



Thomas A. Schweich

Missouri State Auditor

City of Chula

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Chula

<p>Audits, Budgets, and Financial Reporting</p>	<p>The city does not obtain required annual audits of its water and sewer systems, properly prepare and monitor budgets, or prepare required financial reports. In order to comply with state statute and the terms of its loan agreement with the U.S. Department of Agriculture Rural Development Agency, the city is required to obtain annual audits of its water and sewer systems. The city's budgets were incomplete and not monitored to actual disbursements, and the city overspent three funds for a total of almost \$30,000 in fiscal year 2010. The city failed to publish semiannual financial statements and has not submitted annual financial reports to the State Auditor's office since 2002 as required by state law. Finally, the board should require the Park Board to file financial reports with the city regularly to help ensure funds are used properly.</p>
<p>Accounting Controls and Procedures</p>	<p>Accounting duties are not segregated, and insufficient oversight exists to ensure transactions are properly recorded. The City Clerk prepares utility bills, records utility fees, receives and deposits monies and performs bank reconciliations with little or no oversight. Receipt slips are not always issued and deposits are not timely. The city does not ensure the composition of receipts matches the composition of deposits. Water, sewer and trash transactions are accounted for in the same fund, which makes it difficult to ensure the city is charging appropriate rates. The city is not putting new customer utility deposits into the designated bank account and the list of utility deposits is not reconciled to the bank account, which allows errors to go undetected and makes it difficult to determine if enough monies are available to cover deposits. The city is not following up on insufficient funds checks despite a city ordinance requiring certain actions. Bank accounts are not reconciled promptly, and errors could go undetected.</p>
<p>Disbursements</p>	<p>The city is not documenting the allocation of some disbursements. Restricted funds can only be used for certain expenses, and the city should make sure disbursements are made from the appropriate funds. This also helps the city ensure it is charging the appropriate rates for services and assess the effectiveness of its programs. Some employees do not submit timesheets, so it is difficult to monitor the hours worked and substantiate the payroll.</p>

Legal Issues and Ordinances

The city elects two aldermen from each of the two wards and one at-large; however, state law requires the city to either elect aldermen from wards or at-large, but not both. City ordinances are not complete and up-to-date and are not maintained in a well-organized manner. Some ordinances could not be located, and it was difficult to tell which ordinances had been repealed. Moreover, the city appears to be operating in violation of some ordinances, including the ordinance setting the City Clerk's salary.

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

American Recovery and
Reinvestment Act of 2009
(Federal Stimulus)

The City of Chula did not receive any federal stimulus monies during the audited time period.

*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.

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City of Chula

Table of Contents

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

Management Advisory Report - State Auditor's Findings	1. Audits, Budgets, and Financial Reporting.....4 2. Accounting Controls and Procedures7 3. Disbursements 11 4. Legal Issues and Ordinances 13
---	---

Organization and Statistical Information	15
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THOMAS A. SCHWEICH
Missouri State Auditor

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Chula. 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 Chula.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M. Acct., CPA, CGAP
In-Charge Auditor:	Lori Bryant

City of Chula
 Management Advisory Report
 State Auditor's Findings

**1. Audits, Budgets,
 and Financial
 Reporting**

The city does not obtain required annual audits, properly prepare and monitor budgets, or prepare required financial reports.

1.1 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 and provides the cost of the audit is to be paid from the monies received from the system. Also, city loan agreements with the United States Department of Agriculture (USDA) Rural Development Agency require the city to obtain annual audits of its water and sewer systems. In addition to being required by state law and loan agreements, annual audits of city funds would help ensure financial transactions are properly recorded.

1.2 Budgets

While annual budgets are prepared and adopted, they do not contain all elements required by state law. Budgets do not include all city funds, a budget message and general budget summary, actual beginning and estimated ending available resources, actual receipts and disbursements for the 2 preceding years, or city indebtedness information.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various 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 informing the public about city operations and current finances.

1.3 Budget to actual
 disbursements

The city has not developed a process to monitor budgeted to actual disbursements. The Board of Aldermen reviews check registers for each city fund; however, reports of budgeted and year-to-date actual disbursements are not prepared. As a result, budgets are not monitored and actual disbursements exceeded budgeted amounts for the year ended June 30, 2010, as follows:

Fund	Year end June 30, 2010		
	Budgeted Disbursements*	Actual Disbursements**	Amount Overspent
General Revenue	\$ 10,030	10,194	(164)
Street	15,650	21,790	(6,140)
Water and Sewer	71,585	93,443	(21,858)

* Amounts obtained from the year end June 30, 2010, budget documents.

** Amounts obtained from financial reports generated by the City Clerk.



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

The city did not prepare amended budgets for these funds or document reasons for exceeding budgets in meeting minutes. To help ensure the city's budget and financial condition are adequately monitored, periodic detailed budget to actual reports should be prepared and reviewed by the Board.

Section 67.040, RSMo, allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget.

1.4 Financial statements

The city has not published semiannual financial statements as required by state law. The City Clerk indicated she was not aware of this requirement. 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.

Complete and accurate financial statements are necessary to keep citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statement is published.

1.5 Financial reporting

The city has not submitted annual financial reports to the State Auditor's office since 2002. Section 105.145, RSMo, requires political subdivisions to file an annual report of financial transactions with the State Auditor's office.

1.6 Park Board

While the Park Board files minutes of its meetings with the city, financial reports are not routinely filed with the city. The Park Board maintains a bank account and receives donations. To ensure funds are used appropriately, the Board of Aldermen should require the Park Board to regularly file financial reports with the city.

Recommendations

The Board of Aldermen:

- 1.1 Obtain annual audits of the combined water and sewer system as required by state law and loan agreements.
- 1.2 Ensure annual budgets contain all information required by state law.
- 1.3 Periodically compare year-to-date disbursements with budgeted amounts to monitor city finances and ensure actual disbursements do not exceed budgeted amounts.
- 1.4 Ensure semiannual financial statements are published in accordance with state law.



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

- 1.5 Submit annual financial reports to the State Auditor's office as required by state law.
- 1.6 Ensure financial reports of the Park Board are filed with the city.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

- 1.1 *The city was unaware of this requirement. The USDA will be contacted to inquire about obtaining an audit and the estimated cost of an audit. Then we will proceed with obtaining an audit for the year ended June 30, 2011.*
- 1.2 *The city has a budget that includes the Water and Sewer Funds, General Fund, and Street Fund that is adopted by the Board of Aldermen yearly before money is spent. The city was unaware of the additional information that is needed to be included in the budgets. The current budget for FY11 will be amended to include actual beginning balances, estimated ending balances, the city's indebtedness information, budget message, general budget summary, and actual income and expenditures for the two preceding years. The city has requested a budget from the Park Board.*
- 1.3 *The Board of Aldermen has always amended the budgets each year to reflect actual income and expenditures, but this was not indicated in the minutes and an ordinance was not passed. The City Clerk will start preparing financial reports with the current budget and year-to-date income and expenditures to be presented to the board at least quarterly. The Board of Aldermen will monitor and adjust the budget by ordinance if expenditures are close to budgeted amounts and will include the reason of adjusting the original budget.*
- 1.4 *The Board of Aldermen was unaware of this requirement. The City Clerk will prepare a semiannual financial statement with a detailed account of the receipts, disbursements, and indebtedness of the city. The City Clerk will present the report to the Board of Aldermen for approval and then publish the semiannual financial statement in a paper. We anticipate publishing the July 2010 to December 2010 activity in February 2011.*
- 1.5 *The City Clerk will complete the financial report. The report will be presented to the Board of Aldermen for approval, then submitted to the State Auditor's office. The Board of Aldermen will ensure that this is done for the year ended June 30, 2011.*



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

1.6 *The city has requested that financial reports be prepared by the Park Board monthly and that they turn them into the city. The city has also requested reconciled bank statements along with documentation of all income and expenditures. The city has requested their budget for 2010-2011.*

2. Accounting Controls and Procedures

Accounting controls and procedures utilized by the City Clerk need improvement.

2.1 Segregation of duties and oversight

Segregation of duties is not adequate. The City Clerk is responsible for most of the record-keeping duties of the city, and there is minimal oversight by the Board. Duties performed by the City Clerk include billing and recording utility fees, receiving and depositing monies, preparing checks and monthly financial reports, and performing bank reconciliations. While the city has hired someone to take over some duties relating to utilities, there is no evidence the Board provides adequate supervision or review of the work performed by the City Clerk.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If segregating these duties is not possible, at a minimum, procedures for adequate independent review should be established and documented.

2.2 Receipt procedures

Receipt slips are not issued for some monies received and the method of payment is not always documented. Receipt slips are not issued for franchise fees, state motor vehicle-related sales taxes, and railroad and utility property taxes received from the County Collector-Treasurer. The method of payment is only indicated for property taxes. Without the indication of receipt composition, a reconciliation of the composition of receipts to deposits cannot be performed and the city has less assurance all monies collected are properly recorded and deposited. Additionally, deposits were made only once a month during 6 months of the year ended June 30, 2010, with deposit totals for those months ranging from approximately \$1,800 to \$8,600.

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



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

2.3 Utility operations

The city does not maintain separate funds for the financial activity of its water, sewer, and trash operations. Receipts, disbursements, and accumulated balances of the respective utility operations are not accounted for separately.

The utility operations are separate accounting entities designed to account for specific city activities. Utility receipts should be used only to fund the operations of the respective utility services. Rates for utility services should be set to cover the costs of producing and delivering the service (including administrative costs), repaying debt, if applicable, and repairing and replacing infrastructure.

Receipts, disbursements, and the accumulated balance associated with specific activities should be recorded in separate funds or maintained in a manner to account for those 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 and to assist the city in establishing user fees necessary to meet operating expenses.

2.4 Utility deposits

Refundable utility deposits are not accounted for properly. New customers are required by ordinance to pay a \$120 refundable deposit before receiving utility service.

- A bank account was established to account for utility deposits; however, no utility deposits have been deposited into this bank account since it was established. Utility deposits are deposited in the Water and Sewer Bank account. As of June 15, 2010, the utility deposit bank account balance totaled \$1,050 and consisted of \$1,000 transferred to the bank account from the Water and Sewer Bank account and interest earned.
- Although a liabilities list of customer utility deposits is maintained, this list is not reconciled to the bank account. As of June 30, 2010, this list totaled \$8,435.

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.



2.5 Non-sufficient funds checks

The city does not always take timely follow up action on non-sufficient funds (bad) checks, or follow policies established by city ordinance. No follow up action was taken on five of six non-sufficient funds checks received, totaling \$724, for payment on utility accounts until our audit work began in October 2010. Until then, the customers had not been contacted regarding the bad checks and these monies had not been recovered. In addition, no adjustments were made on subsequent utility bills to include unpaid amounts in balances due. Ordinance number 463 requires the city to notify the customer of the returned check by phone or note on the customer's door. Customers then have 3 days to resolve the bad check and pay the city a bad check fee. Timely action and compliance with city ordinance is necessary to recover unpaid monies and ensure customer account balances are proper.

2.6 Bank reconciliations

Bank reconciliations are not prepared timely for the checking accounts. Bank statements from December 2009 to February 2010 for the General Fund and the Street Fund were not reconciled until March 2010 while the January to May 2010 bank statements for the two Water and Sewer Fund bank accounts were not reconciled until June 2010.

Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement, and to detect and correct errors timely.

Recommendations

The Board of Aldermen:

- 2.1 Segregate the duties of the City Clerk to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the work performed and investigation into unusual items and variances is necessary.
- 2.2 Require receipt slips be issued for all monies received with the method of payment indicated and reconciled to the composition of deposits. Additionally, the Board should ensure deposits are made in a timely manner.
- 2.3 Establish separate funds to account for the specific utility operations or maintain records in a manner to account for the receipts, disbursements, and accumulated balances of the separate activities. Additionally, the city should determine and establish the proper balance of the separate funds and maintain the separate balances in the future.
- 2.4 Transfer the utility deposit monies held in the Water and Sewer Fund bank account to the utility deposits bank account, and deposit all subsequent utility deposits received into the utility deposit bank account. In addition, the list of utility deposits should be reconciled



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

to the bank account balance monthly. Any differences should be investigated.

- 2.5 Follow up on non-sufficient checks promptly in accordance with city ordinance to ensure monies are recovered.
- 2.6 Prepare bank reconciliations for checking accounts on a timely basis.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

- 2.1 *Before the audit, the Board of Aldermen received monthly financial reports at each meeting. The bank statements and invoices were also presented at the meeting. However, the review of these documents was not documented. The Board of Aldermen approved bills for payment and there are two signatures on all checks.*

Currently, the Board of Aldermen reviews all bank statements at the board meeting and at least two Aldermen initial the actual bank statement and review that they have been reconciled. The Board of Aldermen also initials the financial reports that are included with the minutes. This will document that the Board of Aldermen is providing supervision and is reviewing work done by the City Clerk. Since the city will be having an annual audit, the record keeping will be reviewed by a certified public accountant.

- 2.2 *Receipt slips will be issued for receipts currently not receipted and the receipt slips will indicate the composition of receipts which will be compared to the composition of the deposits and deposits will be made timely.*

- 2.3 *We are reviewing records to determine the proper balances of the various utility operations. Once we have the balances, we will determine the best method for maintaining records to ensure information is properly maintained of the separate activities.*

- 2.4 *All of the money for the customer deposits is in the Water and Sewer Fund as it just wasn't transferred into the deposit account. The Board of Aldermen will order checks and deposit slips for the deposit account and transfer all customer deposits into the deposit account.*

The Board of Aldermen will review the deposit listing at the next meeting (March) and transfer the balance of the deposits to the deposit account. The Board of Aldermen will receive an addendum



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

to the list when changes occur to ensure that the bank statement equals the amount of customer deposits plus interest. A notebook with the list will be started and the addendums will be added as they are needed.

2.5 *The new procedure for non-sufficient checks will be the City Clerk will notify the customer according to ordinance and a copy of the check will be given to the administrative assistant who does the utility billing to add the amount back onto their account.*

2.6 *Even though the bank statements were not reconciled in the computer, all bank statements were compared to the transaction register. Currently, the City Clerk is formally reconciling the bank statements within 15 days of receipt of the bank statement.*

3. Disbursements

Controls and procedures over allocation of city disbursements between funds need improvement, and all employees do not prepare timesheets.

3.1 Allocation of city disbursements

Documentation does not exist to support the allocation of some disbursements to city funds as follows:

- Although wages are paid from three funds (General, Street, and Water and Sewer), all payroll withholdings and payroll taxes are disbursed from the Water and Sewer Fund.
- The city pays for all insurance coverage from the General Fund even though the coverage also relates to assets owned by the Street and Water and Sewer Funds.
- The city paid park expenses totaling \$1,103 from the Street Fund for the year ended June 30, 2010. Street Funds are restricted revenues that should be used for street purposes only. The city indicated these costs are paid from franchise taxes which are placed in this fund and are not restricted. Because franchise taxes are unrestricted revenues, the city should consider depositing them in the General Fund and paying the park expenses from the General Fund.
- In August 2010, the city paid \$3,003 for the annual payment on the backhoe from the Water and Sewer Fund while the payment the previous year was from the Street Fund. The backhoe is used for a variety of activities so it is questionable that the entire cost be paid from just one fund.

The funds of the city are established as separate accounting entities to account for specific activities of the city. Generally accepted accounting principles and various legal restrictions require receipts and disbursements



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

associated with specific activities be reflected in the fund established to account for those activities. Reflecting receipts and disbursements in the proper fund is necessary to accurately determine the results of operations and/or specific activities; thus, enabling the city to establish the level of taxation and/or user fees necessary to meet operating costs. To ensure city funds are spent appropriately, documentation should be maintained to support the allocations.

3.2 Timesheets

The City Clerk, water meter reader, and tower meter reader are paid a monthly rate and are not required to submit timesheets or documentation of the number of hours or the dates worked. These employees only submit a paper stating they did the required work. Timesheets are necessary to document hours worked, substantiate payroll disbursements, provide the city with a method to monitor hours worked, and to evaluate pay rates.

Recommendations

The Board of Aldermen:

- 3.1 Ensure disbursements and salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation. In addition, consider depositing franchise taxes into the General Fund and paying park expenses from the General Fund.
- 3.2 Require all city employees to prepare timesheets that reflect actual time worked.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

- 3.1 *The payroll taxes and withholdings will be disbursed from the General Fund, with the amount to be paid from the Street and Water and Sewer Funds transferred into the General Fund to cover each entities payroll obligations.*

The Board of Aldermen will review the insurance policy and prorate the amount from each entity to be transferred into the General Revenue Fund to cover that entity's portion of the insurance invoice.

The Board of Aldermen is in the process of getting the franchise taxes directly deposited into the General Fund instead of the Street Fund. We are also changing the park lights and mowing to come out of the General Fund. All park expenses will now come out of the General Fund.



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

The Board of Aldermen will look at all equipment and keep track of the different allocations for repairs, maintenance, and purchase agreements.

3.2 *The Board of Aldermen will discuss with our attorney this issue before determining what to do. We have a couple of questions that we want to find out some information on before making a decision.*

4. Legal Issues and Ordinances

Problems were noted with the manner by which aldermen are elected and with ordinances.

4.1 Aldermen

Two aldermen are elected from both the North and South wards and an alderman at large is also elected. While Section 79.060, RSMo, allows for cities with populations of 1,000 or less to choose to elect aldermen at large instead of from wards, it does not provide for the city to do both. No city ordinance could be located to explain the city's procedures regarding the election and number of aldermen.

4.2 Ordinances

City ordinances are not organized and up to date. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.

- It is not clear which city ordinances are currently in effect. Ordinances adopted since September 1997 are filed in notebooks and recorded on a list; however, ordinances adopted prior to September 1997 (ordinance number 412) are in a box and not tracked. At our request, the City Clerk was able to locate ordinance number 239 that requires all residences to be hooked up to the public sewer, but she could not locate an ordinance authorizing additional charges of \$2 to both water and sewer bills for those residents receiving city services living outside the city limits. The City Clerk was also unable to locate an ordinance establishing penalties for delinquent payment of taxes, although such penalties are charged.
- The city does not have an ordinance establishing the trash service rate.
- While the city has ordinances that establish the compensation for most city officials and employees as required by Section 79.270, RSMo, the Board has hired employees at higher hourly rates than indicated in the ordinances. In addition, the city does not have an ordinance establishing the compensation for the tower meter reader. Ordinance number 466 states the compensation for the city clerk is \$300 per month plus 2 percent on collections from the sale of water. The City Clerk, however,



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

is paid \$400 per month and also receives 2 percent of all utility collections, which include sewer and trash service fees.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete, well-organized, and up-to-date manner. In addition, an index should be maintained documenting all ordinances passed and repealed to keep track of additions and changes made.

Recommendations

The Board of Aldermen:

- 4.1 Consult with legal counsel to resolve this issue.
- 4.2 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner; new ordinances are passed where appropriate; and the index of ordinances is updated.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

- 4.1 *The city is checking on this with our attorney and depending on what is determined will adopt an ordinance to address this issue.*
- 4.2 *The city will review the ordinances on employees and update the ordinances to current wages. The city has had to split some of the jobs of the water and sewer operator. An ordinance will be created for the new positions.*

The city will review ordinances 412 to 505 and update the ordinances that need to be updated.

The city will start going through the ordinances prior to 1997 and review them as time permits to see if they need to be updated, filed, or rescinded.

City of Chula

Organization and Statistical Information

The City of Chula is located in Livingston County. The city was incorporated in 1885 and is currently a fourth-class city. The city employed six part-time employees on June 30, 2010.

City operations include utilities (water, sewer, and trash), street maintenance, and park services.

Mayor and Board of Aldermen

The city government consists of a mayor and five-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 and Board of Aldermen serve without compensation.

John Graves, Mayor
Katherine Westcott, Alderman
Benny Simpson, Alderman
John Boyles, Alderman
James Rhodes, Alderman
Robert Triska, Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

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

Financial Activity

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

City of Chula
Year Ended June 30, 2010

	General Fund	Street Fund	Water and Sewer Fund*	Water Bond Reserve Fund	Water Replacement/ Extension Fund	Sewer Bond Reserve Fund	Sewer Replacement/ Extension Fund	Park Board	Collector's Account	Total
RECEIPTS										
Property taxes	\$ 776	0	0	0	0	0	0	0	7,632	8,408
Franchise taxes	0	10,112	0	0	0	0	0	0	0	10,112
Motor fuel and vehicle fees	0	7,425	0	0	0	0	0	0	0	7,425
Water, sewer, and trash service fees	0	0	90,639	0	0	0	0	0	0	90,639
Utility deposits	0	0	1,560	0	0	0	0	0	0	1,560
Interest	0	0	8	1,696	129	1,655	1,678	0	0	5,166
Fines, fees, grants, and other	45	854	706	0	0	0	0	210	0	1,815
Transfers in	7,251	0	0	0	0	0	0	0	200	7,451
Total Receipts	8,072	18,391	92,913	1,696	129	1,655	1,678	210	7,832	132,576
DISBURSEMENTS										
Wages and payroll taxes	4,433	3,248	10,231	0	0	0	0	0	382	18,294
Water expense	0	0	29,880	0	0	0	0	0	0	29,880
Debt service	0	0	14,556	0	0	0	0	0	0	14,556
Trash service	0	0	12,407	0	0	0	0	0	0	12,407
Sewer expense	0	0	3,247	0	0	0	0	0	0	3,247
Sidewalk grant	0	0	15,499	0	0	0	0	0	0	15,499
Dining	432	0	0	0	0	0	0	0	0	432
Elections	459	0	0	0	0	0	0	0	0	459
Equipment purchases	0	5,922	219	0	0	0	0	0	0	6,141
Equipment repair	0	1,113	484	0	0	0	0	0	0	1,597
Fuel	0	1,015	0	0	0	0	0	0	0	1,015
Insurance	4,057	0	0	0	0	0	0	0	0	4,057
Park expense	0	1,103	0	0	0	0	0	1,668	0	2,771
Office expense	154	21	794	0	0	0	0	0	0	969
Publications	86	20	51	0	0	0	0	0	0	157
Refunds	0	0	262	0	0	0	0	0	0	262
Road maintenance	0	1,360	1,409	0	0	0	0	0	0	2,769
Storm sewer	0	955	0	0	0	0	0	0	0	955
Utilities	373	6,615	2,910	0	0	0	0	0	0	9,898
Utility deposits refunds	0	0	1,020	0	0	0	0	0	0	1,020
Other	0	418	474	0	0	0	0	0	0	892
Transfers out	200	0	0	0	0	0	0	0	7,251	7,451
Total Disbursements	10,194	21,790	93,443	0	0	0	0	1,668	7,633	134,728
RECEIPTS OVER (UNDER)										
DISBURSEMENTS	(2,122)	(3,399)	(530)	1,696	129	1,655	1,678	(1,458)	199	(2,152)
CASH, JULY 1, 2009	3,705	5,074	26,975	17,986	14,534	12,730	15,661	2,132	53	98,850
CASH, JUNE 30, 2010	\$ 1,583	1,675	26,445	19,682	14,663	14,385	17,339	674	252	96,698

* The Water and Sewer Fund includes the utility deposit account and the trash service.