Office of Missouri State Auditor

Nicole Galloway, CPA

Department of Conservation

Report No. 2018-044

July 2018

auditor.mo.gov

July 2017

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Conservation

Director Compensation	The Missouri Department of Conservation's (MDC) practice of providing compensatory time to the MDC director provides the director unnecessary additional benefits; and this practice, along with the terms and administration of a separation and release agreement, provided the former Director significant additional benefits after his termination. In total, the MDC provided over $120,000 in additional benefits to the former Director after his termination.
Compensatory Time Policies	The MDC has not established limits on employee accruals for one type of compensatory time, resulting in an accumulated balance of approximately $2.4 million as of June 30, 2017. The MDC grants compensatory time to top level supervisory and managerial staff, such as deputy directors and division chiefs. These practices are inconsistent with policies of other state agencies, and appear unnecessary and/or costly.
Commission Flights	As noted in previous audits, the MDC's practice of transporting commissioners and employees for commission-related business via airplane results in questionable and excessive expenses to taxpayers.
Reemployed Retirees	As noted in a previous audit, the MDC does not have adequate procedures to ensure retirees reemployed part-time are being properly classified. As a result, some reemployed retirees may have been incorrectly classified as working in non-benefit eligible positions, and therefore, erroneously received their retirement payments while reemployed.
Travel Meals	Despite recommendations in our prior audit and an MDC internal audit, the MDC has not established limits for employee meal purchases while traveling as required by state travel regulations and executive order, and some meal costs exceeded the Office of Administration established per diem rates.
Real Estate Appraisal Services	MDC procedures do not provide for adequate verification or assurance amounts billed to the MDC for real estate appraisal services comply with statewide contract pricing.

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.

Department of Conservation
Table of Contents

NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Conservation Commission
and
Sara Parker Pauley, Director
Department of Conservation
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2017 and 2016. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department'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 department, 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 tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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 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 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 department's management and was not subjected to the procedures applied in our audit of the department.

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 Department of Conservation.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Samantha Sieg
	Brian Hamman, M.Acct., CPA
Audit Staff:	Nicole Cash, MBA
	Scott Davis, CPA
	Sacha Tejan
	Emily Warren, CPA

1. Director Compensation

The Missouri Department of Conservation's (MDC) practice of providing compensatory time to the MDC director provides the director unnecessary additional benefits; and this practice, along with the terms and administration of a separation and release agreement, provided the former Director significant additional benefits after his termination. In total, the MDC provided over $120,000 in additional benefits to the former Director after his termination.

The MDC's separation and release agreement (the agreement) with former Director Robert Ziehmer had significant weaknesses. The agreement (1) was not supported by documented justification of need or purpose, (2) included excessive compensation that was not a prudent use of MDC resources or in the best interest of Missouri taxpayers, (3) lacked clear and definite terms and conditions, and (4) deviated from MDC policy and standard practices for state employee terminations. The former Director's termination was effective July 15, 2016. While not explicitly stated in the agreement, the former Director remained on the payroll and continued to receive salary payments and benefits for approximately 10 months after termination at his final director annual salary of about $140,000.[1] After termination, the former Director received the following benefits in addition to the value of his maximum payable annual leave balance of approximately $22,600: (1) approximately $76,000 for compensatory time earned during his 20 years of employment, (2) over $19,300 for various other benefits earned after termination, including annual leave, holiday pay, and paid health insurance premiums, (3) approximately $5,600 for annual leave in excess of the maximum allowed payout, and (4) additional credited service for future retirement benefits (MDC cost of approximately $19,800).

The agreement stated, "To ensure an amicable parting, the Parties wish to compromise, resolve and settle, finally and forever, any claims and causes of action that were or could have been asserted by the Employee against MDC. . . ." The agreement, which overrides MDC policy, stated the former Director would (1) resign and could no longer act on the MDC's behalf as of July 15, 2016, (2) remain on the MDC's payroll solely for the purpose of using his accrued annual leave and compensatory time balances, (3) be removed from the payroll upon exhausting his accrued leave balances, and (4) remain eligible to participate in the MDC's employee benefit plan until removed from the MDC's payroll. The agreement specified he would be paid his full compensatory time balance as of June 1, 2016. At the time of his termination, the former Director's compensatory time balance was 1,129 hours (valued at about $76,000 based on his equivalent hourly rate of pay) and his annual leave

[1] Equivalent to $67.31 hourly (annual salary of $140,000 divided by 2,080 hours).

balance was 419 hours (valued at about $22,600[2] based on his equivalent hourly rate of pay).

The Conservation Commission appointed a new director effective November 2016.

1.1 Director compensatory time

The MDC's practice of providing compensatory time to the director is unnecessary based on the nature and requirements of the position. In addition, the agreement to pay the former Director for all accrued compensatory time was not consistent with MDC policy and cost the state approximately $76,000.

The former Director began his career at the MDC in 1996. He served in various positions until he was ultimately appointed director effective November 2009. His compensatory time balance was 720 hours at the time he became director and 1,129 hours at the time of his termination. He used approximately 88 hours of compensatory time during the year prior to his termination. The current Director's compensatory balance was 206 hours at July 1, 2017, and she used 16 hours of compensatory time in her first 8 months in the position.

Compensatory time earned

As discussed in Management Advisory Report (MAR) finding number 2, MDC policies provide compensatory time to employees exempt from the Fair Labor Standards Act (FLSA) at a rate of 0.5 hour or 1 hour for each hour worked in excess of a 40-hour work week; however, providing such compensatory time to the director is an unnecessary cost to the state. Similar to any other state agency or department director, there are times the director must perform his or her duties over and above the normal 40 hour work-week, and the general expectation is the extra time worked should be covered by the director's annual salary. No other state agency or department director earns compensatory time; therefore, it is unreasonable to provide this additional benefit to the MDC director.

Compensatory time paid

The MDC's agreement to pay the former Director for his compensatory time balance was not consistent with MDC policy and cost the state approximately $76,000.

The former Director remained on MDC payroll subsequent to his termination until his compensatory time and annual leave balances were exhausted. Payments for his compensatory time balance of 1,129 hours totaled approximately $76,000 (1,129 hours at $67.31 per hour). This compensatory time, earned throughout his 20 years of employment, was paid entirely at his

[2] Maximum payable annual leave balance of 336 hours, per MDC policy.

higher director rate of pay although only approximately 36 percent of the balance was earned while he was Director.

According to the MDC's Human Resources Policy, employees who are exempt from the FLSA will not be paid for compensatory time earned at any time, including termination or retirement, except in unique circumstances such as out-of-state firefighting.

Additional concerns with the MDC's compensatory time policies are discussed in MAR finding number 2.

1.2 Former Director's separation agreement

The compensation provided to the former Director through the agreement appears questionable and unnecessary. In total, after his termination, the former Director was provided various benefits costing the MDC an estimated $120,700.

Table 1.1: Estimated cost of benefits provided

Type of Benefit	Amount
Accrued compensatory time	$ 76,000
Additional benefits earned[1]	19,300
Excess annual leave payments	5,600
Additional credited service[2]	19,800
	$ 120,700

[1]See Table 1.2 below.
[2]MDC contributions to the retirement system for future retirement benefits.

This level of compensation appears excessive for an "at-will" director position and is not in the best interest of the MDC or taxpayers. The MDC did not prepare documentation supporting the purpose or need for the agreement. MDC officials indicated this was a "confidential personnel matter," and the establishment of the agreement was well within the Commission's powers.

The agreement did not clearly define the process for payout of accrued annual leave and compensatory time balances, and the MDC's administration of the payout provided the former Director additional benefits over and above the compensation specified in the agreement, and significantly more than he would have received if policies and standard procedures were followed. Instead of making a lump sum payment to the former Director for his compensatory time and annual leave balances, which is the standard practice for terminated state employees, the MDC retained him on the payroll as an active employee until these balances were exhausted. Each semi-monthly pay period, the MDC reduced his annual leave and/or compensatory balances by about 87 hours, until these balances were zero. The former Director remained on the MDC's payroll until May 23, 2017, approximately 10 months after his termination. During this 10-month period, he continued to receive regular semi-monthly paychecks and earn benefits of an active employee although he was no longer performing any work on behalf of the MDC and had accepted full-time employment in the private sector.

The agreement specified the former Director would remain on the MDC's payroll after termination solely for purposes of using his annual leave and compensatory time balances and he would be removed from the payroll after exhausting these balances. However, the agreement did not state how long he should remain on payroll or whether he should continue to earn the benefits of an active employee. The only benefit addressed in the agreement was the Missouri Conservation Employee Benefit Plan. The agreement stated the former Director would be eligible to participate in this plan while on payroll after termination, but it did not state whether the MDC or the former Director would pay his health insurance premiums. It appears the Commission intended to pay the accrued annual leave and compensatory balances over a period of time, but the Commission was not provided with, and did not discuss, the additional costs of retaining him on the payroll as an active employee.

Additional benefits earned and paid after termination

Because the former Director remained an active employee on the payroll after termination, he earned additional annual leave and holiday pay, further extending his time on the payroll to a total of 10 months. The following table shows the additional benefits earned and paid to the former Director during the 10-month period.

Table 1.2: Additional benefits earned

Type of Benefit	Hours	Rate	Total
Annual leave	140	$ 67.31	$ 9,423
Holiday pay	88	67.31	5,923
Health insurance premiums[1]	n/a	399.10	3,991
			$ 19,337

[1]The amount shown is the semi-monthly employer's share. He remained on the MDC's insurance plan for 5 months (10 pay periods) before he voluntarily terminated his coverage in December 2016.

As shown in the table, during this period, the former Director continued to accrue 7 hours of annual leave semi-monthly, and received holiday pay for 11 state holidays. In addition, the MDC paid the former Director's health insurance premiums for 5 months.

State agencies use the Statewide Advantage for Missouri (SAMII) integrated financial and human resource management system for processing payroll. According to the SAMII Human Resource Policies and Procedures Manual, the standard practice when an employee terminates from a state agency is to liquidate his or her compensatory and annual leave balances by issuing a check for a lump sum after the termination date. MDC officials indicated they typically follow these procedures when an employee terminates, but could not explain why the MDC deviated from standard practice for paying the balances to the former Director.

Excess annual leave payments

Because the former Director remained on the payroll as an active employee instead of receiving a lump sum payout, he was paid his entire accumulated annual leave balance of 419 hours, instead of the maximum annual leave accrual of 336 hours, a difference of 83 hours. As a result, the former Director received approximately $28,200 for his accumulated annual leave balance instead of approximately $22,600, an increase of approximately $5,600.

The MDC's Human Resources Policy states "upon leaving the department, employees may be paid for the unused annual leave up to the maximum amount they may retain." For the former Director's years of service, the policy provides a maximum leave accrual of 336 hours.

Additional credited service

In addition to the paid benefits shown above, the former Director continued to accrue credited service toward future retirement benefits while remaining on the payroll as an active employee after termination.

During the 10 months he remained active on the state payroll after his termination, the former Director received additional months of credited service with the Missouri State Employee Retirement System (MOSERS). During this period, the MDC made contributions totaling approximately $19,800 to the MOSERS on behalf of the former Director. If the MDC had paid the former Director a lump sum for accrued compensatory time and annual leave at the time of his termination, he would not have received the additional 10 months of service credit and the MDC would have saved $19,800.

Benefit-eligible MDC employees earn service credit in the MOSERS as defined by Sections 104.010.1(16) and 104.1003.1(9), RSMo. Sections 104.1021 and 104.1018, RSMo, provide that employees stop earning credited service when they are no longer employed in a covered position. As noted above, the agreement did not specify the former Director would continue accruing MOSERS service credit after his termination, and it is unreasonable that he was allowed to continue accruing service credit when he was no longer performing any work for the MDC.

Conclusion

Article IV, Section 42, of the Missouri Constitution requires the Conservation Commission to appoint a director. The MDC's Human Resources Policy indicates employment with the department is "at-will", and based on the condition of mutual consent, the employee or the MDC can terminate the employment relationship at any time, for any reason, with or without cause or notice.

Separation and release agreements should be reasonable and necessary and supported by adequate documentation justifying the need for the agreement. To prevent unnecessary additional costs, the MDC should review the propriety of including additional compensation in separation and release agreements and refrain from future arrangements similar to the agreement with the former Director. If providing additional compensation and/or benefits is necessary, the terms of the compensation and/or benefits should be clearly detailed in the agreement.

Recommendations

The MDC:

1.1 Discontinue the practice of providing compensatory time to the MDC director.

1.2 Reconsider the appropriateness and need for separation and release agreements in the future, and ensure such agreements are supported by justifiable and documented reasons and include clear and definite terms. Ensure additional compensation and benefit terms included in separation and release agreements are in the best interest of the MDC and taxpayers. The MDC should notify the MOSERS of the credited service awarded to the former Director after termination.

Auditee's Response

1.1 At the Conservation Commission's direction, in April 2017 the department undertook a review of all compensation and benefits, including paid leave. In October 2017, the Commission took steps to address compensatory time balance concerns, which will go into effect July 1, 2018. The existing COMPS leave category will be replaced with a new leave category for staff that will be expunged on an annual basis and will not be paid out upon termination or retirement.

1.2 The Commission believes that the separation and release agreement was appropriate, and the terms and conditions were in the department's best interest. The department provided all required information to MOSERS as with any other employment separation.

Auditor's Comment

1.2 The MDC notified the MOSERS when the former Director was taken off of the payroll, not when he terminated employment. Notifying the MOSERS of the 10 months of credited service awarded the former Director after termination is necessary to ensure any needed adjustments to his retirement benefit can be made.

2. Compensatory Time Policies

The MDC has not established limits on employee accruals for one type of compensatory time, resulting in an accumulated balance of approximately $2.4 million as of June 30, 2017. Also, the MDC grants compensatory time to top level supervisory and managerial staff, such as deputy directors and division chiefs, who are exempt from the FLSA.[3] These practices are inconsistent with policies of other state agencies, and appear unnecessary and/or are costly to the state.

According to MDC records, approximately 1,200 MDC employees had compensatory time balances totaling 116,500 hours valued at over $2.9 million as of June 30, 2017. The compensatory time balances of those employees averaged 98 hours, and ranged from less than 1 hour to 1,068 hours per employee. As shown in Table 2.1 below, only about $241,000 of the $2.9 million (8 percent) total compensatory time liability is required to be provided to employees under the FLSA, while the remaining $2.7 million (92 percent) is provided by the MDC over and above FLSA requirements. Compensatory time balances increased by 17 percent during the audit period, from approximately 99,800 hours as of June 30, 2015, to about 116,500 hours as of June 30, 2017. MDC officials indicated the increase is attributed to many factors including (1) expansion of chronic wasting disease testing, (2) increase in staff and/or staff hours allocated to wilderness firefighting in other states, (3) emergency maintenance and repair at MDC recreational areas and/or facilities, and (4) other unexpected natural disasters such as flooding.

Compensatory time policies

The MDC's Human Resources Policy provides three types of compensatory time to employees. The first type is provided to employees in non-exempt positions in accordance with the FLSA. The other two types of compensatory time are provided to employees in exempt and/or non-exempt positions, over and above the FLSA requirements. The three types of compensatory time include the following:

- Compensatory Non-Exempt time (COMPN) may be earned by all employees in non-exempt positions subject to the FLSA. COMPN is earned at a rate of 1.5 hours for every hour physically worked over 40 hours in a workweek. Employees may not accrue more than 240 hours of COMPN at any point in time as mandated by the FLSA.

- Compensatory Exempt time (COMPE) may be earned by employees in positions exempt from the FLSA. COMPE is earned at a rate of 0.5 hours for every hour physically worked over 40 hours in a workweek. Employees may not use more than 80 hours of COMPE in a calendar

[3] The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state, and local governments. MDC salaried employees occupy either non-exempt or exempt positions according to guidelines established under the FLSA, which depend on the nature of work performed. All hourly positions are considered non-exempt.

year, and employees must forfeit any COMPE balance remaining at December 31st of each calendar year.

- Compensatory Straight time (COMPS) may be earned by all employees, regardless of whether they are in non-exempt or exempt positions. COMPS is earned at a rate of 1 hour for every hour physically worked over the expected number of hours in a workweek containing a state holiday or other type of special leave (bereavement leave, jury duty, military duty, and special leave). For example, if an employee physically works 40 hours during a week containing a holiday, he/she would earn 8 hours of COMPS for the 8 hours worked in addition to the expected 32 hours. There is no limit on the amount of COMPS that can be earned or accrued.

The policy states exempt employees will not be paid for compensatory time earned at any time, including termination or retirement, except in unique circumstances, such as out-of-state firefighting. All exceptions require written justification by the division and approval by the director.

Below is a summary of the MDC employee compensatory time balances and related liabilities, by type, as of June 30, 2017.

Table 2.1: Compensatory time balances

	Number of Hours			
Type	Non-Exempt Employees	Exempt Employees	Total	Liability
COMPN	11,675	944[1]	12,619	$ 241,000
COMPE	-	10,818	10,818	298,000
COMPS	26,341	66,722	93,063	2,406,000
Total	38,016	78,484	116,500	$ 2,945,000

[1] Some employees in exempt positions as of June 30, 2017, earned COMPN hours while working in non-exempt positions; therefore, they have both COMPN and COMPE balances.

2.1 COMPS limits

The MDC has not established limits on the amount of COMPS that can be earned or accrued. By not limiting COMPS hours, the MDC has accrued a COMPS liability of approximately $2.4 million as of June 30, 2017, that comprises about 82 percent of the total compensatory time liability.

As noted in Table 2.1, about 93,000 hours were COMPS hours. Of these 93,000 hours, approximately 26,300 were accrued by employees in non-exempt positions. The MDC is liable for either paying these hours upon employee termination or providing these hours as leave time during employment. For the approximately 66,700 hours accrued by employees in exempt positions, MDC policy prohibits payment for the hours upon termination, but the MDC is still liable for any hours used as leave time during employment.

To determine the potential impact COMPS limits would have on compensatory time liabilities, we reviewed individual employee COMPS balances as of June 30, 2017. We noted 393 employees had COMPS balances exceeding 80 hours, and estimated the MDC liability for COMPS would be reduced to $1.1 million (a reduction of $1.3 million) if the COMPS accrual was limited to 80 hours per employee. We noted 88 employees had COMPS balances exceeding 240 hours and estimated the liability for COMPS would be reduced to $2 million (a reduction of $400,000) if the COMPS accrual was limited to 240 hours per employee.

We reviewed compensatory time policies at 6 randomly selected state agencies, including 3 merit[4] agencies and 3 non-merit agencies.[5] All 6 agencies have established policies that either limit compensatory time accruals or require any compensatory time not used to be forfeited at the end of the year for all or most employees. These policies help minimize the agencies' compensatory time liabilities. Without limiting compensatory time accruals, the MDC could experience increases to already significant liabilities, strains on financial resources, and/or difficulties sufficiently budgeting for future liabilities.

2.2 Top level exempt positions

Granting compensatory time to top level supervisory and managerial staff, such as deputy directors and division chiefs, appears unnecessary and costly.

Our review of individual employee compensatory balances as of June 30, 2017, noted the MDC employees with the highest total compensatory time balances included two deputy directors and a division chief. Together, these 3 exempt employees had compensatory time balances totaling over 3,000 hours, an average of about 1,000 hours per employee. A significant portion of the MDC's compensatory time liability could be reduced if compensatory time was not offered to top level employees who are exempt from the FLSA.

Section 13(a)(1) of the FLSA provides an exemption from overtime (compensatory) pay for employees who are employed in a bona fide executive, administrative, or professional capacity. State merit agencies are required to comply with 1 CSR 20-5.010(1)(C) which states, "Work authorized by an appointing authority for top level supervisory, managerial and administrative staff and for persons employed in a very responsible professional, technical or consultative capacity which causes the employee to

---

[4] The Missouri Merit System is a personnel system established by law that governs the appointment, promotion, transfer, layoff, removal, and discipline of employees of certain agencies.

[5] Merit agencies: Department of Natural Resources, Department of Health and Senior Services, and Department of Social Services. Non-merit agencies: Department of Higher Education, Department of Labor and Industrial Relations, and Department of Elementary and Secondary Education.

exceed forty (40) hours in pay status during a workweek, shall not be compensated except in unusual circumstances as determined by the appointing authority." While the MDC is not a merit agency subject to these requirements, it is unreasonable for the MDC to provide compensatory time to top level exempt employees when such compensation is not provided to most other state employees in similar positions.

Recommendations

The MDC:

2.1 Establish limits on accruals of COMPS.

2.2 Amend the compensatory time policy to disallow compensatory time to top level FLSA-exempt supervisory and managerial staff.

Auditee's Response

At the Conservation Commission's direction, in April 2017 the department undertook a review of all compensation and benefits, including paid leave. In October 2017, the Commission took steps to address compensatory time balance concerns, which will go into effect July 1, 2018. The existing COMPS leave category will be replaced with a new leave category for staff that will be expunged on an annual basis and will not be paid out upon termination or retirement.

3. Commission Flights

The MDC's practice of transporting commissioners and employees for commission-related business via airplane results in questionable and excessive expenses to taxpayers. Commission-related business includes flights for regularly scheduled commission meetings, legislative activities, training and networking events, speaking engagements, and other purposes. Transportation of commissioners and employees by car instead of plane would have resulted in significant cost savings.

As previously noted in Report No. 2015-003, *State Flight Operations*, issued in January 2015, the MDC does not ensure passenger flight services represent the most efficient method of travel and regularly flies commission members to commission meetings held across the state. During the 2 years ended June 30, 2017, MDC flight records show 36 one-way and/or round-trip flights for the purpose of transporting commissioners and/or employees to 18 commission meetings held across the state.

The MDC owns and operates 3 passenger planes (1 with a pressurized cabin) and a helicopter, all of which are located in Jefferson City. The pressurized passenger plane is shared with the Missouri Department of Transportation (MoDOT). The other aircrafts can be used for passenger transport but are primarily used for various purposes to further the MDC's mission, including deer telemetry, fire patrol, wildlife code enforcement, and other research and resource management purposes. Since the prior audit, the MDC has discontinued the practice of using charter flights for commission-related business.

Transporting commissioners who reside in various cities across the state requires the use of multiple flights to gather individual commissioners and/or employees for commission meetings. The four commissioners who served during the 2 years ended June 30, 2017, were from Jefferson City, Columbia, St. Louis, and Sikeston. During this period, the MDC held 11 commission meetings in Jefferson City or Columbia and 7 meetings in other locations, including Van Buren, Winona, West Plains, St. Charles, Ashburn, Hannibal, and Salem. The number of flights per meeting depended on the meeting location. There was at least one flight for each meeting, and an average of two flights per meeting. As previously noted in the *State Flight Operations* report, the state of Missouri has numerous state commissions and boards, but the MDC and the MoDOT were the only state agencies that regularly flew commissioners and employees to commission meetings and for other commission-related business. Commission members of other state commissions and boards typically receive motor vehicle mileage reimbursement to cover travel costs.

The MDC has not analyzed and compared the costs of transporting commissioners and employees for commission-related business via plane versus car. The MDC developed a trip optimizer form to evaluate the costs of various methods of travel, but does not require it to be used for travel by high ranking officials including commissioners, the director, or deputy directors. Using hourly flight operating rates calculated by the MDC at our request, we estimated and compared the cost of flying versus driving for several commission meetings. The MDC's hourly flight operating rates include direct and indirect costs such as fuel, repairs, pilot salary and benefits, insurance, training, and various other costs for each plane. In this analysis, which did not include personnel costs,[6] we noted the cost of driving (mileage reimbursement) was always significantly less than the cost of flying as shown by the following examples:

- In December 2015, the MDC flew a commissioner on the pressurized plane round-trip from Stuttgart, Arkansas to Jefferson City, Missouri. We estimate transportation by car would have cost approximately $300 and transportation by aircraft cost approximately $5,500, a difference of about $5,200. Also, there was no documentation supporting why a commissioner was transported from out of state.

[6] Our analysis did not include the cost of MDC employee time. MDC commissioners are not compensated.

- In June 2017, the MDC flew a commissioner on the pressurized plane one-way from Sikeston, Missouri to Chesterfield, Missouri to attend a commission meeting in St. Charles, Missouri. We estimate transportation by car would have cost approximately $50 and transportation by aircraft cost approximately $2,400, a difference of about $2,350.

- In July 2015, the MDC flew a deputy director on a non-pressurized plane round trip from Jefferson City, Missouri to Mountain View, Missouri to attend a commission meeting held in Van Buren, Missouri. We estimate transportation by car would have cost approximately $100 and transportation by aircraft cost approximately $800, a difference of about $700.

Although Article IV, Section 40(a), of the Missouri Constitution requires the MDC commissioners to receive necessary traveling expenses, it does not require they travel by aircraft. Operation of state-owned aircraft is governed by state policy (SP-8) with the purpose to "ensure aircraft under the control of the state of Missouri are utilized in the most efficient and effective manner in the conduct of state business." The state aircraft policy indicates the department should consider the following factors prior to authorizing the flight. The flight should be (1) a necessary and reasonable means to achieve the business purposes of the agency; (2) the most efficient manner of travel considering cost, value of staff time, security, and required timeliness of travel completion; and (3) tied directly to the achievement of a clear business objective. The MDC should evaluate these factors and the costs of travel by aircraft versus car to determine if travel by aircraft is reasonable and necessary.

Recommendation

The MDC reevaluate the necessity of providing state plane transportation to commissioners and personnel for commission-related business.

Auditee's Response

The department disagrees with the suggestion that use of aircraft for transportation is not cost effective. Conservation commissioners serve without compensation by providing thousands of hours of volunteer time attending meetings and representing all areas in the state. In addition to their volunteer duties as commissioners, these dedicated individuals are fully engaged in their own professions. The efficiency of travel by plane has enabled these commissioners to participate in Conservation business meetings, department events, and public meetings throughout the state.

The bulleted examples indicating "the cost of driving was always significantly less than the cost of flying" do not include the value of staff or Commission time. The example calculations only include mileage reimbursement and do not include the amount of time savings for either the Deputy Director or Commissioners.

Since fiscal year 2018, a trip optimizer has been used for all employee transportation flights including deputy directors and the director. The trip optimizer includes the salaries of the employee(s) being transported in the calculation, thereby including the value of staff time when doing a comparison. To date, the optimizer reflects over $12,000 in efficiencies when including the value of staff time. A similar analysis was done for fiscal year 2017 with $10,000 in efficiencies calculated.

4. Reemployed Retirees

As previously noted in Report No. 2014-021, *Reemployment of State Retirees*, issued in March 2014, the MDC does not have adequate procedures to ensure retirees reemployed part-time are being properly classified. As a result, some reemployed retirees may have been incorrectly classified as working in non-benefit eligible positions, and therefore, erroneously received their retirement payments while reemployed. During the 2 years ended June 30, 2017, according to MDC records, 34 reemployed retirees worked in part-time, non-benefit eligible MDC positions. Of these 34 retirees, 26 retired from the MDC and 8 retired from other agencies.

Various state laws require most state retirees reemployed in benefit-eligible positions normally requiring 1,040 or more hours per year to have their retirement payments suspended while reemployed.[7] According to MDC officials, for budgetary purposes the MDC defines work year as fiscal year. Determining compliance with the various state laws and evaluating whether part-time employees are properly classified can be difficult because the law is based on position requirements rather than actual hours worked. While a position may normally require less than 1,040 hours per year, there are reasons why a retiree may work 1,040 or more hours in a year, such as projects with expedited timelines, project extensions, employee illnesses, or delays in hiring replacements.

Retirees who worked more than 1,040 hours

Our review found 9 of the 34 retirees (26 percent) worked 1,040 or more hours during one or both fiscal years during the 2 years ended June 30, 2017 (fiscal year 2016 and/or fiscal year 2017). Of these 9 retirees, 6 retirees worked more than 10 percent over that threshold (1,144 hours or more), and worked between 1,186 and 1,384 hours in a fiscal year.

MDC officials indicated the department generally prohibits hiring retirees as full-time employees, and only hires retirees in part-time, non-benefit eligible positions. The MDC's salary administration policy states retirement benefit payments may be stopped if a MOSERS or MPERS retiree is rehired as an

[7] This does not include retirees of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System Closed Plan (MPERS), Judicial Closed Plan, and the Administrative Law Judges and Legal Advisors' Plan.

employee and works 1,000 hours or more. Therefore, these individuals must be limited to less than 1,000 hours of hourly employment. However, the MDC has not established centralized procedures to monitor for compliance with MDC policy or state law. MDC officials indicated because all reemployed retirees are hired in non-benefit eligible positions, there has been no demonstrated need for central office personnel to monitor actual hours worked for purposes of monitoring retirement benefits. The MDC delegates this responsibility to individual supervisors and instructs supervisors to monitor hours worked by retirees to ensure they do not consistently exceed annual limits.

Because the MDC delegates the monitoring responsibilities to supervisors and does not maintain records regarding the monitoring, MDC central office personnel were unable to explain why the 9 reemployed retirees were allowed to work more than 1,040 hours during fiscal year 2016 and/or fiscal year 2017.

Potential improper classification

Some of the 9 retirees may have been improperly classified and received retirement payments while reemployed, when not eligible to do so. We selected 3 of the 9 reemployed retirees (each worked more than 1,040 hours during both fiscal years 2016 and 2017), and talked to their immediate supervisors about their monitoring procedures. Each of the supervisors indicated they had monitored the employees' hours worked and they were aware the employees had worked more than 1,040 hours; however, they did not maintain documentation supporting their monitoring or the reasons the employees were allowed to work in excess of annual limits. The supervisors indicated these employees were in positions that typically require less than 1,040 hours per year, but unusual circumstances occurred each year that required them to work additional hours. These circumstances included special and/or urgent projects and employee vacancies.

MDC officials indicated annual hourly employment memorandums prepared by supervisors for each part-time employee, and signed by the employee and supervisor, serve as formal evaluations of positions and support the continued classification of positions as non-benefit eligible. However, for these 3 retirees, the hourly employment memorandums completed for fiscal year 2017, showed 2 retirees were in positions classified as "976 to 1,300 hours" and 1 retiree was in a position classified as "1,601 hours and above." Supervisors were not able to explain why the forms stated these employees were expected to work, or could work, more than 1,040 hours. Arrangements with reemployed retirees to work more than 1,040 hours, or that include ranges of hours that exceed 1,040 hours, appear to violate state law requiring retirees reemployed in positions normally requiring 1,040 or more hours annually to be classified as benefit eligible and for retirement payments to be suspended while employed.

Conclusion

When a retiree working in a non-benefit eligible position works 1,040 hours or more in a year, the MDC should determine whether (1) the employee has exceeded this limit due to short-term, unforeseen circumstances and should continue to be classified as non-benefit eligible, or (2) the position has effectively changed and should be reclassified as benefit eligible. MOSERS guidance distributed to all state agency human resource representatives in May 2014 states if a retiree returns to work in a position that is ongoing or permanent and normally requires the person to work 1,040 or more hours per year, the position should be reported as benefit-eligible and the MOSERS will stop the retiree's retirement benefit. The MDC needs to improve procedures regarding reemployment of retirees to reduce the risk of noncompliance with laws and to provide for fair and equitable treatment of retirees and state employees. Such procedures should require centralized monitoring of actual hours worked and documented evaluations of instances when retirees in non-eligible positions work more than 1,040 hours in a year.

Recommendation

The MDC establish procedures to ensure benefit eligibility classifications for reemployed retirees are proper. The MDC should perform a formal review of all existing employment arrangements with reemployed retirees. If it is determined a retiree has been incorrectly classified or the nature of a position has changed, the MDC should make corrections to ensure compliance with state laws, and consult with the MOSERS and/or the MPERS as appropriate.

Auditee's Response

As stated during our conversations with the State Auditor's Office, all retirees returning to work in hourly positions are classified as non-benefit eligible, and are expected to work less than 1,000 hours per year as specified in policy. The department will improve our communication and procedures regarding reemployment of retirees to ensure centralized monitoring of actual hours worked and clear documentation of rare instances when retirees are required to work more than 1,000 hours per year.

5. Travel Meals

Despite recommendations in our prior audit and an MDC internal audit, the MDC has not established limits for employee meal purchases while traveling as required by state travel regulations and executive order, and some meal costs exceeded the Office of Administration (OA) established per diem rates.

Employees pay for most travel expenses, including meals for themselves and other employees, with department-issued procurement cards. Receipt slips supporting each meal purchase are attached to monthly procurement card statements and reviewed by the employee's supervisor and Administrative Services division personnel prior to payment. Expenditures for employee meals while on travel status totaled about $915,000 during the 2 fiscal years ended June 30, 2017.

The MDC's travel policy states travel expenses should be reasonable and necessary and comply with current State of Missouri Travel Regulations; however, the policy does not include any dollar limits on meal purchases for employees on travel status. State travel regulation, 1 CSR 10-11.010(4), states, "Departmental regulations shall not grant expenses that are not allowed under the state of Missouri travel regulations or policies established by the commissioner of administration." The state travel policy (SP-6) issued by the OA establishes standard policies and limits for state employee meal purchases while on travel status. The policy allows agencies to (1) pay the statewide meal per diem established by the OA, (2) pay a meal per diem that is lower than the statewide meal per diem, or (3) reimburse the employee for the actual meal expenses incurred, not to exceed the statewide meal per diem. However, the MDC has not adopted any of these options, and allows employees to purchase meals without any limits.

Since the MDC pays actual meal expenses without limit, the MDC could pay more than allowed by the state travel policy for some meals. We reviewed 19 meal purchases made by employees on travel status. For 13 of the 19 meal purchases (68 percent), statewide per diem rates were exceeded by $1 to $8 per meal, with an average excess of about $4.

A 2015 MDC internal audit of in-state meal purchases recommended the MDC establish reasonable meal limits that are advisory in nature and would trigger additional supervisory review and approval when exceeded. The internal audit reviewed over 1,600 meals and determined average meal costs of $9.20 for breakfast, $10.61 for lunch, and $16.22 for dinner; and found the highest meal cost was about $39. The statewide per diem limits (except certain metropolitan areas) were $6, $10, and $18, for breakfast, lunch, and dinner, respectively. MDC officials indicated they considered, but did not implement, recommendations to set limits from our prior audit and the internal audit because they believe overall the MDC saves costs by paying actual meal costs versus paying statewide per diem rates. In addition to complying with state travel regulations and executive order, establishing meal limits would help further minimize these costs.

Executive Order No. 92-6 Section (1)(B) requires all state boards and commissions to maintain a policy governing travel rules and regulations equivalent to (or substantially equivalent to) rules established by the OA. Limits for meal expenses while traveling, such as state per diem rates, could help ensure such payments are reasonable, control costs, and ensure compliance with Executive Order No. 92-6. Without meal limits, there is an increased risk meal purchase amounts will continue to exceed maximums established by state travel regulations and employees and supervisors will have differing views on what is reasonable and necessary.

Recommendation

The MDC establish employee travel meal policies that are substantially equivalent to those for state agencies as required by Executive Order No. 92-6 and state travel regulations.

Auditee's Response

The department has reviewed the travel meal policies and in-state meal purchases. The review found the use of purchasing cards for meals results in significant cost savings for the department when compared to the state per-diem meal rate. The State Auditor's comparison did not consider rebates the department receives on the purchasing card, which would increase the savings. The department will continue to review in-state meal purchases to ensure continued savings through the use of the purchasing card.

Auditor's Comment

The MDC is not complying with Executive Order No. 92-6 Section (1)(B) or the State of Missouri Travel Regulations which require the MDC to set meal limits. Without limits, there is a risk that meal purchase amounts will continue to exceed maximums allowed by state travel regulations and may not be reasonable.

6. Real Estate Appraisal Services

The MDC does not have adequate controls and procedures to monitor payments for real estate appraisal services. Procedures do not provide for adequate verification or assurance amounts billed to the MDC for appraisal services comply with statewide contract pricing. The MDC spent about $80,700 for real estate appraisal services for the 2 fiscal years ended June 30, 2017.

For real estate purchases requiring an appraisal, the MDC obtains one or two appraisals for each property, depending on the estimated value of the property. MDC officials indicated they select appraisers by obtaining at least two price quotes from appraisers on state contracts. The state contracts include daily and hourly rates for appraisal services based on region, travel expenses, and legal testimony. The price quotes are informal, are not binding, and are not always documented.

For 7 of 8 (88 percent) real estate appraisal invoices reviewed, the MDC did not require the real estate appraisal companies to submit sufficiently detailed invoices to support amounts billed. While the state contracts provide the daily rates for appraisal services by region and hourly rates for travel costs, the invoices submitted by the real estate appraisal companies only showed a total cost and did not detail the number of hours or days the services were provided. Three real estate appraisal companies billed the MDC $17,500 for these 7 appraisals. We requested additional documentation from the MDC including original price quotes received; however, the MDC could provide no additional documentation.

Without adequately monitoring invoices and bills received from real estate appraisal companies, including obtaining sufficiently detailed invoices, the MDC lacks assurance amounts paid to appraisers are proper and comply with state contract pricing.

Recommendation

The MDC establish procedures to monitor real estate appraisal invoices for compliance with state contract rates and require appraisers to submit sufficiently detailed invoices of services provided, including number of days and/or hours worked and rates charged.

Auditee's Response

In January 2018, MDC implemented a practice of requiring appraisers to provide detailed invoices.

Department of Conservation
Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2017, the department owned 808,946 acres and leased or managed another 204,362 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. Commissioners serve without compensation for staggered 6-year terms.

Commission Members at June 30, 2017

Commissioner	Term Expires
James T. Blair, IV[1]	July 1, 2017
Marilynn J. Bradford	July 1, 2019
David W. Murphy	July 1, 2019
Don C. Bedell	July 1, 2021

[1]This position is vacant as of May 18, 2018.

The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by 3 deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource science, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer served as Director from November 2009 to July 15, 2016. Sara Parker Pauley was appointed Director effective November 1, 2016. At June 30, 2017, the department had 1,395 salaried employees and 517 hourly employees.

Appendix A

Missouri Department of Conservation
Conservation Commission Fund
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

		Year Ended June 30,	
		2017	2016
Receipts	$	192,354,605	189,189,411
Disbursements		178,024,957	172,058,665
Receipts Over (Under) Disbursements		14,329,648	17,130,746
Transfers In[1]		0	2,119
Transfers Out[2]		(16,046,919)	(15,555,976)
Receipts Over (Under) Disbursements and Transfers		(1,717,271)	1,576,889
Cash and Investments, July 1		68,725,856	67,148,967
Cash and Investments, June 30	$	67,008,585	68,725,856

[1] Transfers In include corrections to the Conservation Commission Fund balance.

[2] Transfers Out generally include payments for employee fringe benefits, workers' compensation, and reimbursements for settlement payments originally paid out of the Legal Expense Fund.

Appendix B

Missouri Department of Conservation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND						
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	$ 13,038,991	13,038,761	230	0	0	0
Department of Revenue - Personal Service	577,397	513,248	64,149	566,076	563,366	2,710
Department of Revenue - Expense and Equipment	8,277	2,131	6,146	8,277	4,621	3,656
State Auditor - Personal Service	45,743	45,705	38	44,846	44,846	0
State Auditor - Expense and Equipment	2,611	2,609	2	2,611	2,608	3
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	134,264	83,233	51,031	134,264	69,423	64,841
Office of Administration Information Technology Services Division - Expense and Equipment	33,198	26,559	6,639	33,198	33,198	0
Workers' Compensation - Tax Payments	71,744	71,744	0	73,000	72,992	8
Workers' Compensation - Benefits	1,200,000	858,023	341,977	1,200,000	735,708	464,292
Department of Revenue - Postage	1,343	1,343	0	1,343	1,343	0

Appendix B

Missouri Department of Conservation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	5,367,999	5,367,998	1	13,919,785	13,919,785	0
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	15,277,783	15,277,782	1	12,327,114	12,327,113	1
Office of Director - Personal Service	4,779,587	4,573,557	206,030	4,575,866	4,375,380	200,486
Office of Director - Expense and Equipment	13,532,988	11,678,766	1,854,222	11,739,113	11,734,721	4,392
Administrative Services Division - Personal Service	4,573,326	4,064,719	508,607	4,388,652	3,993,825	394,827
Administrative Services Division - Expense and Equipment	18,591,077	16,864,842	1,726,235	18,481,564	18,462,697	18,867
Design and Development Division - Personal Service	7,852,845	7,038,616	814,229	7,148,865	6,721,408	427,457
Design and Development Division - Expense and Equipment	2,421,911	2,193,273	228,638	2,971,911	2,742,726	229,185
Fisheries Division - Personal Service	7,535,766	7,125,112	410,654	7,088,005	6,920,128	167,877
Fisheries Division - Expense and Equipment	3,992,035	3,910,556	81,479	4,087,035	4,008,674	78,361
Forestry Division - Personal Service	9,404,052	8,867,580	536,472	8,899,658	8,466,099	433,559
Forestry Division - Expense and Equipment	5,833,605	5,503,443	330,162	5,721,105	5,569,559	151,546
Human Resources Division - Personal Service	13,475,401	12,077,316	1,398,085	13,706,744	12,424,169	1,282,575

Appendix B

Missouri Department of Conservation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
Human Resources Division - Expense and Equipment	1,111,456	1,078,067	33,389	1,051,456	1,049,724	1,732
Outreach and Education Division - Personal Service	7,680,906	7,299,608	381,298	7,189,340	7,073,808	115,532
Outreach and Education Division - Expense and Equipment	7,055,933	6,475,389	580,544	7,055,933	6,784,962	270,971
Private Land Services Division - Personal Service	3,839,130	3,837,782	1,348	3,734,443	3,563,449	170,994
Private Land Services Division - Expense and Equipment	4,463,877	4,298,206	165,671	4,100,752	4,100,751	1
Protection Division - Personal Service	10,694,600	9,929,626	764,974	10,141,680	9,816,776	324,904
Protection Division - Expense and Equipment	1,544,228	1,514,192	30,036	1,556,728	1,553,293	3,435
Resource Science Division - Personal Service	5,912,012	5,297,637	614,375	5,501,491	5,185,315	316,176
Resource Science Division - Expense and Equipment	2,909,337	2,255,242	654,095	2,715,555	2,570,541	145,014
Wildlife Division - Personal Service	9,231,951	8,905,046	326,905	8,945,048	8,755,989	189,059
Wildlife Division - Expense and Equipment	8,263,848	7,955,091	308,757	8,704,808	8,420,333	284,475
Total Conservation Commission Fund	190,459,221	178,032,802	12,426,419	177,816,266	172,069,330	5,746,936
Total All Funds	$ 190,459,221	178,032,802	12,426,419	177,816,266	172,069,330	5,746,936

Appendix C

Department of Conservation
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2017	2016	2015	2014	2013
Salaries and wages	$ 68,906,973	66,808,624	66,846,146	66,967,993	65,273,590
Benefits	10,948,671	11,390,539	11,498,357	11,293,882	10,691,037
Travel, in-state	1,762,885	1,529,854	1,414,979	1,396,283	1,306,141
Travel, out-of-state	298,639	309,745	241,956	256,707	274,754
Fuel and utilities	1,973,366	1,924,337	2,129,409	2,196,458	2,015,001
Supplies	21,042,880	21,575,809	22,075,333	22,838,591	21,380,399
Professional development	854,798	730,264	808,358	806,960	640,748
Communication services and supplies	2,011,971	2,071,635	1,944,899	1,793,946	1,726,689
Services:					
Professional	14,198,811	14,730,269	13,741,546	11,947,947	10,407,696
Housekeeping and janitorial	1,510,060	1,455,898	1,318,256	1,160,366	1,028,493
Maintenance and repair	4,317,943	3,802,906	3,959,329	3,181,003	3,219,034
Equipment:					
Computer	2,084,541	2,463,562	2,764,996	1,986,424	1,237,239
Motorized	5,449,090	6,293,891	6,870,601	6,587,289	5,484,212
Office	136,625	426,316	191,119	197,398	127,424
Other	1,127,408	2,218,775	3,242,848	2,607,127	1,975,452
Property and improvements	21,484,765	15,051,924	12,391,083	9,565,492	9,736,562
Building lease payments	735,848	623,183	478,607	452,666	451,643
Equipment rental and leases	1,627,523	1,618,724	1,461,944	1,763,541	1,838,413
Miscellaneous expenses	1,770,971	1,751,605	1,673,614	1,750,909	1,664,789
Refunds	945,116	1,343,382	636,971	242,579	212,763
Program distributions	14,843,918	13,948,088	12,232,035	9,990,228	9,420,109
Total Expenditures	$ 178,032,802	172,069,330	167,922,386	158,983,789	150,112,188