



**MONROE COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

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

**Report No. 2002-93
September 24, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Monroe, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide 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 it 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 Monroe County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Numerous concerns were noted with the county's payroll procedures. Time sheets prepared by county employees did not always indicate actual hours worked. It does not appear the county is following procedures as stated in the current personnel policy when determining overtime/compensatory time. Centralized leave records maintained by the county did not always agree to the time sheets prepared by county employees. Sheriff's department employees prepare multiple time sheets to document hours worked in association with various law enforcement contracts. Instances were noted where some hours were recorded on two different time sheets and therefore paid twice.

During 2000, three county employees received additional compensation of \$1,000 each for performing accounting services related to the 911 Fund. There was no indication in the payroll records that additional hours were worked and it appears these payments represent bonuses.

- Several weaknesses were noted regarding county expenditures. Credit card purchases made by the County Sheriff are not always adequately supported, credit card bills are not paid timely and late fees and finance charges have been incurred, and personal purchases are sometimes charged to the credit card and reimbursed by county employees. In addition, records are not maintained to document the number of meals served to prisoners to ensure the county is paying only for meals received. Also, when the county awards a contract to a vendor other than the lowest bidder, documentation is sometimes insufficient to support the amounts used in the justification process.

(over)

YELLOW SHEET

- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Monroe County's Associate County Commissioners' salaries were each increased approximately \$3,640 yearly.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$7,280 for the two years ended December 31, 2000, should be repaid. In addition, in light of the ruling, any other raises given to other officials within their term of office should be re-evaluated for propriety.

- The prior audit report addressed the inadequacy of the Public Administrator's procedures. While the Public Administrator responded in the prior audit that recommendations would be implemented and the Associate Circuit Judge responded that additional monitoring procedures would be implemented, little improvement was noted. This audit identified weaknesses such as untimely and incomplete settlements, inadequate documentation of expenditures and fees, untimely deposits, and bills not being paid timely.
- In January 2001, the County Treasurer transferred the Enhanced 911 Fund to the Enhanced 911 Board. Several weaknesses were noted regarding the payroll procedures of the Enhanced 911 Board. The 911 coordinator and bookkeeper do not prepare time sheets. The 911 coordinator sometimes performs additional duties such as working as a dispatcher or serving as a temporary office manager for the Sheriff's office. While performing and being paid for these duties, the 911 coordinator continued to earn a full salary from the Enhanced 911 Fund. Because time sheets are not prepared to document the hours worked as coordinator, it appears the coordinator may have been paid twice for the same hours worked.

In addition, errors were made when calculating payroll and an additional check of \$916 was paid to the coordinator. Full reimbursement has not yet been obtained for this overpayment. The board's current personnel policy does not clearly document how overtime is to be calculated and in December 2001, some bonuses were paid.

A cumulative book balance is not maintained and reconciled to the bank records. As a result, over \$20,500 in receipts were deposited into the board's checking account and never recorded on the accounting records. Actual disbursements exceeded the budgeted amounts by \$9,414 for the year ended December 31, 2001.

- Several weaknesses were identified in the Sheriff's office including inadequate segregation of duties, untimely bank reconciliations, and untimely deposits.

The audit also includes some matters related to budgetary practices, property tax controls, and banking procedures. In addition, budgets prepared by the Monroe County Board for the Handicapped did not adequately reflect the board's anticipated financial condition.

All reports are available on our website: www.auditor.state.mo.us

MONROE 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 Monroe County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Monroe County, Missouri, as of and for the years ended December 31, 2001 and 2000, 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 auditing standards generally accepted in the United States of America 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 the 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 Monroe 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 Monroe 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 Monroe 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, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 16, 2002, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 Monroe 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

May 16, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robyn Vogt
Audit Staff:	Anissa Falconer
	Thomas Fox
	Karla Carter
	Michelle L. Knowles



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 Monroe County, Missouri

We have audited the special-purpose financial statements of various funds of Monroe County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 16, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Monroe 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 Monroe 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 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 Monroe 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

May 16, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

MONROE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 153,263	1,226,639	1,209,472	170,430
Special Road and Bridge	211,067	1,216,279	1,107,055	320,291
Assessment	1,427	106,146	107,219	354
Law Enforcement Training	4,282	3,362	4,347	3,297
Prosecuting Attorney Training	114	488	443	159
Health Center	373,115	601,796	484,441	490,470
Mark Twain Reservoir	592,948	367,857	380,887	579,918
Recorder's User Fees	158	5,855	1,350	4,663
Monroe County Board for the Handicapped	93,776	89,042	95,802	87,016
Domestic Violence	978	281	1,259	0
Prosecuting Attorney Bad Check	12,161	4,494	3,037	13,618
Circuit Clerk Interest	1,130	649	195	1,584
Associate Circuit Division Interest	1,873	752	0	2,625
Election Machine	7,712	1,325	0	9,037
Enhanced 911	31,794	304,970	241,335	95,429
Sheriff's Civil Fees	20,044	46,790	37,343	29,491
Prosecuting Attorney Delinquent Tax	5,424	1,381	339	6,466
Election Services	2,678	2,109	1,922	2,865
Local Emergency Planning Grant	5,613	220	43	5,790
DARE Program	3	213	0	216
Total	\$ 1,519,560	3,980,648	3,676,489	1,823,719

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

Exhibit A-2

MONROE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 58,099	1,159,623	1,064,459	153,263
Special Road and Bridge	179,825	1,433,117	1,401,875	211,067
Assessment	1,328	102,940	102,841	1,427
Law Enforcement Training	1,699	3,063	480	4,282
Prosecuting Attorney Training	136	709	731	114
Health Center	294,639	472,857	394,381	373,115
Mark Twain Reservoir	613,986	33,461	54,499	592,948
Recorder's User Fees	190	4,124	4,156	158
Monroe County Board for the Handicapped	95,307	82,110	83,641	93,776
Domestic Violence	987	353	362	978
Prosecuting Attorney Bad Check	10,714	5,066	3,619	12,161
Circuit Clerk Interest	1,480	1,433	1,783	1,130
Associate Circuit Division Interest	1,124	749	0	1,873
Election Machine	3,466	4,246	0	7,712
Enhanced 911	62,788	154,242	185,236	31,794
Sheriff's Civil Fees	20,484	14,570	15,010	20,044
Prosecuting Attorney Delinquent Tax	5,569	431	576	5,424
Election Services	47	2,631	0	2,678
Local Emergency Planning Grant	2,926	2,687	0	5,613
DARE Program	3	0	0	3
Total	\$ 1,354,797	3,478,412	3,313,649	1,519,560

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

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 3,783,560	3,980,435	196,875	3,552,221	3,475,725	(76,496)
DISBURSEMENTS	4,115,173	3,676,489	438,684	3,838,316	3,313,649	524,667
RECEIPTS OVER (UNDER) DISBURSEMENTS	(331,613)	303,946	635,559	(286,095)	162,076	448,171
CASH, JANUARY 1	1,522,452	1,519,557	(2,895)	1,351,868	1,351,868	0
CASH, DECEMBER 31	1,190,839	1,823,503	632,664	1,065,773	1,513,944	448,171
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	238,265	261,306	23,041	232,801	238,264	5,463
Sales taxes	465,650	474,608	8,958	423,900	436,550	12,650
Intergovernmental	209,265	221,344	12,079	199,559	206,001	6,442
Charges for services	213,570	204,480	(9,090)	216,940	204,448	(12,492)
Interest	14,000	16,225	2,225	10,300	16,422	6,122
Other	9,750	12,879	3,129	15,460	15,218	(242)
Transfers in	40,905	35,797	(5,108)	43,211	42,720	(491)
Total Receipts	1,191,405	1,226,639	35,234	1,142,171	1,159,623	17,452
DISBURSEMENTS						
County Commission	68,308	68,389	(81)	61,020	60,486	534
County Clerk	75,374	72,943	2,431	71,392	67,429	3,963
Elections	24,350	17,027	7,323	44,100	52,242	(8,142)
Buildings and grounds	67,855	64,613	3,242	64,471	66,444	(1,973)
Employee fringe benefits	152,300	158,683	(6,383)	145,150	126,061	19,089
County Treasurer	25,572	23,968	1,604	23,147	22,149	998
County Collector	62,587	62,842	(255)	60,364	59,732	632
Circuit Clerk	37,581	34,459	3,122	33,615	29,815	3,800
Associate Circuit Court	10,550	8,711	1,839	8,650	7,914	736
Court administration	6,612	4,914	1,698	6,798	4,367	2,431
Public Administrator	22,840	24,228	(1,388)	11,985	18,706	(6,721)
Sheriff	269,675	315,877	(46,202)	225,844	240,202	(14,358)
Jail	73,700	72,200	1,500	74,100	48,778	25,322
Prosecuting Attorney	67,902	69,125	(1,223)	66,902	63,523	3,379
Juvenile Officer	49,138	22,213	26,925	48,250	24,330	23,920
County Coroner	12,090	9,261	2,829	8,200	9,834	(1,634)
Other general county government	108,400	95,019	13,381	93,224	81,447	11,777
Transfers out	85,000	85,000	0	81,000	81,000	0
Emergency fund	38,000	0	38,000	36,700	0	36,700
Total Disbursements	1,257,834	1,209,472	48,362	1,164,912	1,064,459	100,453
RECEIPTS OVER (UNDER) DISBURSEMENTS	(66,429)	17,167	83,596	(22,741)	95,164	117,905
CASH, JANUARY 1	153,263	153,263	0	58,099	58,099	0
CASH, DECEMBER 31	86,834	170,430	83,596	35,358	153,263	117,905

Exhibit B

MONROE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	166,200	176,424	10,224	235,800	164,412	(71,388)
Sales taxes	79,650	80,615	965	75,100	77,365	2,265
Intergovernmental	1,105,800	817,680	(288,120)	1,181,100	1,155,081	(26,019)
Interest	8,600	13,173	4,573	5,000	14,729	9,729
Other	31,200	14,387	(16,813)	29,150	21,530	(7,620)
Transfers in	0	114,000	114,000	0	0	0
Total Receipts	1,391,450	1,216,279	(175,171)	1,526,150	1,433,117	(93,033)
DISBURSEMENTS						
Salaries	280,000	258,010	21,990	280,000	245,466	34,534
Employee fringe benefits	107,300	88,211	19,089	100,400	82,683	17,717
Supplies	72,260	71,632	628	63,260	56,393	6,867
Insurance	18,000	19,219	(1,219)	14,000	16,133	(2,133)
Road and bridge materials	255,600	214,922	40,678	270,600	210,740	59,860
Equipment repairs	54,000	42,041	11,959	54,000	47,518	6,482
Equipment purchases	180,000	84,904	95,096	180,000	175,889	4,111
Construction, repair, and maintenance	1,000	1,249	(249)	1,000	296	704
Bridge projects	431,146	163,315	267,831	537,439	509,033	28,406
Other	117,454	24,507	92,947	113,311	31,366	81,945
Transfers out	25,045	139,045	(114,000)	26,358	26,358	0
Total Disbursements	1,541,805	1,107,055	434,750	1,640,368	1,401,875	238,493
RECEIPTS OVER (UNDER) DISBURSEMENTS	(150,355)	109,224	259,579	(114,218)	31,242	145,460
CASH, JANUARY 1	211,067	211,067	0	179,825	179,825	0
CASH, DECEMBER 31	60,712	320,291	259,579	65,607	211,067	145,460
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	104,993	100,657	(4,336)	103,601	101,495	(2,106)
Interest	1,000	896	(104)	900	991	91
Other	461	593	132	400	454	54
Transfers in	4,000	4,000	0	0	0	0
Total Receipts	110,454	106,146	(4,308)	104,901	102,940	(1,961)
DISBURSEMENTS						
Assessor	111,500	107,219	4,281	104,288	102,841	1,447
Total Disbursements	111,500	107,219	4,281	104,288	102,841	1,447
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,046)	(1,073)	(27)	613	99	(514)
CASH, JANUARY 1	1,427	1,427	0	1,328	1,328	0
CASH, DECEMBER 31	381	354	(27)	1,941	1,427	(514)

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	0	1,182	1,182	0	0	0
Charges for services	2,800	2,010	(790)	2,400	2,928	528
Interest	0	170	170	25	135	110
Total Receipts	2,800	3,362	562	2,425	3,063	638
DISBURSEMENTS						
Sheriff	2,800	4,347	(1,547)	2,350	480	1,870
Total Disbursements	2,800	4,347	(1,547)	2,350	480	1,870
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(985)	(985)	75	2,583	2,508
CASH, JANUARY 1	4,282	4,282	0	1,699	1,699	0
CASH, DECEMBER 31	4,282	3,297	(985)	1,774	4,282	2,508
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	670	485	(185)	550	702	152
Interest	0	3	3	0	7	7
Total Receipts	670	488	(182)	550	709	159
DISBURSEMENTS						
Prosecuting Attorney	780	443	337	680	731	(51)
Total Disbursements	780	443	337	680	731	(51)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(110)	45	155	(130)	(22)	108
CASH, JANUARY 1	114	114	0	136	136	0
CASH, DECEMBER 31	4	159	155	6	114	108
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	90,000	93,685	3,685	90,000	88,695	(1,305)
Intergovernmental	210,825	222,227	11,402	169,500	183,820	14,320
Charges for services	164,100	254,258	90,158	141,500	177,040	35,540
Interest	18,000	24,352	6,352	15,000	19,019	4,019
Other	5,500	7,274	1,774	6,000	4,283	(1,717)
Total Receipts	488,425	601,796	113,371	422,000	472,857	50,857
DISBURSEMENTS						
Salaries	260,000	254,304	5,696	225,000	210,319	14,681
Employee fringe benefits	55,000	49,332	5,668	52,000	43,605	8,395
Office expenditures	19,800	15,109	4,691	15,300	18,690	(3,390)
Equipment	21,000	18,059	2,941	6,000	6,624	(624)
Mileage and training	25,000	29,273	(4,273)	17,000	20,044	(3,044)
Other	107,625	118,364	(10,739)	106,700	95,099	11,601
Total Disbursements	488,425	484,441	3,984	422,000	394,381	27,619
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	117,355	117,355	0	78,476	78,476
CASH, JANUARY 1	373,115	373,115	0	294,639	294,639	0
CASH, DECEMBER 31	373,115	490,470	117,355	294,639	373,115	78,476

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>MARK TWAIN RESERVOIR FUND</u>						
RECEIPTS						
Intergovernmental	218,981	220,789	1,808	0	0	0
Interest	30,000	33,068	3,068	30,000	33,461	3,461
Transfers in	0	114,000	114,000	0	0	0
Total Receipts	<u>248,981</u>	<u>367,857</u>	<u>118,876</u>	<u>30,000</u>	<u>33,461</u>	<u>3,461</u>
DISBURSEMENTS						
Office expenditures	200	171	29	600	12	588
Equipment	0	4,350	(4,350)	5,000	0	5,000
Insurance	1,000	196	804	2,000	262	1,738
Gravel	17,500	35,006	(17,506)	20,000	19,604	396
Projects	247,511	227,164	20,347	30,500	26,621	3,879
Transfers out	5,000	114,000	(109,000)	8,000	8,000	0
Total Disbursements	<u>271,211</u>	<u>380,887</u>	<u>(109,676)</u>	<u>66,100</u>	<u>54,499</u>	<u>11,601</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(22,230)</u>	<u>(13,030)</u>	<u>9,200</u>	<u>(36,100)</u>	<u>(21,038)</u>	<u>15,062</u>
CASH, JANUARY 1	<u>592,948</u>	<u>592,948</u>	<u>0</u>	<u>613,986</u>	<u>613,986</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>570,718</u></u>	<u><u>579,918</u></u>	<u><u>9,200</u></u>	<u><u>577,886</u></u>	<u><u>592,948</u></u>	<u><u>15,062</u></u>
<u>RECORDER'S USER FEES FUND</u>						
RECEIPTS						
Charges for services	2,600	5,710	3,110	3,550	4,036	486
Interest	0	145	145	50	88	38
Total Receipts	<u>2,600</u>	<u>5,855</u>	<u>3,255</u>	<u>3,600</u>	<u>4,124</u>	<u>524</u>
DISBURSEMENTS						
Recorder of Deeds	1,000	1,350	(350)	3,600	4,156	(556)
Total Disbursements	<u>1,000</u>	<u>1,350</u>	<u>(350)</u>	<u>3,600</u>	<u>4,156</u>	<u>(556)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,600</u>	<u>4,505</u>	<u>2,905</u>	<u>0</u>	<u>(32)</u>	<u>(32)</u>
CASH, JANUARY 1	<u>158</u>	<u>158</u>	<u>0</u>	<u>190</u>	<u>190</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>1,758</u></u>	<u><u>4,663</u></u>	<u><u>2,905</u></u>	<u><u>190</u></u>	<u><u>158</u></u>	<u><u>(32)</u></u>

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>MONROE COUNTY BOARD FOR THE HANDICAPPED FUND</u>						
RECEIPTS						
Property taxes	78,000	82,890	4,890	69,000	78,442	9,442
Interest	2,000	6,106	4,106	700	3,668	2,968
Other	0	46	46	0	0	0
Total Receipts	80,000	89,042	9,042	69,700	82,110	12,410
DISBURSEMENTS						
Salaries	8,900	8,594	306	10,995	8,129	2,866
Office expenditures	1,000	492	508	1,510	403	1,107
Equipment	500	40	460	500	0	500
Mileage and training	2,500	2,260	240	4,000	2,655	1,345
Payments to workshops	71,000	59,716	11,284	40,000	36,854	3,146
Other	92,771	24,700	68,071	108,002	35,600	72,402
Total Disbursements	176,671	95,802	80,869	165,007	83,641	81,366
RECEIPTS OVER (UNDER) DISBURSEMENTS	(96,671)	(6,760)	89,911	(95,307)	(1,531)	93,776
CASH, JANUARY 1	96,671	93,776	(2,895)	95,307	95,307	0
CASH, DECEMBER 31	0	87,016	87,016	0	93,776	93,776
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	420	238	(182)	300	300	0
Interest	55	43	(12)	40	53	13
Total Receipts	475	281	(194)	340	353	13
DISBURSEMENTS						
Domestic violence shelters	1,340	1,259	81	420	362	58
Total Disbursements	1,340	1,259	81	420	362	58
RECEIPTS OVER (UNDER) DISBURSEMENTS	(865)	(978)	(113)	(80)	(9)	71
CASH, JANUARY 1	978	978	0	987	987	0
CASH, DECEMBER 31	113	0	(113)	907	978	71
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	2,500	3,440	940	3,000	3,820	820
Interest	750	1,054	304	600	1,246	646
Total Receipts	3,250	4,494	1,244	3,600	5,066	1,466
DISBURSEMENTS						
Office expenditures	100	112	(12)	950	98	852
Equipment	680	130	550	0	1,164	(1,164)
Mileage and training	1,000	437	563	0	0	0
Transfers out	2,000	2,358	(358)	2,000	2,357	(357)
Total Disbursements	3,780	3,037	743	2,950	3,619	(669)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(530)	1,457	1,987	650	1,447	797
CASH, JANUARY 1	12,161	12,161	0	10,714	10,714	0
CASH, DECEMBER 31	11,631	13,618	1,987	11,364	12,161	797

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	750	649	(101)	1,000	1,433	433
Total Receipts	750	649	(101)	1,000	1,433	433
DISBURSEMENTS						
Equipment	1,500	195	1,305	2,100	1,783	317
Total Disbursements	1,500	195	1,305	2,100	1,783	317
RECEIPTS OVER (UNDER) DISBURSEMENTS	(750)	454	1,204	(1,100)	(350)	750
CASH, JANUARY 1	1,130	1,130	0	1,480	1,480	0
CASH, DECEMBER 31	380	1,584	1,204	380	1,130	750
<u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	0	752	752	250	749	499
Total Receipts	0	752	752	250	749	499
DISBURSEMENTS						
Equipment	1,500	0	1,500	800	0	800
Total Disbursements	1,500	0	1,500	800	0	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,500)	752	2,252	(550)	749	1,299
CASH, JANUARY 1	1,873	1,873	0	1,124	1,124	0
CASH, DECEMBER 31	373	2,625	2,252	574	1,873	1,299
<u>ELECTION MACHINE FUND</u>						
RECEIPTS						
Charges for services	1,000	1,000	0	2,000	4,000	2,000
Interest	0	325	325	100	246	146
Total Receipts	1,000	1,325	325	2,100	4,246	2,146
DISBURSEMENTS						
Equipment	2,000	0	2,000	2,000	0	2,000
Total Disbursements	2,000	0	2,000	2,000	0	2,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	1,325	2,325	100	4,246	4,146
CASH, JANUARY 1	7,712	7,712	0	3,466	3,466	0
CASH, DECEMBER 31	6,712	9,037	2,325	3,566	7,712	4,146

Exhibit B

MONROE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ENHANCED 911 FUND</u>						
RECEIPTS						
Charges for services	109,448	119,029	9,581	14,448	6,300	(8,148)
Interest	700	1,038	338	199	1,163	964
Phone tax	52,000	103,805	51,805	75,000	65,779	(9,221)
Other	0	98	98	47,761	0	(47,761)
Transfers in	81,000	81,000	0	81,000	81,000	0
Total Receipts	243,148	304,970	61,822	218,408	154,242	(64,166)
DISBURSEMENTS						
Salaries	145,140	152,106	(6,966)	104,944	105,252	(308)
Employee fringe benefits	33,066	19,727	13,339	26,704	24,746	1,958
Contracted services	1,000	466	534	0	0	0
Office expenditures	47,215	51,696	(4,481)	41,125	45,088	(3,963)
Equipment	3,000	14,065	(11,065)	66,168	9,561	56,607
Mileage and training	1,500	2,650	(1,150)	1,500	572	928
Other	1,000	625	375	0	17	(17)
Total Disbursements	231,921	241,335	(9,414)	240,441	185,236	55,205
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,227	63,635	52,408	(22,033)	(30,994)	(8,961)
CASH, JANUARY 1	31,794	31,794	0	62,788	62,788	0
CASH, DECEMBER 31	43,021	95,429	52,408	40,755	31,794	(8,961)
<u>SHERIFF'S CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	16,000	15,258	(742)	22,000	13,633	(8,367)
Interest	0	1,332	1,332	200	937	737
Sale of vehicles	0	30,200	30,200	0	0	0
Total Receipts	16,000	46,790	30,790	22,200	14,570	(7,630)
DISBURSEMENTS						
Office expenditures	0	70	(70)	0	94	(94)
Equipment	0	0	0	5,000	4,702	298
Vehicle	6,000	29,207	(23,207)	7,000	4,740	2,260
Other	50	10	40	0	45	(45)
Transfers out	8,056	8,056	0	6,000	5,429	571
Total Disbursements	14,106	37,343	(23,237)	18,000	15,010	2,990
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,894	9,447	7,553	4,200	(440)	(4,640)
CASH, JANUARY 1	20,044	20,044	0	20,484	20,484	0
CASH, DECEMBER 31	21,938	29,491	7,553	24,684	20,044	(4,640)

Exhibit B

MONROE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental	500	1,143	643	600	184	(416)
Interest	0	238	238	0	247	247
Total Receipts	500	1,381	881	600	431	(169)
DISBURSEMENTS						
Transfers out	500	339	161	300	576	(276)
Total Disbursements	500	339	161	300	576	(276)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,042	1,042	300	(145)	(445)
CASH, JANUARY 1	5,424	5,424	0	5,569	5,569	0
CASH, DECEMBER 31	5,424	6,466	1,042	5,869	5,424	(445)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	1,500	2,005	505	2,220	2,581	361
Interest	0	104	104	6	50	44
Total Receipts	1,500	2,109	609	2,226	2,631	405
DISBURSEMENTS						
Equipment	1,000	840	160	500	0	500
Mileage and training	1,000	1,082	(82)	1,500	0	1,500
Total Disbursements	2,000	1,922	78	2,000	0	2,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	187	687	226	2,631	2,405
CASH, JANUARY 1	2,678	2,678	0	47	47	0
CASH, DECEMBER 31	2,178	2,865	687	273	2,678	2,405
<u>LOCAL EMERGENCY PLANNING GRANT FUND</u>						
RECEIPTS						
Interest	152	220	68			
Total Receipts	152	220	68			
DISBURSEMENTS						
Mileage and training	4,500	43	4,457			
Total Disbursements	4,500	43	4,457			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,348)	177	4,525			
CASH, JANUARY 1	5,613	5,613	0			
CASH, DECEMBER 31	1,265	5,790	4,525			

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

Notes to the Financial Statements

MONROE 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 Monroe 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, the Health Center Board, the Handicapped Board, or the Enhanced 911 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 accounting principles generally accepted in the United States of America. Those principles 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 2000, 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>
DARE Program Fund	2001 and 2000
Local Emergency Planning Grant Fund	2000

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorder's User Fees Fund	2001 and 2000
Law Enforcement Training Fund	2001
Mark Twain Reservoir Fund	2001
Enhanced 911 Fund	2001
Sheriff's Civil Fees Fund	2001
Prosecuting Attorney Training Fund	2000
Prosecuting Attorney Bad Check Fund	2000
Prosecuting Attorney Delinquent Tax Fund	2000

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, 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>
DARE Program Fund	2001 and 2000
Local Emergency Planning Grant Fund	2000
Monroe County Board for the Handicapped Fund	2000

2. Cash

Section 110.270, RSMo 2000, 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 2000, requires political subdivisions with authority to invest in instruments other than depositary 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.

Cash includes both deposits and investments. 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 deposits and investments. 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. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

At December 31, 2001, the reported amount of the county's and the Enhanced 911 Board's deposits was \$5,464,396 and the bank balance was \$4,595,753. Of the bank balance, \$4,287,852 was covered by federal depository insurance, by collateral securities held by the county's custodial bank in the county's name or by commercial insurance provided through a surety bond, and \$307,901 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

At December 31, 2000, the reported amount of the county's deposits was \$1,679,491 and the bank balance was \$638,158. Of the bank balance, \$628,253 was covered by federal depository insurance, by collateral securities held by the county's custodial bank in the county's name or by commercial insurance provided through a surety bond, and \$9,905 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

Of the Health Center Board's bank balance at December 31, 2001, \$422,866 was covered by federal depository insurance or by collateral securities held by the Health Center Board's custodial bank in the Health Center Board's name, and \$120,003 was covered by collateral pledged by one bank and held in the Health Center Board's name by the safekeeping department of an affiliate of the same bank holding company.

The Health Center Board's deposits at December 31, 2000 were entirely covered by federal depository insurance or by collateral securities held by the Health Center Board's custodial bank in the Health Center Board's name.

The Monroe County Board for the Handicapped's deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed for both the Health Center Board and the Monroe County Board for the Handicapped at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The only investment of the various funds at December 31, 2000 was a repurchase agreement with a reported amount of \$3,403,000 (which approximated fair value).

This investment represents uninsured and unregistered investments for which the securities were held by the safekeeping department of an affiliate of the same bank holding company in the county's name.

Supplementary Schedule

Schedule

MONROE 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,	
			2001	2000
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-0169	\$ 0	16,024
		ERS045-1169W	19,344	8,553
		ERS045-2169	8,849	0
	Program Total		<u>28,193</u>	<u>24,577</u>
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	0	6,270
Passed through:				
State Department of Public Safety -				
16.554	National Criminal History Improvement Program	2000-RH-CX-K024	14,886	0
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	987	1,082
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO 069(15)	0	59,746
		BRO 069(16)	82	0
		BRO 069(17)	17,953	303,037
		BRO 069(18)	9,388	146,150
		BRO 069(19)	100,406	11,629
		BRO 069(21)	20,828	0
		BRO 069(22)	0	3,110
		BRO 069(23)	14,659	0
		PLH-9900(319)	199,200	0
		COE-069(1)	2,692	0
		COE-069(2)	10,298	0
		COE-069(6)	3,495	0
		COE-069(7)	2,693	0
	Program Total		<u>381,694</u>	<u>523,672</u>

Schedule

MONROE 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,	
			2001	2000
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	235	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERO146-0169CLPP ERO146-1169L ERS146-2169L	0 778 673	637 343 0
	Program Total		<u>1,451</u>	<u>980</u>
93.268	Immunization Grants	N/A	11,006	17,914
Department of Social Services -				
93.563	Child Support Enforcement	N/A	72	72
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-0169S PGA067-1169S PGA067-169C PGA067-1169C	0 1,150 0 725	1,670 445 1,000 0
	Program Total		<u>1,875</u>	<u>3,115</u>
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS161-00069 ERS161-10050 ERS161-20047	0 611 227	638 0 0
	Program Total		<u>838</u>	<u>638</u>
93.945	Assistance Program for Chronic Disease Prevention and Control	C000153001 C100051001	0 20,000	3,972 0
	Program Total		<u>20,000</u>	<u>3,972</u>
93.991	Preventive Health and Health Services Block Grant	N/A	0	155

Schedule

MONROE 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,	
			2001	2000
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-0169M	0	14,741
		ERS146-1169M	14,987	1,634
		ERS175-0169F	0	1,405
		ERS175-1169F	1,873	702
		ERS175-2045F	602	0
		C100015050	65	0
		N/A	974	777
	Program Total		<u>18,501</u>	<u>19,259</u>
	Total Expenditures of Federal Awards		<u>\$ 479,738</u>	<u>601,706</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

MONROE 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 Monroe 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 Equitable Sharing of Seized and Forfeited Property Program (CFDA number 16.unknown) represent the county's share of seized monies or property.

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.

Amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991) represent the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health. Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

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 Monroe County, Missouri

Compliance

We have audited the compliance of Monroe 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, 2001 and 2000. 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 auditing standards generally accepted in the United States of America; 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, Monroe 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, 2001 and 2000.

Internal Control Over Compliance

The management of Monroe 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 Monroe 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

May 16, 2002 (fieldwork completion date)

Schedule

MONROE COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2001 AND 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to the financial statements noted? _____ yes x no

Federal Awards

Internal control over major program:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are not considered to be material weaknesses? _____ 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 Number	<u>Program Title</u>
20.205	Highway Planning and Construction

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*

MONROE 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, 1999, 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

MONROE 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.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

99-1. Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Department of Highway and Transportation
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Numbers:	BRO-069
Award Years:	1999 and 1998
Questioned Costs:	Not applicable

The county did not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards (SEFA). For the years ended December 31, 1999 and 1998, the county's SEFA contained numerous errors and omissions.

Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

Status:

Implemented.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Monroe County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 16, 2002. We also have audited the compliance of Monroe 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, 2001 and 2000, and have issued our report thereon dated May 16, 2002.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit 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 legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 audit, 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 audit 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 audit 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 Monroe County but do not meet the criteria for inclusion in the written report on compliance and on internal control over

financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1.	Budgetary Practices
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Actual disbursements exceeded the budgeted amounts in various funds as follows:

Fund	Year Ended December 31,	
	2001	2000
Recorder's User Fees	\$ 350	556
Law Enforcement Training	1,547	N/A
Sheriff's Civil Fees	23,237	N/A
Prosecuting Attorney Training	N/A	51
Prosecuting Attorney Bad Check	N/A	669
Prosecuting Attorney Delinquent Tax	N/A	276

Actual disbursements exceeded budgeted amounts for the various funds because it appears the applicable officials are not adequately monitoring the budgetary status of these funds. In addition, the 2001 budget for the Mark Twain Reservoir Fund was exceeded because the receipt and repayment of a short-term loan from the Road and Bridge Fund was not budgeted.

It was ruled in *State ex rel. Strong v. Cribb*, 364 Mo. 1122, 273 SW2d 246(1954), that county officials are required to strictly comply with the county budget laws. If there are valid reasons which necessitate excess disbursements, 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 2000, 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 its budget.

This condition was noted in our prior report.

WE AGAIN RECOMMEND the County Commission and other applicable officials refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's office.

AUDITEE'S RESPONSE

We will monitor disbursements in 2002 and amend budgets when necessary.

2.**County Expenditures**

- A. The County Commission enters into yearly contracts with a vendor to provide meals to prisoners incarcerated at the Monroe County Jail. During 2001 and 2000, the county paid approximately \$18,500 and \$17,600, respectively, for prisoner meals. Prisoner log records do not indicate the number of meals requested and received daily. To ensure the county is paying only for meals received, records should be maintained to document the number of meals served to prisoners. This record should be reconciled to the vendor invoice before it is paid.
- B. The County Sheriff uses a credit card for various law enforcement expenditures, including transporting prisoners, attending seminars and conferences, and purchasing supplies and equipment. During the two years ended December 31, 2001, the county paid credit card bills of approximately \$8,727. During our review of the credit card transactions, the following problems were noted.
- 1) Supporting documentation was not submitted to the County Clerk for some credit card expenditures, such as fuel purchases. All expenditures should be supported by paid receipts or vendor-provided invoices. Such documentation is necessary to ensure purchases are valid and necessary expenditures of county funds.
 - 2) Credit card bills are not being paid in a timely manner and the county has incurred late fees and finance charges on these expenditures. For the two years ended December 31, 2001, the county paid \$56 in finance charges and \$60 in late fees. Failure to pay bills promptly exposes the county to unnecessary costs.
 - 3) Instances of personal purchases, including lodging costs, were noted as being charged to the county credit card. Although these costs were subsequently reimbursed by the county employees, county credit cards should not be used for personal charges.
- In February 2000, the County Commission implemented a written policy which states no personal purchases will be made on any Monroe County credit card, no bills will be paid without tickets or purchase orders, and that if a bill requires special attention to be paid on time to avoid service charges, this should be brought to the attention of the County Clerk's office. Even though this policy was in effect at the time many of the above credit card transactions occurred, it does not appear that the County Commission required the Sheriff's office to comply with the provisions of the policy.
- C. Although the county generally solicited bids for large equipment purchases and the county commission minutes included the basis and justification when awarding the

contract to a vendor other than the lowest bidder, instances were noted where documentation was insufficient to support the amounts used in the justification process.

Justification for selecting a higher bid should be thoroughly documented to provide assurance the purchase was handled properly and the bid selected was the lowest and best.

WE RECOMMEND the County Commission:

- A. Ensure the vendor invoice for prisoner meals agrees to prisoner meal records maintained by the county prior to payment.
- B. Ensure the approved policy regarding credit cards is adhered to by requiring all credit card expenditures be supported by receipts or vendor-provided invoices, all billings be submitted to the County Clerk's office in a timely manner to avoid late fees and finance charges, and the practice of charging personal expenses to a county credit card be discontinued.
- C. Maintain adequate documentation of bid awards, particularly in those cases where the lowest bid is not accepted.

AUDITEE'S RESPONSE

- A. *We have implemented a log of meals ordered and are reconciling this log to the meals delivered per the vendor invoice.*
- B. *Within a month, we will reiterate to the Sheriff's office that all credit card documentation should be turned over to the County Clerk's office in a timely manner.*
- C. *We will be more detailed when documenting our justification and price differences.*

3. Property Tax Controls

- A. The County Clerk does not maintain an account book with the County Collector. An account book would summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. This account book, prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and the tax books, would enable the County Clerk to ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and can be used by the County Commission to verify the County Collector's annual settlements.

- B. The County Clerk does not prepare the current or back tax books for real estate and personal property taxes or verify tax book totals. Instead, these books were prepared by the County Collector. The County Clerk indicated she reviewed individual entries on a test basis, but did not maintain documentation of the review.

Sections 137.290 and 140.050, RSMo 2000, require the County Clerk to extend tax books and charge the County Collector with the whole amount of the current tax books, and the aggregate amount of taxes, interest, and clerk's fees contained in the back tax books. The procedures outlined in the statutes for the preparation of the tax books provide for the separation of duties and acts as a form of checks and balances on the County Clerk and the County Collector. Failure of the County Clerk to prepare the tax books as required by statutes, may result in errors and irregularities going undetected.

Conditions A and B were noted in prior reports.

WE AGAIN RECOMMEND the County Clerk:

- A. Establish and maintain an account book with the County Collector. In addition, the County Commission should consider using the account book to verify the County Collector's annual settlements.
- B. Prepare the current and back tax books or review the tax books for accuracy and document the procedures performed.

AUDITEE'S RESPONSE

- A. *I will consider implementing an account book in 2003.*
- B. *Beginning in November 2002, I will ensure transactions are tested and I will document the procedures performed.*

4. Banking Procedures

At December 31, 2001, the County Treasurer maintained ten checking accounts, seven money market accounts, and two certificates of deposit. Because the seven money market accounts were earning the same rate of interest as the checking accounts, it does not appear the county is receiving any additional benefit to justify these additional accounts.

The prior audit report for the two years ended December 31, 1999 also indicated that the County Treasurer maintained a large number of accounts. However, when the county changed depository banks in 2001, the number of accounts was increased rather than decreased.

Overall efficiency could be improved by reducing the number of accounts and combining funds in as few accounts and investment vehicles as possible. Consolidating existing accounts would also allow funds to be pooled for increased investment opportunities.

WE RECOMMEND the County Treasurer reduce the number of bank accounts maintained by the county.

AUDITEE'S RESPONSE

I will consider eliminating the money market accounts within the next few months.

5. Personnel and Payroll Procedures
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During our review of personnel and payroll procedures, we noted that time sheets prepared by county employees did not always indicate actual hours worked and the county's written personnel policy is not being followed when determining overtime and compensatory time. In addition, centralized leave records are not always correct, the Sheriff's department may not be complying with the Fair Labor Standards Act (FLSA), and it appears some employees may have been paid bonuses.

A. Time sheets prepared by county employees did not always indicate actual hours worked and were not always signed by the employee's supervisor. The county's policy is generally to pay employees on the last Friday of each month. Employees must have time sheets turned into the County Clerk's office approximately one week in advance of the pay date to enable the payroll to be processed. When submitting the time sheets, employees indicate actual hours worked from the first of the month through the date they are submitting their time sheet and estimate the hours they will work during the remainder of the month. No documentation was available to indicate that the hours actually worked were compared to the hours estimated.

The practice of paying county employees for estimated hours may lead to errors, inconsistencies in the calculation of overtime and accumulated leave balances, and the potential for employees to be over/under paid. The County Commission should consider implementing payroll procedures that ensure employees are paid only for actual hours worked.

Proper control over payroll requires documentation, such as time sheets prepared and signed by employees and approved by their supervisors, to provide evidence of actual time worked each month. In addition, the Fair Labor Standards Act (FLSA) requires accurate records of actual time worked by employees be maintained.

This condition was noted in our prior report.

- B. It does not appear that the county is following procedures as stated in the current personnel policy when determining overtime/compensatory time. The county's policy indicates that overtime compensation for time worked in excess of 40 hours within the workweek is computed at the rate of one and one-half times the number of hours worked in excess of 40 hours. In addition, the policy states that, "an employee must meet the 40 hour plus workweek (not simply exceed an 8 hour day) before being eligible for overtime compensation."

Some courthouse employees work a 37.5 hour workweek (7.5 hours per day). During our review, we noted instances where employees were accruing compensatory time for every hour of time worked in excess of 7.5 hours per day and we also noted instances where compensatory time was earned for hours worked in excess of 37.5 but less than 40 hours per week. Additionally, for workweeks during which accumulated hours of vacation leave or sick leave were used, we noted leave hours were sometimes included in the calculation of overtime/compensatory time.

We noted that county employees do not record the earning of overtime/compensatory time in a consistent manner. Some timesheets indicate the earning of overtime on a daily basis while other timesheets only indicate total hours of overtime earned for an entire month. Also, as noted in part A above, timesheets may include estimated hours instead of actual hours. Because time sheets are used to accrue overtime and compensatory time and they do not always reflect actual hours worked, overtime and compensatory time may not be calculated correctly.

Adherence to the county's personnel policy regarding overtime/compensatory time is necessary to ensure compliance with the FLSA and to ensure the equitable treatment of all employees. In addition, the FLSA requires employers to keep accurate records of compensatory time earned, taken, or paid.

- C. While the county maintains centralized leave records, a comparison of time sheets and leave records prepared by county employees with the leave records maintained by the County Clerk indicated employee leave balances are not always correctly recorded on the centralized leave records. Instances were noted where hours of leave earned and used per the centralized records did not agree to the supporting time sheets. We also noted instances where the accumulated leave balances per the centralized leave records were not mathematically correct as beginning leave balances, plus leave earned, less leave taken, did not always agree to the ending leave balances.

It appears the County Clerk is not comparing time sheets to leave records to ensure leave activity reported on the employee records is accurately posted to the centralized leave records. The activity reflected on employee time sheets and leave records should be carefully reviewed for consistency and mathematical accuracy to ensure that employee leave balances are correct. In addition, because time sheets may include estimated hours, the County Clerk should ensure that all leave activity is based on actual hours worked.

D. Numerous concerns were noted with the Sheriff's department payroll procedures which have resulted in questions regarding possible noncompliance with the FLSA.

- 1) The county is not compensating Sheriff's department deputies for overtime and compensatory time as stated in the county's personnel policy manual. The county's written policy states that an employee must work more than 171 hours within a 28 day period to be eligible for compensatory time or overtime pay. However, we noted that Sheriff's department deputies were paid for overtime and compensatory time when they worked more than 173 hours per month.

By including time worked for a period exceeding 28 days, overtime hours calculated could be misstated and may not comply with the FLSA.

- 2) Sheriff's department deputies record hours worked in association with various law enforcement contracts on separate time sheets from the hours worked as a county deputy. During our review of payroll records, we noted that the usage of multiple time sheets resulted in overlapping hours being recorded. As a result, some hours were recorded on two time sheets and therefore paid twice.

It does not appear that the county has any procedures in place to review the total number of hours worked by each deputy during each pay period. The development of such procedures is necessary to ensure total hours are reasonable and to ensure the deputy is not paid twice for the same hours.

Not only does the usage of multiple time sheets cause additional record keeping, as indicated, it also increases the likelihood that errors will occur in reporting and calculating hours worked.

In addition, hours worked in association with the various law enforcement contracts are not considered when calculating total hours worked for purposes of determining overtime or compensatory time. To ensure compliance with the FLSA, the county should consider the total hours worked by each deputy when determining compensation to be paid as overtime or compensatory time.

The County Commission should consider consolidating time records by requiring each deputy to complete one time sheet which indicates the hours worked in each law enforcement capacity as well as the total hours worked for the pay period.

- E. During 2000, three county employees received additional compensation of \$1,000 each from the Enhanced 911 Fund for performing accounting services related to the operation of this fund. The County Clerk indicated these payments were made to compensate the employees for an increase in their responsibilities; however, there was no indication in the payroll records that additional hours were worked. These employees continued to be paid their full salary as previously received from the county.

Because there did not appear to be any increase in the time worked by the three employees, it appears that these payments represent additional compensation in the form of a bonus for services previously rendered and, as such, are in violation of Article III, Section 39 of the Missouri Constitution.

If the County Commission determines that the additional responsibilities warrant additional compensation, consideration should be given to increasing the salaries of the employees as opposed to paying bonuses.

WE RECOMMEND the County Commission:

- A. Develop payroll procedures which require all county employees to be paid based on actual hours worked. In addition, ensure all time sheets are approved and signed by each employee's supervisor.
- B. Ensure the county's personnel policy is followed when determining overtime/compensatory time. In addition, timesheets should accurately reflect the earning of any overtime/compensatory time.
- C. Ensure that employee leave earned, taken, and the accumulated balances are reported accurately and require the County Clerk to properly maintain centralized annual, sick and compensatory leave records.
- D.1. Compute overtime for law enforcement personnel based on 171 hours over a 28-day period as established in the FLSA and the county's personnel policy manual.
 - 2. Implement procedures to ensure that deputies who are serving in multiple capacities are not paid twice for the same hours. In addition, all hours worked should be considered when determining overtime compensation to be paid.
- E. Discontinue the practice of paying employee bonuses.

AUDITEE'S RESPONSE

- A. *Beginning in 2003, we will be changing the payroll cycle so employees are paid for actual hours worked.*
- B. *Beginning in 2003, we will comply with the FLSA and will revise the personnel policy accordingly. We will also ensure time sheets adequately detail the earning of overtime/compensatory time.*
- C. *By ensuring time sheets adequately detail overtime/compensatory time activity, we will try to eliminate the discrepancies occurring on the centralized leave records.*
- D.1. *Within the next month, we will consult with the Sheriff to determine if paying on a 28-day period is feasible. We will try to implement this effective January 2003.*
- 2. *We are implementing a new time sheet effective October 2002 which will attempt to ensure deputies are not paid twice for the same hours. We will also review and discuss current policies and consider including all hours worked when determining overtime compensation to be paid.*
- E. *The additional compensation was intended to be a pay raise and not a bonus; this occurred one time and will not be done again.*

6. County Officials' Salaries

- A. Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Monroe County's Associate County Commissioners salaries were each increased approximately \$3,640 yearly, according to information from the County Clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of statute violated Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. This case, *Laclede County v. Douglass et al.*, holds that all raises given pursuant to this section are unconstitutional.

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$7,280 for the two years ended December 31, 2000, should be repaid. In addition, in light of the ruling, any other raises given to other officials within their term of office should be re-evaluated for propriety.

- B. Salaries for elected county officials are determined by the actions of the Salary Commission. During our review of the salary commission meeting minutes, we noted that in 2001, the Monroe County Presiding Commissioner received a salary increase during the third year of a four year term. Similar to the action noted in part A above, this appears to violate Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county, and municipal officers during the term of office. We also noted that during 2001, all elected officials, with the exception of the County Assessor, received an assessed valuation salary increase.

The salary commission meeting minutes included no documentation to support the decision to increase the presiding commissioner's salary or the decision to exclude the County Assessor from receiving the assessed valuation salary increase. In addition, a written opinion as to the legality of the actions taken was not obtained from the county Prosecuting Attorney.

The County Commission should review these matters with the county Prosecuting Attorney to ensure the proper amounts were paid to the various officials and to ensure the actions of the salary commission were appropriate. Also, the County Commission should ensure all future salary commission decisions are thoroughly documented and all future officials' salaries are supported by actions of the salary commission.

- C. Salaries paid to elected officials in 1999 were approved during the 1997 salary commission meeting. As a result of the 1997 meeting, the County Clerk's salary increased to \$29,892. However, the actual salary of the County Clerk during 1999, 2000 and 2001 was \$28,892, resulting in an underpayment of \$1,000 in each of the three years.

WE RECOMMEND the County Commission:

- A. Review the impact of this decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Ensure salary commission minutes clearly document all decisions made and all future elected officials' salaries are supported by actions of the salary commission. In addition, written legal opinions should be obtained from the Prosecuting Attorney to support the decisions of the salary commission.

- C. Authorize payment of \$3,000 to the County Clerk for salary underpayments in 1999, 2000, and 2001. In addition, the County Commission should determine if any adjustments are necessary for salary payments made during 2002.

AUDITEE'S RESPONSE

- A. *We intend to follow any recommendations received from the Missouri Association of County Commissioners.*
- B. *We will seek an opinion from the Prosecuting Attorney. In addition, future decisions of the salary commission will be clearly documented.*
- C. *Before the end of the year, we will correct the salary underpayments made to the County Clerk.*

7. Public Administrator's Procedures

The Public Administrator acts as the court appointed personal representative for wards or decedent estates of the Probate Court. During the two years ended December 31, 2001, the Public Administrator handled approximately twenty cases. The Public Administrator does not file complete and timely annual settlements for each ward with the Probate Court, does not make deposits and pay invoices in a timely manner, and does not have documentation to support some disbursements made on behalf of wards and the calculation of fees charged to the wards' estates. In addition, it does not appear the Associate Circuit Judge is adequately monitoring the cases assigned to the Public Administrator. Several of these concerns were noted in our prior report; however, it appears little improvement was made.

- A. A review of the annual settlements filed by the Public Administrator indicated the following problems:
 - 1) Fifteen of the twenty-eight annual settlements that were required to be filed by the Public Administrator during the two years ended December 31, 2001 were not filed in a timely manner. For example, one annual settlement was not filed by the Public Administrator until twenty months after the anniversary date. In addition, we noted several instances where settlements included more than twelve months of information, rather than the statutorily required annual settlements. For example, one annual settlement included twenty-seven months of information.

Section 473.540, RSMo 2000, requires the Public Administrator to file with the court an annual settlement for each ward on the anniversary of the date of becoming the personal representative. Currently, the Probate Court does not

monitor when annual settlements are due and does not notify the Public Administrator when annual settlements are delinquent.

- 2) Annual settlements filed by the Public Administrator were not always complete as several did not include assets owned by the wards. For example, one annual settlement did not include the value of personal property items, including a diamond ring and a color television, belonging to a ward but in the custody of the Public Administrator. Accurate reporting of all estate assets is necessary to provide assurance that all assets are accounted for properly.
- 3) The Public Administrator uses a local attorney to prepare the annual settlements for most wards. The attorney prepares the annual settlements using bank statements and canceled checks. By failing to use the Public Administrator's records, several checks that had been issued, but had not cleared the bank were not included, causing an overstatement of assets and understatement of expenditures. The annual settlements should present a complete account of all transactions that have occurred to better present the financial condition of the ward.

Timely settlements that include complete and accurate reports of estate transactions and assets are necessary for the court to properly oversee the administration of these cases and lessen the possibility that errors or misuse of funds could go undetected.

- B. Canceled checks are filed with the Public Administrator's settlements; however, bank statements and vouchers or invoices supporting disbursements are not submitted for review by the Probate Court. In addition, the Associate Circuit Judge does not require the Public Administrator to submit supporting documentation for expenditures.

During our review of disbursements, we noted that the Public Administrator did not have supporting documentation for some expenditures, including \$41 paid to Wal-Mart and \$176 paid for eyeglasses. Section 473.543, RSMo 2000, requires the Public Administrator to have supporting documentation for all disbursements in excess of \$75 and indicates the court may require supporting documentation for expenditures of less than \$75. Without such documentation, it is difficult to assess the reasonableness of costs charged to and paid by wards of the Public Administrator. In addition, the Associate Circuit Judge should consider requiring supporting documentation to be submitted for all expenditures to provide assurance that all disbursements are valid and proper.

- C. The Public Administrator did not always make deposits or pay bills in a timely manner.

- 1) We noted a check for \$610 dated February 23, 2000 for which the Public Administrator prepared a deposit ticket dated March 10, 2000; however, according to the bank deposit receipt, the deposit was not made until March 23, 2000.

To adequately safeguard monies, maximize interest income, and reduce the risk of loss or misuse of funds, deposits should be made daily or when accumulated receipts exceed \$100.

- 2) We noted several instances where amounts due for services or products received by wards were not paid timely by the Public Administrator. For example, several pharmacy bills were not paid in a timely manner resulting in finance charges being assessed. In addition, we noted residential care invoices for room and board that were not paid until two to three weeks past the due date. Funds were available to cover these bills. Failure to pay bills promptly exposes wards to potential loss of sometimes critically needed medication and may also cause unnecessary financial burdens on the wards.

- D. According to the Public Administrator, estates are charged a fee of five percent based on the income of the estate which is handled by the Public Administrator. During 2000, this fee was remitted to the Public Administrator as compensation for her duties. In 2001, the Public Administrator received a salary from the county and all fees assessed to the estates were then turned over to the county.

During our review of the fees paid by various estates, we noted that the Public Administrator inconsistently charged fees depending on the availability of funds in the ward's estate. No documentation was maintained or provided to the Probate Court to support how the fees were determined. In addition, there is no written policy detailing when the five percent fee should be applied or when a different fee basis should be used to determine the fee paid by an estate.

Without a written policy identifying the types of income subject to fees and a consistent application of fees, there is no assurance that estates are handled equitably or that fees are properly calculated.

Similar conditions to Parts A, B, and C were noted in our prior report.

WE RECOMMEND:

- A. The Public Administrator file complete and accurate annual settlements on a timely basis.

In addition, the Associate Circuit Judge should monitor cases assigned to the Public Administrator to ensure that settlements are being filed as required.

- B. The Public Administrator maintain supporting documentation for all disbursements made on behalf of wards.

In addition, the Associate Circuit Judge should require adequate documentation to be filed or made available to support all settlement transactions.

- C. The Public Administrator deposit receipts daily or when accumulated receipts exceed \$100, and ensure all bills are paid when due.
- D. The Public Administrator work with the Associate Circuit Judge to develop written guidelines that identify the process for charging fees on the estates. Written documentation of fee calculations should be prepared and maintained for all annual settlements and submitted to the Probate Court for approval.

AUDITEE'S RESPONSE

The Public Administrator provided the following responses:

- A. *I will work with the attorney and the Judge to attempt to have complete annual settlements filed in a timely manner.*
- B. *I have always tried to document all disbursements made for the wards and I will try to ensure support is retained for all disbursements made in the future. The eyeglasses were purchased by the nursing home on behalf of the ward and I failed to obtain a receipt for the disbursement.*
- C. *I will try to get direct deposit for all receipts to ensure timely depositing. I will also try to do a better job of paying bills when due.*
- D. *I will work with the Judge to establish a policy to more clearly document how the fees are charged on the estates.*

The Associate Circuit Judge provided the following responses:

- A. *I will monitor the annual settlements and ensure they are timely filed.*
- B. *I will require supporting documentation to be submitted when the annual settlements are filed.*

8. Sheriff's Controls and Procedures

The Sheriff's office collects various criminal and civil fees, bonds, and gun permits totaling

approximately \$300,000 per year. Accounting and bookkeeping duties are not adequately segregated and formal bank reconciliations are not prepared on a monthly basis. Also, receipt slips do not always indicate the method of payment and receipts are not deposited on a timely basis.

- A. Formal bank reconciliations are not prepared on a monthly basis. As of May 2002, monthly bank reconciliations for the Sheriff's office accounts had not been completed since June 2001.

Monthly bank reconciliations are necessary to ensure accounting records are in agreement with bank records. Failure to prepare formal bank reconciliations in a timely manner increases the risk that errors or irregularities will not be detected on a timely basis.

- B. Accounting and bookkeeping duties are not adequately segregated. One deputy is primarily responsible for receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the accounting records. An independent review of deposits and accounting records has not been performed since June 2001 when the last bank reconciliations were prepared.

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 depositing receipts from reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, a periodic supervisory review of the records should be performed and documented.

- C. Our review of receipts and deposits noted the following:

- 1) Receipt slips do not always indicate the method of payment. To ensure receipts are handled properly, the method of payment should be indicated on each receipt slip and the composition (cash and checks) should be reconciled to the composition of bank deposits.
- 2) Receipts are not deposited on a timely basis. For example, on January 17, 2001, the Sheriff's office deposited \$375 that had been collected between January 4, 2001 and January 12, 2001. To adequately safeguard cash receipts and reduce the risk of loss or misuse of funds, receipts should be deposited daily or when accumulated receipts exceed \$100.

Similar conditions to Parts B and C were noted in prior reports.

WE RECOMMEND the Sheriff:

- A. Ensure formal bank reconciliations are prepared on a monthly basis.

- B. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
 - C.1. Ensure the method of payment is indicated on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.
2. Deposit receipts daily or when accumulated receipts exceed \$100.

AUDITEE'S RESPONSE

- A. *The bookkeeper is in the process of getting all bank and book balances reconciled. This should be completed within the next month.*
 - B. *I will review all bank reconciliations when completed and I am currently reviewing monthly reports of disbursements.*
 - C.1. *Although the one-write does not include a column for cash or check, the bookkeeper tries to indicate the method of payment at the time of receipt. However, when another deputy collects the money, the mode of payment may not be indicated.*
2. *We will ensure deposits are made more frequently.*

9.	Monroe County Board for the Handicapped
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Budgets were prepared by the Monroe County Board for the Handicapped (MCBH) for the years ended December 31, 2001 and 2000; however, the approved budget documents did not adequately reflect the MCBH's anticipated financial condition. Instead of budgeting expenditures based on historical amounts, expenditures were budgeted to use all available resources. For the year ended December 31, 2000, the MCBH budgeted expenditures totaling \$165,007, but expended only \$83,641, and for the year ended December 31, 2001, budgeted expenditures totaled \$176,671, but only \$95,802 was expended. As a result, the MCBH is budgeting approximately twice the annual expenditures and therefore, the actual ending cash balances are much higher than the zero ending cash balances projected by the board. The 2002 budget prepared by MCBH again reflected expenditures that were equal to the cash on hand plus anticipated revenues.

To be of maximum assistance to the board and to adequately inform the public, the budgets should accurately reflect the anticipated expenditures and ending cash balances. The practice of routinely budgeting to spend all available resources decreases the effectiveness of the budget as a management planning tool and as a control over expenditures.

A similar condition was noted in our prior report.

WE RECOMMEND the Monroe County Board for the Handicapped estimate expenditures as closely as possible to the anticipated actual amounts so the budget documents present a reasonable estimate of the board's financial plan and ending cash balances.

AUDITEE'S RESPONSE

The Administrator provided the following response:

The Monroe County Board for the Handicapped will implement this procedure when reviewing the present budget, and when we prepare the 2003 budget.

10. Enhanced 911 Board

The Enhanced 911 fund was established by the County Commission in 1997. The Enhanced 911 fund was held by the County Treasurer until January 2001 when the fund was transferred to the Enhanced 911 Board. The Enhanced 911 Board does not maintain a cumulative book balance and does not reconcile bank information to book records. In addition, the Enhanced 911 Board overspent the budget in 2001. Several concerns were noted with the Enhanced 911 Board's payroll procedures, which may indicate noncompliance with the FLSA.

- A. Over \$20,500 in receipts were deposited into the board's checking account during 2001, but the receipts were never recorded on the board's accounting records. This discrepancy was never discovered by the board, the 911 coordinator, or the bookkeeper because a cumulative book balance is not maintained, and therefore, cannot be reconciled to the bank balance.

Without maintaining records of cash balances and preparing monthly bank reconciliations, there is little assurance that cash receipts and disbursements have been properly handled and recorded or that bank or book errors will be detected and corrected in a timely manner.

- B. Actual disbursements exceeded the budgeted amounts by \$9,414 for the year ended December 31, 2001. It was ruled in *State ex rel. Strong v. Cribb*, 364 Mo.1122, 273 SW2d 246(1954), that county officials are required to strictly comply with the county budget law.

If there are valid reasons which necessitate excess disbursements, 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 2000, 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 its budget.

C. We noted the following concerns related to the payroll procedures of the Enhanced 911 Board:

- 1) Although time sheets are prepared by 911 dispatchers to document actual hours worked, neither the 911 coordinator nor the part-time bookkeeper prepare time sheets.

The 911 coordinator occasionally performs additional duties such as working as a dispatcher and serving as a temporary office manager for the Monroe County Sheriff's office. While performing these additional duties, the 911 coordinator continues to earn a full salary from the Enhanced 911 Board. Because the 911 coordinator does not prepare time sheets to record the hours worked in the capacity of coordinator, it appears the 911 coordinator may have been paid twice for the same hours worked.

For example, during July and August 2001, the 911 coordinator worked three weeks as an office manager for the Sheriff's office. Time sheets were prepared for the county to document the hours worked as an office manager. County payroll records indicated that the 911 coordinator worked 40 hours during each of the three weeks and was paid \$6 per hour or \$720 by the county. The payroll records of the Enhanced 911 Board were also reviewed and while no time sheets were available, the payroll ledger indicated that the 911 coordinator continued to receive her full salary of \$1,832 per month from the Enhanced 911 Fund while she was being paid by the county to work as an office manager for the Sheriff's office.

Time sheets or time records are necessary to document payroll expenditures and to ensure compliance with the Fair Labor Standards Act (FLSA). In addition, the preparation of time sheets ensures that all employees are paid for actual hours worked.

- 2) Payroll calculations documented on employee time sheets are not always accurate. We noted one employee whose time sheet indicated that the employee had worked twelve hours of overtime at a rate of \$12 per hour. However, when the payroll calculation was documented, a mathematical error was made and the total was reported as \$12 instead of the correct \$144. It does not appear that the payroll calculations are reviewed for accuracy.

Payroll calculations should be reviewed and approved by the applicable supervisor to ensure mathematical accuracy.

- 3) Due to an oversight during the monthly payroll processing, the 911 coordinator was overpaid \$916 in June 2001. During November 2001, \$300 was withheld from the 911 coordinator's salary to repay a portion of the additional compensation received in June 2001. As of May 2002, no further action has been taken by the Enhanced 911 Board to resolve this overpayment and no additional repayments have been made.

The Enhanced 911 Board should review the salary payments made to the 911 coordinator and develop a plan for obtaining repayment of the salary overpayment.

- 4) The board's current personnel policy does not adequately address the issue of overtime pay. While the 911 coordinator contends that employees must actually work in excess of 40 hours in any workweek before overtime is paid at a rate of one and one-half the normal rate of pay, this is not clearly documented in the personnel policy. For workweeks during which accumulated hours of vacation leave or sick leave are used, the personnel policy is unclear if these hours are to be considered when calculating overtime pay.

A clear and concise written policy regarding overtime pay for employees is necessary to ensure compliance with the FLSA and to ensure the equitable treatment of all employees. In addition, the FLSA requires employers to keep accurate records of compensatory time earned, taken, or paid.

- 5) In December 2001, the Enhanced 911 Board paid a \$75 bonus to the 911 coordinator and a \$50 bonus to each dispatcher for a total of \$525. These payments represent additional compensation in the form of a bonus for services previously rendered and, as such, are in violation of Article III, Section 39 of the Missouri Constitution.

In addition, these payments were not included in the county payroll records, were not subject to the proper withholdings, and were not reported on the employees' W-2 forms.

WE RECOMMEND the Enhanced 911 Board:

- A. Post all receipts to the accounting records when received, maintain a cumulative book balance, reconcile the book balance to the bank balance on a monthly basis, and investigate any differences.
- B. Refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's office.

- C.1. Ensure time sheets are prepared and maintained for all employees. The records should be prepared and signed by employees and approved by the applicable supervisor.
2. Ensure payroll calculations are reviewed and approved by the applicable supervisor to ensure mathematical accuracy.
3. Review the salary payments made to the 911 coordinator and develop a plan for obtaining repayment of the salary overpayment.
4. Review and update the board's personnel policy to include detailed policies regarding overtime pay.
5. Discontinue the practice of paying employee bonuses.

AUDITEE'S RESPONSE

The 911 Board Secretary, coordinator, and bookkeeper provided the following responses:

- A. *With this exception, receipts are posted to accounting records when received. We are in the process of updating the monthly ledger sheets to include an ending cash balance and will reconcile this to the bank balance within the next month.*
- B. *We were not aware that it was necessary to amend the budget, but we will do so in the future.*
- C.1. *The 911 coordinator and the bookkeeper will now prepare time sheets.*
 2. *Implemented. All payroll calculations are being reviewed by both the 911 coordinator and the bookkeeper to ensure mathematical accuracy.*
 3. *The 911 coordinator is in the process of repaying the salary overpayment through payroll withholdings.*
 4. *We are in the process of clarifying the personnel policy.*
 5. *Bonuses will no longer be paid.*

This report is intended for the information of the management of Monroe 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

MONROE 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 Monroe County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the two years ended December 31, 1997. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Public Administrator's Procedures

- A.1. Annual settlements and inventories were not filed annually or within a reasonable period of time.
- 2. The Public Administrator was allowed access to assets prior to posting the required surety bond.
- 3. Checks received for clients were not deposited timely and amounts due for services or products received by clients were not paid timely by the Public Administrator.
- 4. Required reports were not submitted to the Division of Family Services in a timely manner for clients receiving public assistance benefits.
- B. Receipts for fees were not properly reported to the county.
- C.1. Adequate supporting documentation was not maintained for disbursements including attorney fees.
- 2. Mileage reimbursement claims did not indicate miles traveled on each date, the location visited, or the purpose of the trip.
- D. Incomplete annual settlements were being prepared causing an overstatement of assets and understatement of expenditures.

Recommendations:

- A.1. The Public Administrator file annual settlements and inventory listings on a timely basis.

In addition, the Associate Circuit Division Judge should monitor cases assigned to the Public Administrator to ensure that settlements and inventory listings are being filed as required.

2. The Associate Circuit Judge ensure that adequate bond coverage is obtained promptly, when necessary and not allow the Public Administrator access to clients assets until adequate bonds have been posted.
 3. The Public Administrator deposit receipts daily or when accumulated receipts exceed \$100 and pay all bills when due.
 4. The Public Administrator ensure all required reports are submitted promptly.
- B. The Public Administrator report all fees received to the County Clerk.

In addition, the Public Administrator and the County Commission should consider making different arrangements that would ensure all fees are properly handled and reported.

- C.1. The Associate Circuit Judge require adequate documentation to be filed or made available to support all settlement transactions.
2. The Public Administrator ensure that all claims for mileage contain sufficient detail as to the date of travel, destination, and total miles. In addition, the Associate Circuit Judge should require supporting documentation before approving mileage reimbursement claims.
- D. The Public Administrator ensure that all transactions are included in each annual settlement.

Status:

A.1,3,
C.1,
&D. Not implemented. See MAR finding number 7.

A.2. Implemented. However, bond coverage for the Public Administrator's term beginning January 1, 2001, was not obtained until March 8, 2001. The effective date of the bond was January 1, 2001.

A.4,B,
&C.2. Implemented.

2. County Expenditures

A. Bids were not always solicited or advertised nor was bid documentation always retained for various purchases.

- B. An assault rifle costing \$1,848 was purchased from the Law Enforcement Training Fund.

Recommendations:

The County Commission:

- A. Solicit bids for purchases in accordance with state law and retain documentation of these bids and justification for bid awards. If bids cannot be obtained or sole source procurement is necessary, the County Clerk should retain documentation of these circumstances. In addition, the Circuit Clerk should bid for services as required by statute.
- B. Ensure all expenditures of the Law Enforcement Training Fund meet statutory requirements. In addition, \$1,848 should be transferred from the General Revenue Fund to reimburse the Law Enforcement Training Fund.

Status:

- A. Partially implemented. While it appears bids were solicited and documentation was retained in accordance with state law, documentation for sole source procurement was not retained. Although not repeated in the current report, our recommendation remains as stated above.
- B. Partially implemented. The Law Enforcement Training Fund expenditures reviewed appeared to meet statutory requirements; however, the County Commission did not transfer \$1,848 from the General Revenue Fund to the Law Enforcement Training Fund. Although not repeated in the current report, our recommendation remains as stated above.

3. Property Tax Controls

- A. The County Clerk did not maintain an account book with the County Collector.
- B. The County Clerk did not prepare the current or back tax books or verify the tax book totals.

Recommendations:

The County Clerk:

- A. Establish and maintain an account book with the County Collector. In addition, the County Commission should consider using the account book to verify the County Collector's annual settlements.

- B. Prepare the current and back tax books or review the tax books for accuracy and document the procedures performed.

Status:

A&B. Not implemented. See MAR finding number 3.

4. Budgetary Practices and Published Financial Statements

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 1997 and 1996.
- B. Actual expenditures exceeded budgeted amounts for the Mark Twain Reservoir Fund for the year ended December 31, 1996.
- C. The county's annual published financial statements presented no information for some county funds.
- D. See our audit report on Monroe County, Missouri, for the two years ended December 31, 1999 (report number 2000-54).

Recommendations:

The County Commission:

- A. Prepare and/or obtain budgets for all county funds as required by state law.
- B. Keep expenditures within the budgetary limits. If necessary, extenuating circumstances should be fully documented and budgets properly revised and filed with the State Auditor's office.
- C. Include all county funds in the published financial statements as required by law.

Status:

- A&C. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.
- B. Not implemented. See MAR finding number 1.

5. Payroll Records

- A. Time sheets submitted by county employees did not indicate the actual hours worked.
- B. The county did not maintain centralized leave records for all employees and the Sheriff's deputies did not report leave earned, taken, or accumulated to the county.

Recommendations:

The County Commission:

- A. Require all county employees to complete time sheets which report actual hours worked. The records should be prepared by employees, approved by the applicable supervisor, and filed with the County Clerk.
- B. Ensure a running balance of leave accumulated and taken for each employee is maintained by the County Clerk.

Status:

- A. Not implemented. See MAR finding number 5.
- B. Partially implemented. Centralized leave records are maintained by the county; however, these records are not always accurate. See MAR finding number 5.

6. Circuit Clerk's Controls and Procedures

- A. Receipt slips did not indicate the mode of payment, receipts and disbursements were not recorded on a timely basis, and receipts were not deposited timely.
- B. As of December 31, 1997, the Circuit Clerk's monthly listings of open items contained fees for cases that dated back to 1994.

Recommendations:

The Circuit Clerk:

- A. 1. Record the mode of payment on receipt slips and reconcile the composition of receipts to bank deposits.
- 2. Record receipts and disbursements on a daily basis.
- 3. Deposit receipts daily or when accumulated receipts exceed \$100.

- B. Establish adequate procedures to ensure unpaid fees are billed on a monthly basis and to follow up and collect costs that are due to the court. He should also review older cases along with the Circuit Judge and determine the appropriate disposition of inactive cases.

Status:

A.1.&

A.3. Implemented.

A.2. Partially Implemented. Receipts and disbursements are posted to the case fee sheets daily. In addition, improvement has been made as receipts and disbursements are now posted to the cash control book semi-monthly as opposed to monthly. Although not repeated in the current report, our recommendation remains as stated above.

B. Partially implemented. While some of the unpaid fees due to the court have not been collected, improvement has been made and many of the older cases have been resolved. Although not repeated in the current report, our recommendation remains as stated above.

7. Sheriff's Controls and Procedures

A. Accounting and bookkeeping duties were not adequately segregated.

B. Receipts slips did not indicate the mode of payment, and receipts were not deposited on a timely basis.

Recommendations:

The Sheriff:

A. Segregate accounting and bookkeeping duties to the extent possible, or at a minimum, perform and document periodic reviews of the work performed.

B. Record the mode of payment on receipt slips and reconcile the composition of receipts to bank deposits. Deposits should be made intact daily or when accumulated receipts exceed \$100.

Status:

A. Not implemented. See MAR finding number 8.

B. Partially implemented. Although the one-write does not include a column for cash or check, the bookkeeper tries to indicate the method of payment at the time of receipt.

However, when another deputy collects the money, the mode of payment may not be indicated. See MAR finding number 8.

8. Monroe County Board for the Handicapped

- A. The Monroe County Board for the Handicapped (MCBH) did not advertise for bids for a purchase totaling over \$3,000.
- B. The approved budget documents did not adequately reflect the MCBH's anticipated financial condition for the two years ended December 31, 1997.

Recommendations:

The Monroe County Board for the Handicapped:

- A. Solicit bids for purchases in accordance with statutory requirements.
- B. Estimate expenditures as closely as possible to the anticipated actual amounts and avoid budgeting a deficit balance so the budget documents present a reasonable estimate of the board's financial plan and ending cash balances.

Status:

- A. During the two years ended December 31, 2001, the MCBH did not make any purchases that were statutorily required to be bid.
- B. Not implemented. See MAR finding number 9.

STATISTICAL SECTION

History, Organization, and
Statistical Information

MONROE COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1831, the county of Monroe was named after President James Monroe. Monroe County is a county-organized, third-class county and is part of the 10th Judicial Circuit. The county seat is Paris.

Monroe 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 Monroe County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 437,730	18	402,676	16
Sales taxes	555,223	23	513,915	20
Federal and state aid	1,039,024	42	1,361,082	52
Fees, interest, and other	410,941	17	315,067	12
Total	\$ 2,442,918	100	2,592,740	100

The following chart shows how Monroe County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 720,796	31	677,792	27
Public safety	488,676	21	386,667	16
Highways and roads	1,107,055	48	1,401,875	57
Total	\$ 2,316,527	100	2,466,334	100

The county maintains approximately 157 county bridges and 650 miles of county roads.

The county's population was 9,542 in 1970 and 9,311 in 2000. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	2001	2000	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 56.3	54.7	43.8	22.0	18.6
Personal property	24.3	24.7	10.5	8.3	4.8
Railroad and utilities	13.4	14.3	8.8	6.2	4.6
Total	\$ 94.0	93.7	63.1	36.5	28.0

* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	2001	2000
General Revenue Fund	\$.2700	.2700
Special Road and Bridge Fund*	.2738	.2700
Health Center Fund	.1000	.1000
Senate Bill 40 Board Fund	.0900	.0900

* The county retains all tax proceeds from areas not within road districts. The county has 2 road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

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 bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28,	
	2002	2001
State of Missouri	\$ 28,447	27,773
General Revenue Fund	263,685	259,316
Special Road and Bridge Fund	258,209	249,665
Assessment Fund	51,498	48,941
Health Center Fund	93,968	91,934
Handicapped Board Fund	83,331	81,314
School districts	3,339,442	3,182,677
Library district	170,360	124,660
Monroe County ambulance district	249,494	239,121
Monroe City ambulance district	90,851	89,956
Paris fire protection district	46,823	42,718
Shelbina fire protection district	10,422	11,780
Madison special road district	27,546	25,024
Monroe City special road district	89,755	93,310
Monroe County nursing home	106,735	101,787
Salt River nursing home	6,078	5,940
Cities	104,382	105,467
County Clerk	2,045	2,126
County Employees' Retirement	29,327	25,340
Commissions and fees:		
General Revenue Fund	82,451	76,713
Total	\$ <u>5,134,849</u>	<u>4,885,562</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	2002	2001
Real estate	96 %	96 %
Personal property	92	92
Railroad and utilities	98	98

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

	Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50 %
General (1/3 General, 1/3 bridges, 1/3 law enforcement)	.0050	March 31, 2008	None

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

Officeholder	2002	2001	2000
County-Paid Officials:			
David Utterback, Presiding Commissioner	\$	23,906	19,990
Michael Whelan, Associate Commissioner		21,906	17,990
Glenn Turner, Associate Commissioner		21,906	17,990
Sandra Carter, County Clerk		30,892	28,892
Michael Wilson, Prosecuting Attorney		36,462	34,462
Gary Tawney, Sheriff		39,350	36,000
Martha Cullifer, County Treasurer		21,877	20,397
James Reinhard, County Coroner		8,350	6,500
Angela Fields, Public Administrator (1)		22,259	17,571
Ann Ragsdale, County Collector, year ended February 28 (29),	33,334	31,334	
Paul Quinn, County Assessor (2), year ended August 31,		34,900	34,900

(1) In addition to fees received from probate cases, a salary of \$10,000 was received in 2000 and a salary of \$20,000 was received in 2001.

(2) Includes \$900 annual compensation received from the state.

State-Paid Officials:

Gale Bierly, Circuit Clerk and Ex Officio Recorder of Deeds		47,300	46,127
Carroll Blackwell, Associate Circuit Judge		96,000	97,382

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	1	0
Circuit Clerk and Ex Officio Recorder of Deeds (1)	2	1
County Clerk	2	0
Prosecuting Attorney	1	0
Sheriff (2)	12	0
County Collector (3)	4	0
County Assessor	2	0
Associate and Probate Division (4)	0	2
Road and Bridge (4)	13	0
Health Center (5)	12	0
Monroe County Board for the Handicapped (4)	1	0
911 Board (6)	12	0
Total	<u>62</u>	<u>3</u>

- (1) Includes two part-time employees
- (2) Includes five part-time employees
- (3) Includes three part-time employees
- (4) Includes one part-time employee
- (5) Includes four part-time employees
- (6) Includes six part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Monroe County's share of the 10th Judicial Circuit's expenses is 19.72 percent.

The county commission administers the Mark Twain Reservoir Fund which was established in 1980 with the county's share of an \$875,000 out-of-court settlement of lawsuits between the county and the U.S. Army Corps of Engineers. The unused balance of this fund is drawn upon by the county to help meet its obligation to maintain roads and bridges around the Mark Twain Lake created by the Cannon Dam project. During 2001, the county received approximately \$220,000 in grant proceeds through the Missouri Department of Transportation to fund road projects completed around the Mark Twain Lake.