



HARRISON COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-72
September 3, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

May 2000

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Harrison, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Harrison County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- ▶ During 1997 and 1998, Prosecuting Attorney and Sheriff's fees totaling \$105,940 were collected and deposited to the General Revenue Fund. The audit questioned whether these amounts should have been paid to the schools as fines, given applicable court procedures and that the respective sections of law had been repealed effective July of 1997. The Court responded that this has now been addressed according to statutes and the County Commission responded that they would work with the schools to resolve this.

Also included in the audit are recommendations to improve bidding and budgetary procedures. The audit also suggested improvements to accounting controls of the Circuit Clerk, Sheriff and Public Administrator.

YELLOW SHEET

HARRISON COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of Harrison County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Harrison County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Harrison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Harrison County.

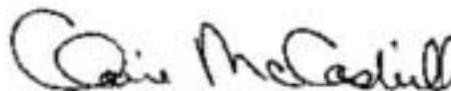
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Harrison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Harrison County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated March 30, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Harrison County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

March 30, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Harrison County, Missouri

We have audited the special-purpose financial statements of various funds of Harrison County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

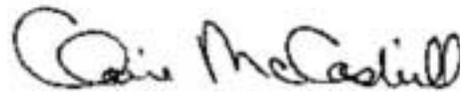
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Harrison County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Harrison County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Harrison County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

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

Claire McCaskill
State Auditor

March 30, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

HARRISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 240,801	826,179	942,438	124,542
Special Road and Bridge	1,448,752	1,678,633	1,170,358	1,957,027
Assessment	21,544	99,995	115,793	5,746
Law Enforcement Training	4,532	9,008	3,056	10,484
Prosecuting Attorney Training	4,219	2,141	380	5,980
Recorder's User Fees	3,968	4,691	6,445	2,214
Prosecuting Attorney Bad Check	9,327	12,473	10,957	10,843
Domestic Violence	0	465	465	0
Prosecuting Attorney Delinquent Tax	153	0	0	153
911	56,773	169,397	127,310	98,860
Lake Project	648,983	220,224	120,366	748,841
Crestview Nursing Home	280,349	133,552	88,806	325,095
Bond # 2	18,094	0	18,094	0
Crestview Addition	70,791	106,653	134,786	42,658
Special Poor	64,145	16,121	5,263	75,003
Lottie Wilson Trust	25,350	1,347	598	26,099
Local Emergency Planning Committee	5,918	2,808	1	8,725
Health Center	360,506	787,570	728,204	419,872
Law Library	4,567	4,055	23	8,599
Circuit Clerk's Interest	2,930	3,998	2,126	4,802
Total	\$ 3,271,702	4,079,310	3,475,469	3,875,543

The accompanying Notes to the Financial Statements are an integral part of this statement.

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 281,723	771,946	812,868	240,801
Special Road and Bridge	1,510,931	1,277,652	1,339,831	1,448,752
Assessment	22,723	90,676	91,855	21,544
Law Enforcement Training	1,412	5,410	2,290	4,532
Prosecuting Attorney Training	3,299	2,804	1,884	4,219
Recorder's User Fees	1,926	4,435	2,393	3,968
Prosecuting Attorney Bad Check	6,404	12,782	9,859	9,327
Domestic Violence	275	495	770	0
Prosecuting Attorney Delinquent Tax	680	82	609	153
911	32,376	164,494	140,097	56,773
Lake Project	560,091	218,509	129,617	648,983
Crestview Nursing Home	270,721	122,342	112,714	280,349
Bond # 2	17,202	892	0	18,094
Crestview Addition	395,928	95,074	420,211	70,791
Special Poor	67,413	3,378	6,646	64,145
Lottie Wilson Trust	24,742	1,299	691	25,350
Local Emergency Planning Committee	6,835	483	1,400	5,918
Health Center	405,766	828,155	873,415	360,506
Disaster	147	0	147	0
Law Library	2,164	2,425	22	4,567
Circuit Clerk's Interest	1,702	2,560	1,332	2,930
Associate Circuit Interest	11,306	7,283	18,589	0
Total	\$ 3,625,766	3,613,176	3,967,240	3,271,702

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 234,400	244,449	10,049	218,500	234,362	15,862
Sales taxes	185,100	189,279	4,179	170,000	185,138	15,138
Intergovernmental	58,355	58,699	344	30,500	53,531	23,031
Charges for services	222,500	242,572	20,072	212,000	219,630	7,630
Interest	15,000	13,613	-1,387	15,000	14,461	-539
Other	34,016	59,473	25,457	9,500	64,824	55,324
Transfers in	0	18,094	18,094	0	0	0
Total Receipts	749,371	826,179	#VALUE!	655,500	771,946	#VALUE!
DISBURSEMENTS						
County Commission	63,623	63,329	294	54,930	54,115	815
County Clerk	62,210	61,662	548	55,224	54,286	938
Elections	41,654	40,365	1,289	32,950	25,045	7,905
Buildings and grounds	98,748	95,382	3,366	72,776	66,391	6,385
Employee fringe benefits	35,000	34,545	455	34,000	30,102	3,898
County Treasurer and Ex Officio Collector	52,528	51,132	1,396	47,615	47,615	0
Ex Officio Recorder of Deeds	14,820	14,087	733	14,955	14,614	341
Associate Circuit Court	9,400	6,456	2,944	8,350	7,179	1,171
Court administration	14,364	11,630	2,734	14,524	7,319	7,205
Public Administrator	33,560	30,157	3,403	32,020	22,288	9,732
Sheriff	205,093	213,057	-7,964	173,712	170,793	2,919
Jail	33,800	33,030	770	27,205	14,892	12,313
Prosecuting Attorney	67,269	66,531	738	88,115	81,034	7,081
Juvenile Officer	43,318	42,476	842	46,097	40,555	5,542
County Coroner	12,940	10,442	2,498	9,802	7,620	2,182
Other	113,648	118,278	-4,630	131,663	124,209	7,454
Transfers out	0	29,795	-29,795	0	29,795	-29,795
Emergency Fund	33,000	20,084	12,916	30,000	15,016	14,984
Total Disbursements	934,975	942,438	-7,463	873,938	812,868	61,070
RECEIPTS OVER (UNDER) DISBURSEMENTS	-185,604	-116,259	#VALUE!	-218,438	-40,922	#VALUE!
CASH, JANUARY 1	240,801	240,801	0	281,723	281,723	0
CASH, DECEMBER 31	\$ 55,197	124,542	#VALUE!	63,285	240,801	#VALUE!

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 370,000	371,487	1,487	350,000	370,358	20,358
Intergovernmental	818,000	1,173,499	355,499	1,110,000	804,732	-305,268
Charges for services	20,000	22,984	2,984	17,000	18,967	1,967
Interest	60,000	85,807	25,807	60,000	79,109	19,109
Other	1,500	24,856	23,356	1,000	4,486	3,486
Total Receipts	<u>1,269,500</u>	<u>1,678,633</u>	<u>409,133</u>	<u>1,538,000</u>	<u>1,277,652</u>	<u>-260,348</u>
DISBURSEMENTS						
Salaries	153,664	160,233	-6,569	144,304	127,295	17,009
Employee fringe benefits	49,337	27,325	22,012	23,239	29,659	-6,420
Supplies	11,300	7,258	4,042	18,300	7,498	10,802
Insurance	0	0	0	25,000	0	25,000
Road and bridge materials	300,000	176,697	123,303	270,000	192,919	77,081
Equipment repairs	7,000	0	7,000	0	2,793	-2,793
Equipment purchases	100,000	93,394	6,606	100,000	40,690	59,310
Construction, repair, and maintenance	1,240,000	632,457	607,543	495,000	922,770	-427,770
Other	582,500	72,994	509,506	1,231,100	16,207	1,214,893
Transfers out	40,000	0	40,000	40,000	0	40,000
Total Disbursements	<u>2,483,801</u>	<u>1,170,358</u>	<u>1,313,443</u>	<u>2,346,943</u>	<u>1,339,831</u>	<u>1,007,112</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,214,301	508,275	1,722,576	-808,943	-62,179	746,764
CASH, JANUARY 1	1,448,752	1,448,752	0	1,510,931	1,510,931	0
CASH, DECEMBER 31	\$ <u>234,451</u>	<u>1,957,027</u>	<u>1,722,576</u>	<u>701,988</u>	<u>1,448,752</u>	<u>746,764</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSESSMENT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 100,831	97,492	-3,339	90,000	88,516	-1,484
Charges for services	7,900	1,085	-6,815	8,000	583	-7,417
Interest	1,500	1,418	-82	1,500	1,577	77
Total Receipts	<u>110,231</u>	<u>99,995</u>	<u>-10,236</u>	<u>99,500</u>	<u>90,676</u>	<u>-8,824</u>
DISBURSEMENTS						
Assessor	122,663	115,793	6,870	110,856	91,855	19,001
Total Disbursements	<u>122,663</u>	<u>115,793</u>	<u>6,870</u>	<u>110,856</u>	<u>91,855</u>	<u>19,001</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-12,432	-15,798	-3,366	-11,356	-1,179	10,177
CASH, JANUARY 1	21,544	21,544	0	22,723	22,723	0
CASH, DECEMBER 31	<u>\$ 9,112</u>	<u>5,746</u>	<u>-3,366</u>	<u>11,367</u>	<u>21,544</u>	<u>10,177</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRAINING FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	5,300	8,603	3,303	3,000	5,330	2,330
Interest		100	405	305	0	80	80
Total Receipts		5,400	9,008	3,608	3,000	5,410	2,410
DISBURSEMENTS							
Sheriff		6,500	3,056	3,444	3,600	2,290	1,310
Total Disbursements		6,500	3,056	3,444	3,600	2,290	1,310
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,100	5,952	7,052	-600	3,120	3,720
CASH, JANUARY 1		4,532	4,532	0	1,412	1,412	0
CASH, DECEMBER 31	\$	3,432	10,484	7,052	812	4,532	3,720

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 2,600	1,886	-714	2,500	2,613	113
Interest	200	255	55	0	191	191
Total Receipts	2,800	2,141	-659	2,500	2,804	304
DISBURSEMENTS						
Prosecuting Attorney	3,000	380	2,620	3,000	1,884	1,116
Total Disbursements	3,000	380	2,620	3,000	1,884	1,116
RECEIPTS OVER (UNDER) DISBURSEMENTS	-200	1,761	1,961	-500	920	1,420
CASH, JANUARY 1	4,219	4,219	0	3,299	3,299	0
CASH, DECEMBER 31	\$ 4,019	5,980	1,961	2,799	4,219	1,420

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEES FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,300	4,668	368	4,500	4,354	-146
Interest	100	23	-77	0	81	81
Total Receipts	4,400	4,691	291	4,500	4,435	-65
DISBURSEMENTS						
Recorder of Deeds	7,100	6,445	655	5,000	2,393	2,607
Total Disbursements	7,100	6,445	655	5,000	2,393	2,607
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,700	-1,754	946	-500	2,042	2,542
CASH, JANUARY 1	3,968	3,968	0	1,926	1,926	0
CASH, DECEMBER 31	\$ 1,268	2,214	946	1,426	3,968	2,542

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY BAD CHECK FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 12,400	11,924	-476	9,500	12,445	2,945
Interest	350	549	199	300	337	37
Total Receipts	12,750	12,473	-277	9,800	12,782	2,982
DISBURSEMENTS						
Salaries	4,846	5,752	-906	3,695	3,947	-252
Office expenditures	6,600	5,205	1,395	7,050	5,912	1,138
Total Disbursements	11,446	10,957	489	10,745	9,859	886
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,304	1,516	212	-945	2,923	3,868
CASH, JANUARY 1	9,327	9,327	0	6,404	6,404	0
CASH, DECEMBER 31	\$ 10,631	10,843	212	5,459	9,327	3,868

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 DOMESTIC VIOLENCE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 500	465	-35	500	495	-5
Total Receipts	500	465	-35	500	495	-5
DISBURSEMENTS						
Women's & children's shelter	500	465	35	500	770	-270
Total Disbursements	500	465	35	500	770	-270
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	-275	-275
CASH, JANUARY 1	0	0	0	275	275	0
CASH, DECEMBER 31	\$ 0	0	0	275	0	-275

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

HARRISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 100	0	-100
Total Receipts	100	0	-100
DISBURSEMENTS			
Prosecuting Attorney	100	0	100
Total Disbursements	100	0	100
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0
CASH, JANUARY 1	153	153	0
CASH, DECEMBER 31	\$ 153	153	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 911 FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 142,500	135,609	-6,891	133,000	132,838	-162
Interest	2,000	3,326	1,326	1,000	1,861	861
Other	0	667	667	0	0	0
Transfers in	0	29,795	29,795	0	29,795	29,795
Total Receipts	144,500	169,397	24,897	134,000	164,494	30,494
DISBURSEMENTS						
Salaries	85,947	81,304	4,643	73,091	74,425	-1,334
Equipment	27,000	6,234	20,766	52,600	26,575	26,025
Mapping	20,000	0	20,000	10,000	9,804	196
Utilities	60,000	38,800	21,200	60,000	29,094	30,906
Other	2,200	972	1,228	3,286	199	3,087
Total Disbursements	195,147	127,310	67,837	198,977	140,097	58,880
RECEIPTS OVER (UNDER) DISBURSEMENTS	-50,647	42,087	92,734	-64,977	24,397	89,374
CASH, JANUARY 1	56,773	56,773	0	32,376	32,376	0
CASH, DECEMBER 31	\$ 6,126	98,860	92,734	-32,601	56,773	89,374

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAKE PROJECT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales Taxes	\$ 185,000	184,460	-540	175,000	185,138	10,138
Intergovernmental	2,901	2,090	-811	2,901	2,901	0
Interest	30,099	33,674	3,575	25,000	30,470	5,470
Total Receipts	218,000	220,224	2,224	202,901	218,509	15,608
DISBURSEMENTS						
Debt Service - principal	45,000	45,000	0	77,000	45,000	32,000
- interest	61,000	57,247	3,753	29,000	60,670	-31,670
Maintenance	30,000	18,119	11,881	30,000	23,947	6,053
Total Disbursements	136,000	120,366	15,634	136,000	129,617	6,383
RECEIPTS OVER (UNDER) DISBURSEMENTS	82,000	99,858	17,858	66,901	88,892	21,991
CASH, JANUARY 1	648,983	648,983	0	560,091	560,091	0
CASH, DECEMBER 31	\$ 730,983	748,841	17,858	626,992	648,983	21,991

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CRESTVIEW NURSING HOME FUND

	Year Ended December 31,						
	1998			1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
RECEIPTS							
Interest	\$ 10,000	10,000	13,276	3,276	10,000	12,089	2,089
Other	110,253	110,253	120,276	10,023	120,276	110,253	-10,023
Total Receipts	120,253	120,253	133,552	13,299	130,276	122,342	-7,934
DISBURSEMENTS							
Debt Service - principal	24,283	24,283	24,283	0	20,337	20,337	0
- interest	57,785	57,785	57,785	0	54,892	54,892	0
Repairs and replacement	50,000	50,000	6,738	43,262	15,000	37,485	-22,485
Total Disbursements	132,068	132,068	88,806	43,262	90,229	112,714	-22,485
RECEIPTS OVER (UNDER) DISBURSEMENTS	-11,815	-11,815	44,746	56,561	40,047	9,628	-30,419
CASH, JANUARY 1	280,349	280,349	280,349	0	270,721	270,721	0
CASH, DECEMBER 31	\$ 268,534	\$ 268,534	\$ 325,095	\$ 56,561	\$ 310,768	\$ 280,349	\$ -30,419

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 BOND # 2 FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 800	0	-800	0	892	892
Total Receipts	800	0	-800	0	892	892
DISBURSEMENTS						
Transfers out	0	18,094	-18,094	0	0	0
Total Disbursements	0	18,094	-18,094	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	800	-18,094	-18,894	0	892	892
CASH, JANUARY 1	18,094	18,094	0	17,202	17,202	0
CASH, DECEMBER 31	\$ 18,894	0	-18,894	17,202	18,094	892

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CRESTVIEW ADDITION FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 3,500	1,547	-1,953	0	3,854	3,854
Other	90,000	105,106	15,106	93,600	91,220	-2,380
Total Receipts	93,500	106,653	13,153	93,600	95,074	1,474
DISBURSEMENTS						
Debt Service - principal	25,000	25,000	0	25,000	25,000	0
- interest	64,555	64,956	-401	68,600	69,038	-438
Construction	70,792	44,830	25,962	393,200	326,173	67,027
Total Disbursements	160,347	134,786	25,561	486,800	420,211	66,589
RECEIPTS OVER (UNDER) DISBURSEMENTS	-66,847	-28,133	38,714	-393,200	-325,137	68,063
CASH, JANUARY 1	70,791	70,791	0	395,928	395,928	0
CASH, DECEMBER 31	\$ 3,944	42,658	38,714	2,728	70,791	68,063

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL POOR FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 3,000	3,621	621	3,000	3,378	378
Other	5,000	12,500	7,500	5,000	0	-5,000
Total Receipts	8,000	16,121	8,121	8,000	3,378	-4,622
DISBURSEMENTS						
Assistance program	17,100	2,363	14,737	17,450	4,846	12,604
Children's Mercy	2,150	2,150	0	1,800	1,800	0
Local Transit	750	750	0	750	0	750
Total Disbursements	20,000	5,263	14,737	20,000	6,646	13,354
RECEIPTS OVER (UNDER) DISBURSEMENTS	-12,000	10,858	22,858	-12,000	-3,268	8,732
CASH, JANUARY 1	64,145	64,145	0	67,413	67,413	0
CASH, DECEMBER 31	\$ 52,145	75,003	22,858	55,413	64,145	8,732

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LOTTIE WILSON TRUST FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 1,200	1,347	147	1,200	1,299	99
Total Receipts	1,200	1,347	147	1,200	1,299	99
DISBURSEMENTS						
Assistance to indigent	3,000	598	2,402	3,000	691	2,309
Total Disbursements	3,000	598	2,402	3,000	691	2,309
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,800	749	2,549	-1,800	608	2,408
CASH, JANUARY 1	25,350	25,350	0	24,742	24,742	0
CASH, DECEMBER 31	\$ 23,550	26,099	2,549	22,942	25,350	2,408

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

HARRISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LOCAL EMERGENCY PLANNING COMMITTEE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 2,000	2,468	468
Interest	0	340	340
Total Receipts	2,000	2,808	808
DISBURSEMENTS			
Emergency Planning	1,725	1	1,724
Total Disbursements	1,725	1	1,724
RECEIPTS OVER (UNDER) DISBURSEMENTS	275	2,807	2,532
CASH, JANUARY 1	5,918	5,918	0
CASH, DECEMBER 31	\$ 6,193	8,725	2,532

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 95,000	103,731	8,731	95,000	94,863	-137
Intergovernmental	97,405	93,736	-3,669	88,000	96,814	8,814
Charges for services	607,875	563,291	-44,584	605,000	606,996	1,996
Interest	17,500	20,207	2,707	17,000	17,424	424
Other	12,150	6,605	-5,545	0	12,058	12,058
Total Receipts	829,930	787,570	-42,360	805,000	828,155	23,155
DISBURSEMENTS						
Salaries	527,382	506,426	20,956	547,275	527,029	20,246
Office expenditures	242,777	159,964	82,813	181,330	242,308	-60,978
Equipment	9,460	19,081	-9,621	26,598	9,386	17,212
Mileage and training	54,879	42,733	12,146	43,653	54,679	-11,026
Other	40,015	0	40,015	0	40,013	-40,013
Total Disbursements	874,513	728,204	146,309	798,856	873,415	-74,559
RECEIPTS OVER (UNDER) DISBURSEMENTS	-44,583	59,366	103,949	6,144	-45,260	-51,404
CASH, JANUARY 1	360,506	360,506	0	405,766	405,766	0
CASH, DECEMBER 31	\$ 315,923	419,872	103,949	411,910	360,506	-51,404

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

HARRISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CIRCUIT CLERK'S INTEREST FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 3,000	3,998	998
Total Receipts	3,000	3,998	998
DISBURSEMENTS			
Circuit Clerk	5,500	2,126	3,374
Total Disbursements	5,500	2,126	3,374
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,500	1,872	4,372
CASH, JANUARY 1	2,930	2,930	0
CASH, DECEMBER 31	\$ 430	4,802	4,372

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

HARRISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Harrison County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Local Emergency Planning Committee Fund	1997
Disaster Fund	1997
Law Library Fund	1998 and 1997
Circuit Clerk's Interest Fund	1997
Associate Circuit Interest Fund	1997

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	1998
Domestic Violence Fund	1997
Crestview Nursing Home Fund	1997
Bond #2 Fund	1998
Health Center Fund	1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Although Section 50.740, RSMo 1994, requires a balanced budget, a deficit balance was budgeted in the 911 Fund for the year ended December 31, 1997.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Health Center Fund	1998
Law Library Fund	1998 and 1997
Circuit Clerk's Interest Fund	1998 and 1997
Associate Circuit Interest Fund	1997

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial

institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by commercial insurance provided through a surety bond or by collateral securities held by an agent of the county in the county's name.

The Health Center Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by collateral securities held by an agent of the Health Center Board.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$131,547 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$54,922. As of December 31, 1998, \$26,002 remains to be paid.

Supplementary Schedule

Schedule

HARRISON COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
10.1	Direct Program - Conservation Reserve Program (CRP)	N/A	\$ 2,090	2,901
	Passed through state:			
	Department of Health - Special Supplemental Nutrition Program for			
10.6	Women, Infants, and Children	ERO045-7140	24,176	26,514
U.S. DEPARTMENT OF DEFENSE				
	Passed through state:			
	Office of Administration -			
12.1	Payments to States in Lieu of Real Estate Taxes	N/A	5,651	5,344
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and Transportation Commission - Off-System Bridge Replacement and Rehabilitation			
20.2	Program	BRO 041 (15)	0	13,256
		BRO 041 (16)	78,873	126,144
		BRO 041 (17)	8,611	150,413
		BRO 041 (19)	10,557	5,533
		BRO 041 (20)	11,434	3,151
		BRO 041 (21)	67	9,801
	Program Total		<u>109,542</u>	<u>308,298</u>
GENERAL SERVICES ADMINISTRATION				
	Passed through state Office of Administration -			
39.0	Donation of Federal Surplus Personal Property	N/A	8,436	2,821
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state:			
93.3	Department of Health - Immunization Grants	PG0064-9140IAP	5,615	5,335
	Department of Health - Child Care and Development Block Grant			
93.6	Maternal and Child Health Services	ERO146-9140	1,399	740
94.0	Block Grant to the States	ERO146-7140	13,642	16,441
	Total Expenditures of Federal Awards		<u>\$ 170,551</u>	<u>368,394</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

HARRISON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Harrison County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Harrison County, Missouri

Compliance

We have audited the compliance of Harrison County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

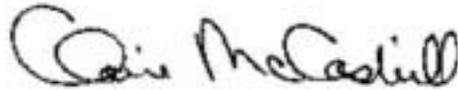
In our opinion, Harrison County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 1998 and 1997.

Internal Control Over Compliance

The management of Harrison County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Harrison County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

March 30, 1999 (fieldwork completion date)

Schedule

HARRISON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 and 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? yes X no

Reportable conditions identified that are not considered to be material weakness? yes X none reported

Noncompliance material to the financial statements noted? yes X no

Federal Awards

Internal control over major program:

Material weakness identified? yes X no

Reportable condition identified that is not considered to be a material weakness? yes X none reported

Type of auditor's report issued on compliance for major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? yes X no

Identification of major program:

CFDA or Other Identifying <u>Number</u>	<u>Program Title</u>
20.205	Off-System Bridge Replacement and Rehabilitation Program

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

HARRISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

HARRISON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

HARRISON COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Harrison County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 30, 1999. We also have audited the compliance of Harrison County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 30, 1999.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Harrison County but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting that is required for audits performed in accordance with *Government Auditing Standards*.

1.**Budgets and Published Financial Statements**

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 1998 and 1997.

Chapter 50, RSMo 1994, requires preparation of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing budgets or obtaining budgets for all county funds, the County Commission would be able to more effectively evaluate all county resources.

- B. For the year ended December 31, 1997, budgeted expenditures in the 911 Fund exceeded budgeted revenues plus beginning balances resulting in a budgeted deficit of \$32,601.

Article VI, Section 26(a) of the Missouri Constitution prohibits deficit budgeting and Section 50.740, RSMo 1994 requires a balanced budget.

- C. Warrants were issued in excess of approved budgeted expenditures in the following funds during the two years ended December 31, 1998:

Fund	Year Ended December 31,	
	1998	1997
General Revenue	\$ 7,463	N/A
Domestic Violence	N/A	270
Crestview NH	N/A	22,485
Bond #2	18,094	N/A
Health Center	N/A	74,559

It was ruled in State Ex. Rel. Strong v. Cribb, 364 Mo.1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials.

If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo Cumulative Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

- D. The approved budget documents did not adequately project the anticipated disbursements of the Special Road and Bridge Fund for the two years ended December 31, 1998, as follows:

Year Ended <u>December 31</u>	<u>Disbursements</u>	
	<u>Budget</u>	<u>Actual</u>
1998	\$ 2,483,801	1,170,358
1997	2,346,943	1,339,831

The County Commission indicated that they have tried to budget to allow for unanticipated emergencies.

Overestimating disbursements results in an unreasonable anticipated ending cash balance and the loss of the use of the budget as a management planning tool and as a control over disbursements.

For the budget documents to be of maximum assistance to the County Commission and to adequately inform county residents of the county's operations and current financial position, the budgets should accurately reflect resources on hand, reasonable estimates of receipts and disbursements, and the anticipated ending cash balances.

- E. The annual published financial statements of the county did not include the financial activity of some county funds as required. Section 50.800, RSMo 1994, provides that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Conditions A, C, D, and E were noted in our prior report.

WE RECOMMEND the County Commission:

- A. Ensure budgets are prepared or obtained for all county funds.
- B. Refrain from approving budgeted expenditures in excess of available monies.
- C. And the Health Center Board not authorize warrants in excess of budgeted expenditures.
- D. Estimate disbursements more reasonably.
- E. And the Health Center Board ensure financial information for all county funds is properly reported in the annual published financial statements.

AUDITEE'S RESPONSE

The County Commission responded that:

A-E. *These will be done.*
The Health Center responded that:

C. *We concur. Budgets will be amended as required.*

E. *There was a financial statement printed; however, it was not the correct form. We will ensure the financial statement is correctly published in the future.*

2. Expenditures

During our review of expenditures the following concerns were noted:

A. Some bids were not advertised by the county. Examples of the items purchased without advertisement are as follows:

<u>Item</u>	<u>Amount</u>
Bridge steel	\$12,928
Crawler dozer	38,000
Bridge repairs	7,297
Bridge pilings	12,446
Used truck and trailer	8,750

Section 50.660, RSMo Cumulative Supp. 1998, requires advertisement of bids for all purchases of \$4,500 or more.

Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all parties are given an equal opportunity to participate in county business. Documentation of bids should always be retained as evidence that the county's established purchasing procedures as well as statutory requirements are followed.

B. The County Commission approved some payments to vendors, including payments for gravel delivered to townships, without requiring acknowledgment of receipt of goods or services. As a result, the county does not always have adequate assurance it is paying for actual goods and services received.

To ensure the validity and propriety of expenditures, adequate supporting documentation, including acknowledgment that the specific goods and/or services were in fact received, should be maintained for all payments to vendors.

WE RECOMMEND the County Commission :

- A. Ensure that bids are advertised in accordance with statutes.
- B. Require acknowledgment of receipt of goods and/or services prior to payment.

AUDITEE'S RESPONSE

The County Commission responded that:

- A. *Bids will be advertised when necessary.*
- B. *This has been implemented.*

3.

Property Tax Books and Controls

Our review of the county's property tax system noted the following concerns:

- A. The County Clerk does not maintain an account book with the Ex Officio County Collector (EOC).

An account book would summarize all taxes charged to the EOC, monthly collections, delinquent credits, abatements and additions, and protested amounts and would enable the County Clerk and the County Commission to ensure the amount of taxes charged and credited to the EOC each year is complete and accurate.

- B. Court orders for additions and abatements are prepared by the County Clerk and approved by the County Commission once a year.

The timely approval of additions and abatements provides greater assurance that all adjustments to the tax books are proper.

Condition A was noted in our prior report.

WE RECOMMEND:

- A. The County Clerk establish and maintain an account book of the EOC's transactions and use the account book to verify the EOC's annual settlements.
- B. The County Commission review and approve all additions and abatements on a more timely basis.

AUDITEE'S RESPONSE

- A. *I will maintain a tax book with the EOC.*
- B. *This will be done.*

4. Circuit Clerk and Ex Officio Recorder of Deeds Accounting Procedures

The associate and probate divisions were consolidated with the circuit division on August 1, 1997. During our review of the Circuit Clerk and Ex Officio Recorder of Deeds' accounting procedures the following concerns were noted:

- A. Numerous sets of manual receipt slips were in use simultaneously. We noted the following concerns during our review of these receipts:
 - 1) The manual receipts issued for traffic monies received were not prenumbered. To adequately account for all monies received, prenumbered receipt slips should be issued for all monies received.
 - 2) The manual receipts issued for installment payments were not always issued in order. To adequately account for all receipts, procedures should be established to ensure receipt slips are issued in order and to account for the numerical sequence of all receipt slips.
 - 3) Mode of payment is not always indicated on receipt slips issued and procedures were not established to reconcile amounts received to deposits. As a result of these deficiencies, \$440 received on June 24, 1998, was not deposited or posted to case files until September 9, 1998, when it was discovered in the vault. To ensure all collections are properly deposited into the bank account, the mode of payment should be recorded on all receipt slips, and the composition of the receipt slips should be reconciled to the composition of the bank deposits.
- B. Accounting duties are not adequately segregated. One clerk is primarily responsible for preparing checks and deposit slips, preparing bank reconciliations, and maintaining the accounting records.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- C. Fees were not always charged in accordance with statute. During the two years ended December 31, 1998, unauthorized Prosecuting Attorney and Sheriff's fees totaling \$105,940 were collected and deposited in the General Revenue Fund.

Through September 1998, a Prosecuting Attorney fee of twenty-five percent of the bond amount and a Sheriff's fee of \$8 were deducted from all bonds posted at the weigh station. According to the court, these fees were based upon Sections 56.310 and 57.300, RSMo 1994. The circuit deemed these bonds as forfeited unless the defendant appeared in court. However, when the defendant posted the bond, he was required to sign a form which stated that the bond would be disbursed as if the person had been found guilty of the charge unless the defendant appeared in court. This appears to be an application of the bond instead of a forfeiture. These Prosecuting Attorney and Sheriff fees, along with court costs, were deducted from the posted bond and any remaining funds were treated as fines. While these fees were deducted before the fine amounts were calculated, there is no apparent statutory authority allowing this and it appears the circuit court should have paid these monies to schools as fines. Additionally these sections of law were repealed effective July 1, 1997.

- D. The Circuit Clerk has not determined the interest earned on the child support account attributable to the state IV-D Program since the account became interest-bearing. Through December 31, 1998, the total amount of interest earned on the child support account, was \$2,373.

Section 13 CSR 30-3.010 (5)(f) of the Code of State Regulations requires that when a child support account earns interest, the portion attributable to state IV-D child support monies is to be remitted monthly to the state. To comply with the state requirements, the Circuit Clerk should determine and disburse the portion of IV-D interest to the state on a monthly basis.

- E. Various financial records could not be located. The Circuit Clerk and Ex Officio Recorder of Deeds could not locate bank statements and canceled checks for various months, as well as duplicate copies of invoices, and one case file. Proper record retention is necessary to ensure the validity of transactions and provide an audit trail.
- F. During our review of expenditures from the Circuit Clerk's Interest Fund we noted some expenditures were not advertised for bid in accordance with state laws. Examples of expenditures which were not advertised for bid were the purchase of computer equipment for \$5,938 and remodeling expenses in the amount of \$10,305.

Section 50.660, RSMo Cumulative Supp. 1998, requires the advertisement for bids for all purchases of \$4,500 or more from any one person, firm, or corporation during any period of ninety days.

WE RECOMMEND the Circuit Clerk and Ex Officio Recorder of Deeds:

- A.1. Ensure that prenumbered receipt slips are issued for all monies received.
2. Issue receipt slips in numerical order and ensure that procedures are established to account for the numerical sequence of all receipt slips.
3. Ensure that the mode of payment is recorded on all receipt slips and that the composition of the receipt slips is reconciled to the composition of the bank deposits. Procedures should also be established to ensure that all receipts are promptly posted to a corresponding case file.
- B. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- C. Review this situation with the Circuit Judge and ensure that any fees collected in error are correctly disbursed.
- D. Determine and disburse the portion of IV-D interest due to the state on a monthly basis.
- E. Exercise greater care in the retention of records.
- F. Advertise bids in accordance with state statutes.

AUDITEE'S RESPONSE

- A.1.
 - &2. *This has been implemented.*
 3. *This procedure has been implemented.*
- B. *This is being implemented with cross training and periodic supervisory reviews.*
- C. *This matter has been addressed according to Statutes.*
- D. *This has been implemented.*
- E. *Steps have been taken to ensure safekeeping of all records.*
- F. *Bids will be advertised according to statutes.*

The County Commission responded:

- C. *This appears to have been a gross oversight on somebody's part. We will work with the schools to resolve this.*

5.**Sheriff's Records and Procedures**

A. During our review of seized property, we noted the following concerns:

- 1) The Sheriff's Office maintains a listing of seized property within each case file; however, a complete centralized listing of all seized property in the custody of the Sheriff's department is not maintained.

A centralized detailed listing of all seized property in the custody of the Sheriff should be maintained. The listing should include applicable information such as case name and number, persons involved, the date the property was seized, a description of the property, current location of the property, the date the property was released or disposed of, and the method of disposal, if applicable.

- 2) The Sheriff stores several old guns that do not have any tags identifying the case number or the original owner. According to the Sheriff, these guns were not tagged when he came into office January 1, 1997. The owners of the untagged property cannot be identified nor can the seized property be identified to a specific case.

Section 542.301(5), RSMo Cumulative Supp. 1998, states seized property may be ordered sold or destroyed by a judge if not claimed within one year from the date of seizure. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft, and the related potential liability of the county for such possible improper access or use.

B. The Sheriff's department houses prisoners for other counties and cities in the county jail and bills and collects amounts for these services from the various entities. Our review of these services indicated the following areas where improvements are needed:

- 1) The Sheriff does not maintain a log of amounts billed to or collected from the various entities. In addition an independent reconciliation of the Sheriff's billing records and payments received by the County Treasurer is not performed.

The Sheriff should maintain a log of amounts billed to and collected from the various entities. Also, an independent reconciliation of the Sheriff's billing records and payments received by the County Treasurer should be performed.

2) No written agreements exist with these various entities for these services. Section 432.070, RSMo 1994, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents. Conditions A.1. and B. were noted in our prior report.

WE RECOMMEND the Sheriff:

- A.1. Maintain a centralized detail listing of all seized property received including information such as a description, persons involved, current location, case number, and disposition of such property. Additionally, all items should be tagged with a description, case name, and an inventory control number.
- 2. Make timely and appropriate dispositions of seized property.
- B.1. Maintain a log of amounts billed to the various entities for board of prisoners. In addition, an independent reconciliation of the Sheriff's billing records and the payments received by the County Treasurer should be performed.
- 2. Obtain written agreements for boarding prisoners from the various entities.

AUDITEE'S RESPONSE

- A.1. *This is currently being done.*
- 2. *We will obtain a court order and dispose of these items.*
- B. *This has been implemented.*

6. Public Administrator

The Public Administrator acts as the court appointed personal representative for approximately 39 wards of the Probate Court. Our review of the Public Administrator's records revealed the following concerns:

- A. The Public Administrator pays attorneys from the funds of the various estates to provide various services, including the filing of all of her annual settlements. We noted several attorneys did not file invoices to support their requests for fees. As a result, we were unable to determine whether such payments were reasonable or necessary.

Section 473.543, RSMo Cumulative Supp. 1998, requires the public administrator to have supporting documentation for all disbursements. Invoices should be submitted that describe the services provided, the date they were performed, and the number of

hours worked. Without such documentation, it is difficult to assess the reasonableness of costs charged to and paid by clients of the Public Administrator.

- B. Real estate owned by the various estate/wards was not accounted for on the settlements. For settlements to accurately present the activity and status of a particular case, all assets should be properly reflected on the settlements.
- C. Some annual settlements were not filed timely. We noted three settlements due April 1995, December 1996, and February 1997, where not filed until July 1997, December 1997, and May 1998, respectively. Section 473.540, RSMo 1994, requires settlements to be filed annually.

Failure to file settlements on a timely basis increases the risk that errors or misuse of funds could go undetected.

Conditions A, B, and C were noted in our prior audit report.

WE AGAIN RECOMMEND the Public Administrator:

- A. Obtain supporting documentation for all disbursements made on behalf of the estates.
- B. List any real estate as assets on the settlements.
- C. File annual settlements on a timely basis.

AUDITEE'S RESPONSE

A. *This will be done.*

B&C. *These have been implemented.*

This report is intended for the information of the management of Harrison County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

HARRISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Harrison County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1996. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Budgetary Practices

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 1996 and 1995.
- B. Warrants were issued in excess of approved budgeted expenditures for various funds during the two years ended December 31, 1996.
- C. The approved budget documents did not adequately project the anticipated disbursements of the Special Road and Bridge Fund for the two years ended December 31, 1996.
- D. The annual published financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

- A. Ensure budgets are prepared or obtained for all county funds.
- B. Not authorize warrants in excess of budgeted expenditures.
- C. Estimate disbursements as realistically as possible.
- D. Ensure financial information for all county funds is properly reported in the annual published financial statements.

Status:

A, B,
C&D. Not implemented. See MAR No. 1.

2. County Courthouse Office Space

- A. The Prosecuting Attorney did not pay anything to the county for an office in the courthouse which was used for both county business and her private practice.

- B. The license bureau rented office space in the courthouse for \$50 a month. This amount had not been reevaluated for many years.

Recommendation:

The County Commission:

- A. Evaluate the fair value and the propriety of providing office space for the Prosecuting Attorney's private practice.
- B. Reevaluate the fair value of office space versus the rental amount received from the license bureau.

Status:

- A. Not implemented. However, this is no longer a concern as the current Prosecuting Attorney does not have a private practice office in the courthouse.
- B. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.

3. General Fixed Asset Records and Procedures

- A. Additions and deletions had not been consistently recorded in the general fixed asset records and were not reconciled to equipment expenditures.
- B. Property records were not maintained in a manner that allowed beginning balances, additions, and deletions for each year to be reconciled to balances at the end of each year.
- C. Statutorily required information regarding date and source of acquisition by fund, date and method of disposition, and historical cost information was not recorded for most general fixed asset items.
- D. County asset items were not all numbered, tagged or otherwise identified as county property.
- E. Documentation of an annual inventory of all general fixed assets was not maintained.

Recommendation:

The County Clerk:

- A. Maintain general fixed asset records on a current basis to reflect all additions and deletions as they occur, and periodically reconcile additions of assets to expenditures for equipment to ensure additions are properly recorded.
- B. Maintain general fixed asset records in a manner that beginning balances, additions, and deletions can be reconciled to year-end balances.

- C. Record all required information in the general fixed asset records and keep the record on a current basis.
- D. Identify all general fixed asset items with an original cost of \$250 or more with a number, tag, or similar device.
- E. Document annual inventories of county-owned property in accordance with Section 51.155, RSMo Cumm. Supp. 1996.

Status:

A,B,C,

D&E Not implemented. Although not repeated in the current report, our recommendations remain as stated above.

4. Property Tax System

The County Clerk did not maintain an account book with the Ex Officio County Collector (EOC) in accordance with state law.

Recommendation:

The County Clerk establish and maintain an account book of the EOC's transactions and the County Commission make use of the account book to verify the EOC's annual settlements.

Status:

Not implemented. See MAR No. 3.

5. Special Poor Fund

The Special Poor Fund had a large cash balance and no documentation was available to show that the county had made the necessary efforts to effectively distribute these monies to the poor and needy of the county.

Recommendation:

The County Commission make a greater effort to disburse the accumulated monies in the Special Poor Fund in accordance with the stated wishes of the donating trust fund.

Status:

Not implemented. Although not repeated in the current report, our recommendation remains as stated above.

6. Telephone Commissions

The former Sheriff indicated that telephone commissions had been used to purchase personal items for the prisoners and office equipment for the jail; however, no documentation was retained to support these disbursements. The County Commission indicated that they had reviewed the equipment at the jail and were sure it was not purchased with county funds.

Recommendation:

The County Commission require the former Sheriff to provide documentation of how the monies were spent.

Status:

Partially implemented. The County Commission obtained a letter from the former Sheriff which estimated expenditures from telephone commissions; however, no supporting documentation was provided for these expenditures. Although not repeated in the current report, our recommendation remains as stated above.

7. Sheriff's Records and Procedures

- A. Receipts for bonds collected at the weigh station were not deposited on a timely basis.
- B. Receipts were not always deposited intact.
- C. A complete centralized listing of all seized property in the custody of the Sheriff's department was not maintained.
- D. The Sheriff's department housed prisoners for other counties and cities however, he did not maintain a log of amounts billed to or collected from the various entities or maintain written agreements with these various entities for these services.
- E. Time sheets prepared did not always reflect actual time worked.

Recommendation:

The Sheriff:

- A. Require deposits be made daily or when accumulated receipts exceed \$100.
- B. Ensure all receipts are deposited intact.
- C. Maintain a centralized listing of all seized property held in his custody and make timely and appropriate dispositions of seized property.
- D.1. Maintain a log of amounts billed to the various entities for board of prisoners, follow up on any unpaid bills on a timely basis, and instruct the various entities to send their payments directly to the County Treasurer. In addition, an independent reconciliation of the Sheriff's billing records and the payments received by the County Treasurer should be performed.

2. Obtain written agreements for boarding prisoners from the various entities.
- E. Require all employees report actual time worked on their monthly time sheets and determine the overtime requirements for employees who work for the county in more than one job position.

Status:

A, B,
& E. Implemented.

C, D.1,
& 2. Not implemented. See MAR No. 5.

8. Public Administrator

- A. Several attorneys used by the Public Administrator to provide various services did not file invoices to support their requests for fees.
- B. Real estate and burial policies owned by the various estate/wards were not accounted for on the settlements.
- C. There were several instances where the Public Administrator did not file a settlement annually.

Recommendation:

The Public Administrator:

- A. Obtain supporting documentation for all disbursements made on behalf of the estates.
- B. List any real estate and burial policies as assets on the settlements.
- C. File annual settlements on a timely basis.

Status:

A, B,
& C. Not implemented. See MAR No. 6.

STATISTICAL SECTION

History, Organization, and
Statistical Information

HARRISON COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1845, the county of Harrison was named after Albert G. Harrison, a member of the U.S. Congress. Harrison County is a township-organized, third-class county and is part of the 3rd Judicial Circuit. The county seat is Bethany.

Harrison County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Harrison County received its money in 1998, and 1997 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 244,449	10	234,362	11
Sales taxes	560,766	22	555,496	27
Federal and state aid	1,232,198	49	858,263	42
Fees, interest, and other	467,399	19	401,477	20
Total	\$ 2,504,812	100	2,049,598	100

The following chart shows how Harrison County spent monies in 1998, and 1997 from the General Revenue and Special Road and Bridge Funds:

USE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 576,902	27	497,974	23
Public safety	365,536	17	314,894	15
Highways and roads	1,170,358	56	1,339,831	62
Total	\$ 2,112,796	100	2,152,699	100

The county has approximately 200 county bridges and 681 miles of county roads which are maintained by the various townships.

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The county's population was 10,257 in 1970 and 8,469 in 1990. The following chart shows the

county's change in assessed valuation since 1970:

	Year Ended December 31,					
	1998	1997	1996	1985*	1980**	1970**
	(in millions)					
Real estate	\$ 45.3	45.0	39.6	48.3	26.9	21.4
Personal property	18.1	17.3	16.8	14.9	10.1	7.1
Railroad and utilities	5.7	5.7	5.9	3.6	4.5	5.8
Total	\$ 69.1	68.0	62.3	66.8	41.5	34.3

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Harrison County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,	
	1998	1997
General Revenue Fund	\$ 0.35	0.35
Health Center Fund	0.14	0.14

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for the county and most other local governments (except cities). Taxes collected were distributed as follows:

	Year Ended February 28,	
	1998	1997
State of Missouri	\$ 21,552	20,837
General Revenue Fund	254,701	246,650
Assessment Fund	43,292	44,421
Health Center Fund	98,744	95,437
Schools	2,702,995	2,540,609
Fire districts	48,311	46,529
Townships	497,022	483,160
Ambulance Districts	238,228	232,430
Hospital District	339,956	328,530
Watershed District	44,529	27,469
City Tax Increment	21,581	30,440
Brush Removal	479	250
Cities	35,576	36,446
County Employees' Retirement	16,117	15,371
Commissions and fees:		
Township Collectors	45,041	44,207
General Revenue Fund	32,255	31,278
Total	\$ 4,440,379	4,224,064

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Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	1999	1998
Real estate	94.1 %	95.6 %

Personal property	94.4	94.9
Railroad and utilities	100.0	100.0

Harrison County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ 0.0025	None	None
Special Road & Bridge	0.0050	2000	None
Lake Project	0.0025	2018	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	1999	1998	1997
County-Paid Officials:			
Kenneth Rucker, Presiding Commissioner	\$	20,241	16,820
Lyle Foster, Associate Commissioner		20,241	16,820
Mick Parkhurst, Associate Commissioner		20,241	16,820
Barbara Gates, County Clerk		32,040	28,990
R. Cristine Stallings, Prosecuting Attorney		37,901	33,079
Richard Stratton, Sheriff		36,321	32,154
Carl W. (Bill) Slaughter, County Coroner		9,500	5,961
Carol Provance, Public Administrator *		27,027	19,953
Julia Alexander Harris, Treasurer and Ex Officio County Collector, year ended March 31,	32,178	32,178	
Gene Buis, County Assessor **, year ended August 31,		35,373	26,800

* Includes fees received from probate cases.

** Includes \$900 annual compensation received from the state.

State-Paid Officials:

Laura Depriest, Circuit Clerk and Ex Officio Recorder of Deeds	42,183	40,176
Richard Parker, Associate Circuit Judge	85,158	81,792

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A breakdown of employees (excluding the elected officials) by office at December 31, 1998, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex Officio Recorder of Deeds (1)	1	5
County Clerk (2)	2	0
Prosecuting Attorney	2	0
Sheriff	3	0
Treasurer and Ex Officio County Collector	1	0
County Assessor	3	0
911 (3)	7	0

Road and Bridge (3)	10	0
Health Center (4)	25	0
Janitor (3)	<u>2</u>	<u>0</u>
Total	<u><u>56</u></u>	<u><u>5</u></u>

- (1) Includes one full-time employee, four part-time employees, and one employee paid partially by the state and partially by the county.
- (2) Includes two part-time employees.
- (3) Includes one part time employee.
- (4) Includes twelve part-time employees.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Harrison County's share of the 3rd Judicial Circuit's expenses is 30.46 percent.

At December 31, 1998, the county had bonds payable of \$2,664,832 consisting of general obligation bonds dated August 1, 1989, and revenue bonds dated June 25, 1990 and September 15, 1996.

The 1989 bonds were issued in the original amount of \$1,000,000. Bonds mature annually on August 1. Interest is due seimannually on February 1 and August 1. These bonds were issued to pay the county's share of the cost of constructing the Harrison County Lake. The project is a joint effort of the county, the City of Bethany, the West Fork of Big Creek Watershed Subdistrict, and the U.S. Department of Soil Conservation Service.

Project benefits include flood control, water supply, and recreation. Each participant is responsible for certain project costs and continuing operations of the project. The county's share of the total project costs is about 41 percent. In addition, the county will be responsible for the continuing maintenance of portions of the completed project.

The county's bond costs are financed by a 1/4 of 1 cent sales tax approved by county voters April 5, 1988.

The 1990 revenue bond was issued in the original amount of \$1,100,000. Both principal and interest are due annually in installments of \$82,060 on January 1. The 1990 bond was issued to refinance a \$1,100,000 community facilities loan from the U.S. Department of Agriculture, U.S.D.A. Rural Development. The loan was for making repairs to the existing county-owned Crestview Home Facilities, constructing and furnishing a related residential care facility, and improving the driveway and parking lot. Revenue bond finance costs are to be paid from the facility's operating revenues by the Crestveiw Home Inc. (CHI). The CHI, a not-for-profit corportation, leases the facility from the county.

The 1996 revenue bond was issued in the orginal amount of \$975,000. Principal is due October 1. Interest is due semiannually on April and October 1. The 1996 bond was issued for the purpose of extending, improving, furnishing, and equipping the existing county-owned Crestview Home facilities. Revenue bond finance costs are to be paid from the facilities's operating revenues by the CHI.

In the event of default by the CHI, the county would become responsible for assuring that the operation of the county-owned facilities produce gross revenue sufficient to pay the cost of the operation and maintenance of the facilities, to pay the principal and interest on both bonds as and

when the same become due, and to fund required reserves.

The county has made the required deposits to the Bond Reserve Funds and the Replacement and Extension Fund.

The annual requirements to amortize all debt outstanding at December 31, 1998 are as follows:

Year Ended December 31	Principal	Interest	Total
1999	105,659	174,266	279,925
2000	112,241	167,809	280,050
2001	118,922	160,793	279,715
2002	125,706	153,205	278,911
2003	132,599	145,101	277,700
2004	144,610	136,436	281,046
2005	151,745	126,950	278,695
2006	164,011	116,912	280,923
2007	171,417	105,981	277,398
2008	183,972	94,236	278,208
2009	201,684	81,624	283,308
2010	104,563	67,785	172,348
2011	112,620	60,768	173,388
2012	120,866	53,202	174,068
2013	129,311	45,077	174,388
2014	137,969	36,378	174,347
2015	146,853	27,095	173,948
2016	155,977	17,211	173,188
2017	75,354	6,714	82,068
2018	68,753	2,078	70,831
	\$ <u>2,664,832</u>	<u>1,779,621</u>	<u>4,444,453</u>

The Debt Service Funds at December 31, 1998, had \$429,872 available to service the general obligation bonds.

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