

**INVESTIGATIVE AUDIT OF THE RECORDS OF THE  
CITY OF RIDGETOP  
FOR THE PERIOD JULY 1, 2000, THROUGH SEPTEMBER 30, 2001**

**LEGAL ISSUE**

1. **ISSUE:        Apparent misappropriation**

Without authority, the former recorder apparently prepared two city checks totaling \$8,908 and received the proceeds of these checks for her personal benefit. According to several city officials and employees, the former recorder, when confronted, admitted the apparent misappropriation. Her admissions included that she had prepared two checks payable to N.R. Insurance Company dated July 20, 2001, and September 28, 2001; that she had forged the city clerk's signature on the checks; and that she had deposited them into a bank account that she personally was able to control. The former recorder reimbursed the amount of this apparent misappropriation by issuing a personal check payable to the City of Ridgetop dated October 21, 2001. Subsequently, this information was presented to the Robertson County Grand Jury during the November 2001 term. On November 27, 2001, the Robertson County Grand Jury indicted the former recorder on two counts of forgery over \$1,000. On July 26, 2002, the former recorder pled guilty to both counts of forgery. She was placed on judicial diversion for a period of two years.

**AUDITOR'S NOTE TO FINDINGS 1, 2, 4, 5, 9, AND 10**

**Our investigative audit focused on municipal procedures in place at the time of our review. As a result, we chose not to verify and have no comment regarding the statements made concerning procedures performed by and under the previous administration.**

**FINDINGS AND RECOMMENDATIONS**

1. **FINDING:        Collections not properly reconciled, collection reports not properly prepared, and deposit slips not itemized**

City personnel did not properly reconcile recorded collections with amounts deposited. Although collection reports were prepared, they were not prepared daily, and apparently did not always include all collections received and on hand. City records revealed numerous instances of collections being held for weeks before being deposited, even

though collection reports were prepared and deposits of other collections were made during this time (Refer to Finding 3.) City personnel incorrectly classified collections on the reports and did not clearly indicate applicable receipts that comprised the recorded collections. Collections of prior year property taxes were not summarized in total by levy year on the collection report. City officials failed to require employees to maintain a predetermined amount of change in the general government cash drawer and to record the amount retained for change as well as overages or shortages on the collection reports or other accounting records. In addition, deposit slips did not separately list each check included in the deposit.

Because city personnel did not reconcile the receipts issued with amounts recorded on collection reports and deposited into city bank accounts, we were unable to determine that all collections were recorded in the city's records. In addition, we were unable to determine that all recorded collections, including two cash payments for fines totaling \$147.50, and several business licenses totaling \$100, were deposited into a city bank account. Because internal controls were inadequate, city personnel did not promptly detect these discrepancies and other noted errors in classification and recording.

Section 9-2-102, *Tennessee Code Annotated*, requires the Comptroller of the Treasury to prescribe a uniform system of bookkeeping designating the character of books, reports, receipts, and records, and the method of keeping same, in all state, county and municipal offices, including utility districts, which handle public funds. This code section also requires that all officials adopt and use the prescribed system. The Comptroller has prescribed a minimum system of recordkeeping for municipalities, which is detailed in the *Internal Control and Compliance Manual for Tennessee Municipalities*. The city has been provided a copy of this manual.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 1, Section 6, requires municipal officials to ensure that

. . . each day the cashier summarizes all cash collections by source on a daily collection report, clearly indicating the amount to be deposited, the amount retained for change, and the amount of cash over or short. Each report should be dated, and the date should be recorded on the corresponding deposit slips. The total on the daily collection report should agree with the total of the corresponding deposit slips as well as the total of all applicable receipts. The cashier should sign the daily collection report. . . .

Title 3, Chapter 1, Section 4, of the manual requires that each check deposited be listed separately on an itemized deposit slip. Title 3, Chapter 4, Section 3, of the manual states, “. . . Daily tax collections should be summarized in total by levy year on the daily collection report, with penalties recorded separately.”

**RECOMMENDATION:**

To better account for collections and decrease the risk of undetected errors and/or irregularities, city employees should prepare a detailed report of that day's total collections and the source of those collections. A predetermined amount of change should be retained and recorded on daily collection reports. In addition, amounts over or short should be recorded on daily collection reports and on other applicable accounting records. City officials should ensure that collections are reconciled and that totals on daily collection reports agree with totals on the corresponding deposit slips as well as the total on all applicable receipts. City officials should ensure that applicable personnel separately list each check included in the deposit on the related deposit slip. Collections of prior year property tax should be summarized in total by levy year with penalties recorded separately.

**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. New personnel followed office procedures of previous administration until made aware that procedure was incorrect. New office administration immediately responded with correction and new procedures.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

2. **FINDING: Prenumbered receipts not accounted for and not marked/filed according to date of deposit**

City officials failed to ensure that prenumbered receipts issued for collections were properly handled and accounted for. Prenumbered forms were not used for building permits (which served as the city's receipt). Instead, these receipts were numbered manually. Employees failed to maintain a numerical file of business license forms, or of prenumbered receipts issued for payment of traffic citations. Prenumbered receipts were not filed/marked according to the corresponding deposit. Several prenumbered receipts or licenses apparently issued or voided by city employees could not be located. We noted numerous instances in which prenumbered receipts were issued in out-of-date order. Computerized prenumbered receipts issued for fines did not indicate which city employee had collected the money. Also, employees could not account for all license, tax, permit and fine receipt numbers missing from a numerical sequence. Because city employees did not properly handle and account for receipts, we were unable to determine that all collections were recorded in the city's records and deposited into city bank accounts.

Section 9-2-103, *Tennessee Code Annotated*, states, “Each . . . municipal official who receives any sum or sums in such official's capacity shall issue to the payer thereof a receipt and shall retain a duplicate thereof in the office of such official. . . .” Section 9-2-104, *Tennessee Code Annotated*, states:

(a) The receipt shall be issued in duplicate and a copy thereof shall be retained by the person so receiving such money and shall be available to the state auditors upon demand.

(b) The receipts shall be in a well-bound book, or on a form approved by the comptroller of the treasury, and shall be prenumbered consecutively.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 1, Section 2, requires that all prenumbered receipts, including those unused and voided, be accounted for. Title 3, Chapter 1, Section 8, of the manual requires municipal officials to ensure that “. . . duplicate, prenumbered receipts are marked and property tax receipts and billing stubs are filed according to the deposit to which they correspond.

Title 3, Chapter 2, Section 3, of the manual states:

Municipal officials should ensure that . . . collection of business tax, regulatory license fees, and permit fees are recorded on prenumbered forms designed for the specific purpose, using similar internal control procedures as for other cash receipts.

**RECOMMENDATION:**

To adequately document and account for money paid to the municipality and to decrease the risk of misappropriation of city money, officials and employees should ensure that prenumbered receipts are used for all collections. The receipts should indicate which city employee collected the money. All prenumbered receipts should be accounted for and reconciled with daily collection reports and deposits. One copy of the prenumbered receipt should be filed numerically and marked to indicate the deposit to which it corresponds. Billing stubs and one copy of the property tax receipt should be filed according to the deposit to which they correspond.

**MANAGEMENT’S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. New personnel followed office procedures of previous administration until made aware that procedure was incorrect. New office administration now retains all voided receipts and will file by date receipted.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

3. **FINDING: Collections not deposited promptly**

City officials failed to require and ensure that city collections were deposited within three working days into the city's bank account. The city's cash receipt records indicated that many collections, including some business licenses/tax and building permit fees, were not deposited until weeks or even months after being received by municipal personnel.

Section 6-56-111(a), *Tennessee Code Annotated*, states:

Every municipal official handling public funds shall be required to, as soon as practical, but no later than three (3) working days after the receipt by such municipal official of any public funds, deposit the funds to the credit of such municipality's official bank account, or bank accounts . . . A violation of this section is a Class C misdemeanor.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 1, Section 5, states:

Collections should be deposited promptly and intact and only in designated depositories. The bank's night depository should be used, if necessary, to avoid large accumulations of currency overnight. . . . The municipality should make daily deposits when large amounts of money are involved.

**RECOMMENDATION:**

To help prevent the misuse or loss of collections, city officials should ensure that all collections are deposited within three working days into an official city bank account, and that cash on hand is safeguarded.

**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Corrections were made by concurring with the three-day depository rule, which was brought to our attention by the Comptroller of the Treasury, Department of Audit.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

4. **FINDING: Inadequate procedures and recordkeeping relating to property tax collections**

City personnel failed to ensure that collections per property tax receipts agreed with property tax collection amounts recorded on collection reports and deposited into city bank accounts. Our examination revealed numerous discrepancies between amounts of current year's property tax collections shown as being collected for a specified period and the amounts shown on the corresponding collection reports. In addition, some property tax receipts could not be located, the method of payment (cash or check) was not always clearly indicated on the property tax receipts, and corresponding deposit slips were not itemized. As noted in Finding 1, one copy of the property tax receipt was not filed according to deposit date, and collections of prior years' taxes were not classified by year of tax levy on the collection reports. Also, the recorder did not document that the property tax receivable balance in the general ledger was periodically reconciled to the total amount of property tax not marked as paid on the respective year's tax roll and to the total amount of corresponding unpaid property tax receipts.

We noted at least one instance in which the city apparently did not receive substantial penalties/interest related to the payment of delinquent property taxes. Based on property tax receipts located at city hall, postings in the related tax roll, and deposit information obtained from the bank, it appears that in January 2001, the city received payment of property taxes for two parcels listed in the name of the husband of former recorder, Terri Castleman. (Ms. Castleman began working for the city in December 2000, and according to the current clerk, was responsible for collecting and recording property taxes.) The payment apparently was for current year 2000 taxes owed, as well as delinquent 1996–1999 taxes on the two parcels. However, based on our calculation and information from the title company, the payment did not include any penalties. At the time of the payment, it appears that penalties/interest related to these taxes should have been \$397.89.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 1, Section 6, requires municipal officials to ensure that

. . . each day the cashier summarizes all cash collections by source on a daily collection report, clearly indicating the amount to be deposited, the amount retained for change, and the amount of cash over or short. Each report should be dated, and the date should be recorded on the corresponding deposit slips. The total on the daily collection report should agree with the total of the corresponding deposit slips as well as the total of all applicable receipts. The cashier should sign the daily collection report. . . .

Title 3, Chapter 1, Section 4, of the manual requires that each check deposited be listed separately on an itemized deposit slip and Title 3, Chapter 4, Section 3, of the manual states, “. . . Daily tax collections should be summarized in total by levy year on the daily collection report, with penalties recorded separately.”

Title 3, Chapter 4, Section 4, of the manual also states:

Municipal officials should ensure that . . . the property tax receivable balance per the general ledger is periodically reconciled to the total amount of unpaid accounts per the tax roll and to the total amount of unpaid tax receipts.

Title 3, Chapter 1, Section 2, of the manual requires that each bill stub, including property tax receipts, be stamped or marked “PAID,” dated by the cashier, and marked to identify whether the form of remittance is cash or check.

**RECOMMENDATION:**

In order that errors and irregularities related to the collecting, recording, and depositing of property taxes can be detected promptly, the recorder should ensure that amounts recorded as property tax collections on collection reports agree with corresponding property tax receipts. Collection reports should be detailed and municipal records maintained in a manner that allows easy identification of receipts included in recorded collection report amounts. Daily tax collections should be summarized in total by levy year on collection reports and property tax receipts should be marked to identify the form of remittance, whether cash or check. Each check deposited should be separately listed on an itemized deposit slip. Municipal officials should require and ensure that the recorder periodically performs and documents the reconciliation of property tax receivable. The reconciliation should include a comparison of each year’s property tax receivable balance in the general ledger with the total amount of property tax not marked as paid on the respective tax roll and with unpaid property tax receipts. Applicable penalties/interest should be collected on all delinquent payments.

**MANAGEMENT’S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Previous administration manually recorded receipting of property taxes. We have since automated our system making this process more efficient and traceable.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

5. **FINDING: Inadequate accounting records regarding fine collections and city court transactions**

Our review of records for January and March 2001 revealed substantial deficiencies in recordkeeping for the collection of traffic fines. Although it appears that recordkeeping improved later in the year, the scope and nature of those deficiencies warrant concern.

Computer-generated lists of monthly traffic fine collections, especially those in January 2001, included some collections received up to two years before. Receipt numbers on the computer list for a given defendant sometimes differed from the receipt number on the actual receipt. As noted in Findings 1 and 2, the daily collection report did not indicate the corresponding receipts for traffic fines.

A comprehensive printed record of traffic citations issued, with disposition signed by the city judge, was not maintained. Although the city judge did sign the disposition section of the traffic citation for cases that came before city traffic court, the judge did not always indicate the amount of the fine to be paid. The judge did not always sign the disposition section of citations for which a fine was paid before the court date.

Although information required for a complete court docket was apparently maintained on the computer system, our examination revealed gaps in the sequence of receipt numbers. City personnel were unable to provide information regarding these missing receipts. City personnel did not maintain a separate record of voided receipts or enter them into the computer system. Also, as previously noted, the receipt for collection of traffic fines did not indicate which city employee had collected the money.

Section 9-2-102, *Tennessee Code Annotated*, requires the Comptroller of the Treasury to prescribe a uniform system of bookkeeping designating the character of books, reports, receipts, and records, and the method of keeping same, in all state, county and municipal offices, including utility districts, which handle public funds. This code section also requires that all officials adopt and use the prescribed system. The Comptroller has prescribed a minimum system of recordkeeping for municipalities, which is detailed in the *Internal Control and Compliance Manual for Tennessee Municipalities*. Title 3, Chapter 5 of this manual sets forth requirements relating to the collection of traffic fines.

**RECOMMENDATION:**

To provide information for determining the city's financial position, municipal officials should ensure that a complete record of all transactions related to traffic citations is maintained. If that information is maintained on a computer system, officials should ensure that adequate safeguards are in place for data storage and backup and that the system can account for all citations and prenumbered receipts issued or voided. The judge should sign and specify the disposition of each traffic ticket including those in which a fine is paid before the court date. Officials should ensure that prenumbered receipts are signed or marked to identify the employee receiving the money, and that daily collection reports identify the corresponding prenumbered receipts that comprise the deposit.

**MANAGEMENT’S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Previous administration had begun using computer court software and returned to manual procedures. New administration incorporated computer court software. Upon returning to court software, old files were still in place creating deficiencies in recordkeeping. After several months of trial and error, system is now efficient means of recordkeeping.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

6. **FINDING: Inadequate controls over traffic citations**

City officials failed to follow certain prescribed procedures for the issuance and disposition of traffic citations. The police department recorded the ticket numbers of tickets issued to officers and maintained a monthly list of tickets issued and voided. However, several voided tickets could not be located, and we noted at least one instance in which an officer resigned and the unissued tickets that had been assigned to him could not be accounted for. In addition, the monthly list of issued and voided tickets was not reconciled to the court docket to make sure all tickets issued were properly recorded into the court docket. Also, tickets were not filed numerically.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 5, describes the proper procedures for traffic citations and court collections. Those procedures include physically controlling unissued citations and accounting for all issued and voided citations. Title 3, Chapter 5, Section 4, of the manual states, “. . . The person responsible for maintaining the court docket should post the violation to the court docket and file the ticket numerically.”

**RECOMMENDATION:**

To decrease the risk of loss of revenue, municipal officials should establish and require strict adherence with good internal control policies over traffic citations, in accordance with the *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 5. Officials should ensure that proper procedures are followed to account for the disposition of every ticket assigned to police officers and that voided citations are kept on file. One copy of each ticket should be filed numerically.

**MANAGEMENT’S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Changes have been made to rectify the situation. City hall administration and the police department will work together on accountability.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

7. **FINDING: Bid/purchasing authority related to fire hall construction project improperly assigned by board of mayor and aldermen and failure to ensure adequate documentation was retained to verify adherence to required bid/purchasing procedures**

City officials failed to follow prescribed procedures for obtaining, approving, and documenting certain bids/contracts related to the fire hall construction project. According to the July 26, 2000, minutes, the board voted to give one alderman “the authority to place advertisements for bids, open, and accept the best price or quotes without having to come back before the board each month on every phase of building process, supplies, and materials.” Per our examination, applicable city charter and ordinance requirements regarding purchasing do not provide for delegation of bid authority by the board to one board member. In addition, we were unable to locate adequate documentation in the city’s records that all required bid procedures were followed for most applicable purchases related to the fire hall construction project after this delegation was made. Although an “Invitation to Bid” was advertised in the paper for five of the major projects, including the block work and the driveway and parking, we located no documentation of actual bids being received, opened, and accepted. The alderman provided personal copies of some documentation and stated that he turned all applicable records over to city personnel.

As required by Section 8 of the city’s charter, the board of mayor and aldermen adopted Ordinance 92-18 which sets forth the city’s purchasing requirements. This ordinance requires:

Public advertising and competitive bidding shall be required for the purchase of all goods and services in the amount of four thousand dollars (\$4,000.00) in accordance with the Municipal Purchasing Act of 1983. . . . The board of mayor and aldermen shall have the authority to approve purchases, lease, and lease-purchases of more than one thousand dollars (\$1,000.00) for the City of Ridgetop. Purchases, leases, and lease purchases of more than one thousand dollars (\$1,000.00) and less than four thousand

dollars (\$4,000.00) for any single item shall be made in the open market without public advertisement, but shall, whenever possible, be based upon at least three (3) competitive bids.

**RECOMMENDATION:**

City officials should ensure that all applicable bid requirements are followed and documented for applicable purchases, including public advertising and competitive bidding for applicable purchases of goods and services in amounts of \$4,000 or more. All applicable purchases over \$1,000 must be approved by the board of mayor and aldermen as required by the city's purchasing law. Authority given by the charter to the board as a whole should not be delegated by the board.

**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Authority was given by prior board members with the exception of Mayor Denton, who was not present at the special-called meeting, thus appointing the alderman with sole authority. City personnel were not provided with matching personal documentation. We concur with state auditor's findings and have taken necessary steps to rectify the situation to ensure this situation does not reoccur.

8. **FINDING: No approved adjustment policy and inadequate procedures for adjustments**

Most adjustments to gas and sewer bills were apparently recorded in monthly reports. However, for several recorded adjustments, we could not locate adequate documentation of the basis for the adjustment and/or the corresponding calculation. Also, city personnel could not provide documentation that all adjustments were properly approved by a designated official. In addition, we did not find documentation that an adjustment policy had been properly approved by the governing body. The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 3, Section 3, states:

Municipal officials should ensure that . . . charges disputed by customers are investigated and adjustments are approved, in accordance with the municipality's policy, by someone other than the bookkeeper handling receipt and payment records.

Section 4 requires municipal officials to ensure that

. . . documentation of each adjustment is required and retained. Adjustments to billings for meter reading and other errors should

be recorded in the billing register. All adjustments to customers' bills should be approved by the governing body or its designee.

**RECOMMENDATION:**

To ensure accountability for all billings and for determining expected collections, for each adjustment, the recorder should prepare and retain detailed documentation of the basis, calculation, and approval by the governing body or its designee. The governing body should develop, approve, and ensure compliance with an official adjustment policy and ensure that a copy is maintained in the city's records.

**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Steps will be taken by the mayor and aldermen to adopt an adjustment policy. Until adoption period, utilities commissioner will approve all adjustments.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

9. **FINDING: Utility accounts receivable reconciliation not performed and follow-up on outstanding balances related to final bills not documented**

The municipality's records did not include documentation of a monthly reconciliation of utility accounts receivable as reflected in the utility billing register to the general ledger control account. We also noted that after final bills were printed, related adjustments and outstanding balances did not appear on subsequent monthly records located at city hall. We found no documentation that city personnel followed up outstanding balances related to final billings. The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 3, Section 10, states, "Municipal officials should ensure that . . . the total amount of the unpaid individual accounts on the utility billing sheet is reconciled to the applicable general ledger control account total at the end of each month."

**RECOMMENDATION:**

To detect errors or irregularities promptly, municipal officials should ensure that a monthly reconciliation of the detail listing of accounts receivable in the billing register to the general ledger control account is performed and documented. This reconciliation would include documentation of the disposition of outstanding balances related to final bills.

**MANAGEMENT’S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. No procedure located by previous office administration to follow. Upon notification by the Comptroller of the Treasury, Department of Audit, steps have been taken to account for receivables on outstanding utility balances. Definition of steps are to print reports and follow up on outstanding balances periodically.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

**AUDITOR’S CLARIFICATION:**

**In addition to the mentioned corrective procedures, city personnel should ensure that the amount of the receivable per the detail report agrees with the amount shown in the general ledger. Differences in the amounts should be noted and reconciled.**

10. **FINDING: Failure to follow up on unpaid business license fees and taxes and to ensure that all sales tax due was received**

City officials failed to ensure that the city received all sales tax due from the state or that collection of unpaid business license fees and taxes was continuously and systematically enforced. Our comparison of recorded business license and tax collections with state sales tax department data revealed that during the period July 1, 2000, through September 30, 2001, the city apparently did not receive all applicable business license fees and taxes. This analysis also revealed that the city was not receiving all applicable sales tax due. We noted that business license/tax forms were not maintained in numerical order. Numerous business licenses could not be located, making it impossible to determine whether the missing licenses had been issued, voided, or simply lost. Finally, due to the inadequacy of collection records, including non-itemized deposit slips, we were unable to determine whether certain recorded business license fees and taxes totaling at least \$100 were deposited into a municipal bank account.

The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 2, Section 2, states:

Municipal officials should ensure that . . . business tax and business license enforcement procedures are established. Information on new businesses and on business ownership changes should be obtained from observations of police officers and

building inspectors, utility billing changes, newspaper and telephone advertising, and state sales tax department data.

Title 3, Chapter 2, Section 4, of the manual states:

Municipal officials should ensure that . . . collection of business tax and regulatory license and permit fees is continuously and systematically enforced out of fairness to the reputable business operators who pay willingly.

Section 9-2-104, *Tennessee Code Annotated*, requires that consecutively prenumbered receipts be maintained in a well-bound book and the *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 1, Section 2, requires that all unused or voided receipts be accounted for.

**RECOMMENDATION:**

To ensure that the city receives all applicable revenue and to decrease the risk of undetected fraudulent transactions, other irregularities, or errors, city officials should designate responsibility for, and ensure follow up on, all applicable unpaid business license fees and taxes. A designated official should also ensure that the city receives all applicable sales tax revenue. Collections recorded on prenumbered business license/tax forms should be reconciled with corresponding amounts recorded on collection reports and deposited into city bank accounts. If business license forms continue to serve as the city's prenumbered receipts, at least one copy of the form should be maintained in consecutive numerical order. All prenumbered license forms should be accounted for by city personnel.

**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

We concur. Previous administration manually recorded receipting of business taxes. We have since automated our system making this process more efficient and traceable.

**Recorder:**

Response is the same as that of the mayor and board of aldermen.

**ADDITIONAL RESPONSE BY ALDERMAN DALE GILMORE**

I Dale Gilmore, Alderman for the City of Ridgetop, having seen and signed this report prepared by Mayor Denton and Vice Mayor Spears, do concur that we have had and do have problems with records and procedures in city hall. But I must bring to your attention that Mayor Denton has been in this position for the past six years and must take more responsibility. He is the past administration he keeps referring to.