City Collector and Mayor indicated they believed the method of determining the increases was sufficient. The water rate increase was determined by the City Collector after contacting the Missouri Department of Natural Resources (DNR) and nearby towns to determine an approximate appropriate rate. They also indicated they were not aware of the importance of an ordinance for the new sewer and water rates, or of performing a formal, documented review or cost study.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure water and sewer rates are appropriately set and cover the total cost of operations without generating excessive profits, it is necessary for city officials to perform and document a detailed cost study of the city's water and sewer costs, including depreciation and water and sewer system audit costs. In addition, ordinances documenting the approved utility rates help ensure equitable treatment and prevent misunderstandings.

2.2 Utility reconciliations

City personnel did not perform monthly reconciliations of total gallons of water billed to gallons of water pumped. Each month, the City Collector prepares a report which includes total gallons of water billed; however, the report does not include total gallons of water pumped because the city's water meter is broken. The water meter broke in September 2023 and has not been fixed as of January 2026. The City Collector indicated the city has been looking for a manufacturer for the specific parts of the water meter that need to be replaced.

City personnel also did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services. The City Collector indicated she prepares an end of year report that details the amounts billed and received for each account as well as what remained unpaid; however, this report was not accurate. For example, the total amount reported on the end of year report for water, sewer, meter replacement, and fees paid did not agree to the end of year utility collection and deposit report. The City Collector and Mayor were unaware the end of year report was not a sufficient reconciliation.



City of Stotts City
Management Advisory Report - State Auditor's Findings

According to the United States Environmental Protection Agency, most states have regulatory policies that set acceptable losses from public water systems at a maximum of between 10 to 15 percent or less. The standard for Missouri established by the DNR is 10 percent.¹

Monthly reconciliations of gallons of water billed to gallons of water pumped are necessary to help detect significant water loss or other problems and ensure all water use is properly billed. Monthly reconciliations also ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected timely. Because the meter was broken for at least 2 years, the city could not properly determine the city's water loss.

Recommendations

The Board of Aldermen:

- 2.1 Ensure a formal, documented review of water and sewer rates is performed periodically to support rates and ensure revenues are sufficient to cover all costs of providing services. In addition, update ordinances for water and sewer rates.
- 2.2 Ensure monthly reconciliations are performed of amounts billed to amounts collected and delinquent accounts, and of gallons of water billed to gallons pumped, and investigate significant differences.

Auditee's Response

- 2.1 *A spreadsheet was recreated prior to the posting at City Hall on October 18th, 2024, that the city was planning on increasing the rates. The City Clerk sent this spreadsheet to the auditor. The Board of Aldermen will update the city ordinances for the current water and sewer rates and ensure ordinances are updated for any future utility rate changes.*
- 2.2 *Monthly reconciliations will be performed of utility amounts billed to amounts collected and delinquent accounts. DNR and the United States Department of Agriculture are aware of the broken well house meter and are understanding in the struggle to have it replaced and repaired. Once repaired, reconciliations of gallons of water billed to gallons pumped will be performed and any differences will be investigated.*

Auditor's Comment

- 2.1 In its response, the city indicates the City Clerk sent a rate increase spreadsheet to the auditors. However, the first mention of this

¹ United States Environmental Protection Agency, *Control and Mitigation of Drinking Water Losses in Distribution Systems*, Section 2-1 and Appendix A, Table A-2, Selected State Standards for Unaccounted-for Water,
<<https://nepis.epa.gov/Exe/ZyPDF.cgi/P1009VCZ.PDF?Dockey=P1009VCZ.PDF>>
Accessed January 9, 2026.



City of Stotts City
Management Advisory Report - State Auditor's Findings

spreadsheet existing was at our exit conference on February 9, 2026. We received the spreadsheet on February 19, 2026. Since the city did not discuss nor provide this spreadsheet when we were auditing water and sewer rates during fieldwork, there is no guarantee it existed at that time.

3. Budgeting, Planning, Financial Reporting, and Audits

The city's budgeting, planning, and financial reporting procedures need improvement. The city did not publish semiannual financial statements and has not obtained annual audits of its waterworks and sewerage systems, as required by state law.

3.1 Budgets

City officials did not include all statutorily required elements in the city budget prepared for the year ended December 31, 2024. The budget did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balances, a budget summary, or balances of the city's 2 USDA loans. The City Clerk and Mayor indicated they were not aware of the requirements for budgets.

Section 67.010, RSMo, requires an annual budget be prepared that presents a complete financial plan for the ensuing budget year, and sets specific guidelines for the information to be included in the 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. It also assists in setting tax levies and utility rates, and informs the public about city operations and current finances.

3.2 Street maintenance plan

As part of the city budget process, city officials have not developed a formal street maintenance plan. The City Clerk and Mayor indicated the city does not have a formal plan because it cannot afford much street maintenance.

Preparing a formal street maintenance plan as part of the annual budget message in conjunction with the annual budget serves as a useful management tool and provides greater input into the overall budgeting process. An effective plan, approved by the Board after obtaining input from city residents, includes a description of the streets needing maintenance, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. A formal street maintenance plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year.

3.3 Published financial statements

The city did not publish semiannual financial statements for the 6 months ended June 30, 2024, December 31, 2024, and June 30, 2025. As a result,



City of Stotts City
Management Advisory Report - State Auditor's Findings

information regarding the city's financial activity and condition is not readily available to citizens. Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. The Mayor, City Clerk, and City Collector were not aware of this requirement.

3.4 Annual audits

The city has not obtained annual audits of its waterworks and sewerage systems as required by state law. As a result, the city is not held accountable regarding the records and accounts of the systems. The Mayor, City Clerk, and City Collector indicated they were not aware of this requirement.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audits be paid from revenues received from the system. The city is also required to obtain annual audits as a condition of its USDA loan requirements.

Recommendations

The Board of Aldermen:

- 3.1 Prepare annual budgets that contain all information required by state law.
- 3.2 Establish a formal annual street maintenance plan.
- 3.3 Publish financial statements as required by state law.
- 3.4 Obtain annual audits of the combined waterworks and sewerage system as required by state law and USDA loan requirements.

Auditee's Response

- 3.1 *The Board was unaware of the guidelines. The city moving forward will change the budgeting procedures to meet state requirements.*
- 3.2 *The Board agrees with recommendation to create a 5-year plan. The Board plans to contact a close town to look at its plan.*
- 3.3 *Moving forward, starting June 2026 the city will publish the financial statements in the local paper and every 6 months thereafter.*
- 3.4 *The Board agrees with recommendation. The Board plans to create a schedule for this to be implemented.*

The City acknowledges that it has fallen short of some legal requirements and is working to implement systems to ensure that this does not happen again.

4. Sunshine Law

The Board did not always ensure compliance with the Sunshine Law or have a public access policy.



City of Stotts City
Management Advisory Report - State Auditor's Findings

4.1 Meeting minutes

The Board held a total of 13 meetings during the year ended December 31, 2024. City personnel did not retain the Board of Aldermen meeting minutes for the February 2024 regular meeting and the March 2024 special meeting. In addition, during fieldwork we observed that meeting minutes were not signed by the Mayor and City Clerk for 10 out of the 11 remaining meetings held during the year ended December 31, 2024. After several requests during fieldwork, after the exit conference was held with the Board city officials provided signed meeting minutes for 9 of the 10, but still could not provide signed meeting minutes for 1 meeting. The current City Clerk stated the meeting minutes for February 2024 were missing because the former City Clerk did not provide them when she turned in city property and records after the end of her employment on March 1, 2024. The former City Clerk provided an acknowledgement letter signed by her and all of the Board of Aldermen members that she had turned all city records over to the city. The city did not have a city clerk in March 2024, resulting in improper handling of some items, such as the March 2024 special meeting minutes. The current City Clerk indicated human error led to the unsigned meeting minutes.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body. Secretary of State retention guidelines require meeting minutes be retained permanently and indicate special consideration be given to the storage conditions of the files. Meeting minutes signed by the preparer and approved by the Board are necessary to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

4.2 Public access policy

The Board has not adopted a written policy regarding public access to city records as required by state law. As a result, there is no assurance city records are made available to the public as required by state law. A written policy regarding public access to city records would establish guidelines for the city to make records available to the public. Such policies typically identify a person to contact, provide an email or mailing address to send such requests, and establish fees that may be assessed for providing copies of public records. The City Clerk indicated she was unaware of this requirement.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the city to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

Recommendations

The Board of Aldermen:

- 4.1 Maintain meeting minutes for all meetings and ensure meeting minutes are signed by the preparer and approved by the Board.



City of Stotts City
Management Advisory Report - State Auditor's Findings

	4.2	Develop a written public access policy to help ensure compliance with state law.
Auditee's Response	4.1	<i>The signed minutes were emailed to the auditor.</i>
	4.2	<i>The Board is currently drafting a formal policy that complies with the requirements of the Sunshine Law. This policy will officially designate the City Clerk as the Custodian of Records and establish a clear, public-facing request process.</i>
Auditor's Comment	4.1	In its response, the city indicates that the signed minutes were provided to the auditors. As stated in the finding, after numerous requests during fieldwork, 9 additional signed meeting minutes were submitted to us after our exit meeting with the Board. Since the city could not provide these signed minutes during fieldwork, there is no guarantee these minutes were created at the time of the referenced meetings. Further, that still does not account for the missing minutes for 2 meetings and the unsigned minutes for 1 meeting.

5. Electronic Communications Policy

The city has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communication records can be found on the Secretary of State's website².

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the city is retained as required by state law. The Mayor, City Collector, and City Clerk indicated they were not aware of the importance of having a written electronic communications policy.

Recommendation

The Board of Aldermen develop a written records management and retention policy to address electronic communications management and retention to

² Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, Accessed January 6, 2026.



City of Stotts City
Management Advisory Report - State Auditor's Findings

comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

This recommendation has been implemented. A copy of the policy was handed to the auditor on February 9, 2026.

6. Capital Assets

The city does not maintain records of its capital assets including buildings, utility system infrastructure, equipment, and other property, and has not developed procedures to identify capital asset purchases and dispositions throughout the year. In addition, city officials do not tag, number, or otherwise identify assets as property of the city, or perform an annual physical inventory of city property. As a result, assets are more susceptible to theft or misuse. Due to a lack of capital asset records we could not readily determine the population of capital assets.

Adequate capital asset records and procedures, including annual inventories, are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. The City Collector and Mayor indicated they did not realize the importance of maintaining a capital asset list because the city does not own many capital assets.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual physical inventory, and compare this inventory to detailed records.

Auditee's Response

The Board of Aldermen will ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board will also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual physical inventory, and compare this inventory to detailed records.

City of Stotts City

Organization and Statistical Information

The City of Stotts City is located in Lawrence County. The city was incorporated in 1895 and is currently a fourth-class city. The city employed 3 part-time employees on December 31, 2024. The city's population was 167 in 2020, according to the U.S. Census Bureau.

City operations include utility services (water and sewer).

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The board members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board, and votes only in the case of a tie. The Mayor and members of the Board of Aldermen, at December 31, 2024, are identified below. The Mayor and Board of Aldermen members receive no compensation.

Amy McCullough, Mayor
David Reed, Board President (1)
Patrick Wade Shephard, Alderman
Helen Garoutte, Alderwoman (2)
Stephanie Westfall, Alderwoman

(1) David Reed was replaced by Timothy Blankenship in June 2025.
(2) Helen Garoutte was replaced by Tracy Knight in June 2025.

Other Elected Official

The City Collector at December 31, 2024, was Julia Perriman and her annual compensation was \$3,900. The city collector's compensation is established by the Board of Aldermen.

Other Principal Officials

The City Clerk at December 31, 2024, was Serina Fulp and her annual compensation was \$4,050. Serina Fulp replaced Deborah Shoen in April 2024 and was replaced by Julia Perriman in September 2025. The Chief Operator (water and sewer) at December 31, 2024, was Jacob Perriman and his annual compensation was \$10,758. The city clerk's and chief operator's compensation is established by the Board of Aldermen.

Financial Activity

A summary of the city's financial activity for the year ended December 31, 2024, follows:

City of Stotts City
 Schedule of Receipts, Disbursements, and Changes in Cash
 Year Ended December 31, 2024

	General Fund Account	Sewer Department Account	Water Department Account	ARPA Account	Distribution Fund Account	Other Accounts	Total
RECEIPTS							
Receipts	\$ 83,090	6,510	13,370	0	709	11	103,690
Transfers in	14,844	30,612	31,612	0	525	3,933	81,525
Total Receipts	<u>97,934</u>	<u>37,122</u>	<u>44,981</u>	<u>0</u>	<u>1,234</u>	<u>3,944</u>	<u>185,215</u>
DISBURSEMENTS							
Disbursements	41,072	15,697	30,642	0	0	0	87,411
Transfers out	59,722	10,372	9,789	0	1,117	525	81,525
Total Disbursements	<u>100,794</u>	<u>26,068</u>	<u>40,432</u>	<u>0</u>	<u>1,117</u>	<u>525</u>	<u>168,936</u>
RECEIPTS OVER(UNDER) DISBURSEMENTS	(2,860)	11,053	4,550	0	117	3,419	16,279
CASH BALANCE, JANUARY 1, 2024	5,210	11,617	6,166	3,820	12,471	33,179	72,464
CASH BALANCE, DECEMBER 31, 2024	<u>\$ 2,350</u>	<u>22,670</u>	<u>10,716</u>	<u>3,820</u>	<u>12,588</u>	<u>36,598</u>	<u>88,742</u>