



Claire McCaskill

Missouri State Auditor

August 2005

Cooper County, Missouri

Years Ended

December 31, 2004 and 2003



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 2005

IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Cooper, that do not have a county auditor. In addition to a financial and compliance audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

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

- The county had not adequately documented its methods for allocating certain costs related to emergency communications equipment and operations among the various county funds and these allocations were not always made consistently. The county transfers monies from the Law Enforcement Center Fund (LEC) to the E911 Fund to reimburse for non-emergency dispatching performed. However, the county has no documentation to demonstrate how the annual transfer amount was derived and has undertaken no study to determine whether the amounts transferred are fair based on relative work load of the E911 staff. In 2002, the county planned to transfer \$97,000 from the LEC Fund to the E911 Fund but failed to make the transfer and has no current plans to correct the oversight.

The county divided approximately \$200,000 in communications equipment upgrade costs equally between the LEC Fund, E911 Fund and Special Road and Bridge Fund but did not track or estimate each department's usage of the systems to determine whether its cost allocation was equitable. Likewise, the E911 Fund annually reimbursed the General Revenue Fund for part of the salary of one employee performing services for both funds, but no timesheet was prepared to determine the appropriate division of costs between the two funds.

- The Sheriff's deputies have accumulated significant, and in some cases excessive, compensatory time balances and the County Commission and Sheriff have been unable to significantly reduce the accumulated balances. The time sheets prepared by one deputy contained errors and inconsistencies in the reported hours worked and compensatory time balances. The jail administrator accumulated about 600 hours of compensatory time as of March 2005 according to her personal records. However, the county has not clearly communicated its overtime policy for department heads.

(over)

YELLOW SHEET

- The county and circuit court have not resolved differences between themselves about the need and funding for a deputy juvenile officer and have incurred significant legal costs to contest the issue. Legal fees paid by the county and circuit court to contest this issue currently total about \$34,000 – nearly as much as the annual salary and benefit costs for the employee.
- The county had not considered the cost effectiveness of a vehicle leased for the County Clerk. It appears eliminating the lease and reimbursing the County Clerk for travel in his personal vehicle would have resulted in lower costs to the county.

Also included in the audit were recommendations related to records and monitoring of fuel usage by the Road and Bridge Department, the review of agreements with cities for property tax collection services, and lack of a written policy and records for fixed assets.

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

COOPER 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 Cooper County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Cooper County, Missouri, as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As discussed more fully in Note 1, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Cooper County, Missouri, as of December 31, 2004 and 2003, or the changes in its financial position for the years then ended.

In our opinion, the 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 Cooper

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, 2004 and 2003, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 14, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Cooper County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill
State Auditor

April 14, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Douglas J. Porting, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Julie Tomlinson
	Earlene Gladden
	Mapwesera Munlo



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Cooper County, Missouri

We have audited the financial statements of various funds of Cooper County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated April 14, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Cooper 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 financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Cooper County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Cooper County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

April 14, 2005 (fieldwork completion date)

Financial Statements

Exhibit A-1

COOPER COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2004

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,503,647	2,032,445	2,230,061	1,306,031
Special Road and Bridge	232,953	1,408,302	1,022,043	619,212
Assessment	42	190,701	179,222	11,521
Road and Bridge Trust	386,765	1,392,069	1,390,758	388,076
Enhanced 911	264,150	491,407	474,396	281,161
Law Enforcement Center	630,343	890,944	981,072	540,215
Election Services	3,266	5,999	4,645	4,620
Law Enforcement Training	1,476	10,412	8,593	3,295
Sheriff Civil Fees	25,665	23,640	46,263	3,042
Sheriff Interest	2,449	156	1,240	1,365
Prosecuting Attorney Training	5,066	1,158	2,272	3,952
Prosecuting Attorney Bad Check	16,609	21,102	17,646	20,065
Recorder's User Fees	10,492	8,415	0	18,907
Circuit Clerk Interest	7,302	3,857	2,063	9,096
Adult Abuse	5,326	2,018	5,200	2,144
Expendable Cemetery Trust	1,053	91	800	344
Law Library	9,721	12,009	5,888	15,842
Overton-Wooldridge Levee	225,069	15,839	12,419	228,489
Neighborhood Improvement District	472	4,531	5,003	0
Collector's Tax Maintenance	15,862	20,216	16,124	19,954
Recorder's Technical	8,834	5,111	830	13,115
Administrative Bond Fee ATM	6,498	1,117	1,908	5,707
Associate & Probate Division Interest	27,839	1,105	7,382	21,562
E.M.A. Citizen Council Grant	500	2,000	2,500	0
Hazards Emergency Planning	0	5,700	5,700	0
H.A.V.A. Administration	0	15,058	0	15,058
Sheriff Revolving	0	12	0	12
E.M.A. Grant P.S.F.A. Wireless	0	14,133	14,133	0
CDBG Elevator Grant	0	168,285	168,285	0
Total	\$ 3,391,399	6,747,832	6,606,446	3,532,785

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

Exhibit A-2

COOPER COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2003

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,569,382	1,888,951	1,954,686	1,503,647
Special Road and Bridge	332,204	1,155,302	1,254,553	232,953
Assessment	5,689	162,336	167,983	42
Road and Bridge Trust	390,162	678,615	682,012	386,765
Enhanced 911	284,487	439,146	459,483	264,150
Law Enforcement Center	696,920	847,935	914,512	630,343
Election Services	6,097	1,814	4,645	3,266
Law Enforcement Training	1,874	11,009	11,407	1,476
Sheriff Civil Fees	18,207	23,405	15,947	25,665
Sheriff Interest	1,412	1,833	796	2,449
Prosecuting Attorney Training	5,486	1,340	1,760	5,066
Prosecuting Attorney Bad Check	15,837	20,222	19,450	16,609
Recorder's User Fees	15,089	10,725	15,322	10,492
Circuit Clerk Interest	10,719	22	3,439	7,302
Adult Abuse	3,595	1,731	0	5,326
Expendable Cemetery Trust	2,155	173	1,275	1,053
Law Library	7,814	11,090	9,183	9,721
Overton-Wooldridge Levee	223,717	7,839	6,487	225,069
Neighborhood Improvement District	7,218	4,560	11,306	472
Collector's Tax Maintenance	1,697	16,149	1,984	15,862
Recorder's Technical	6,316	6,518	4,000	8,834
Local Law Enforcement Block Grant	0	7,407	7,407	0
Administrative Bond Fee ATM	7,306	967	1,775	6,498
Associate & Probate Division Interest	27,864	1,089	1,114	27,839
E.M.A. Citizen Council Grant	0	500	0	500
Hazards Emergency Planning	0	300	300	0
Total	\$ 3,641,247	5,300,978	5,550,826	3,391,399

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

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 6,770,720	6,545,382	(225,338)	5,819,633	5,299,067	(520,566)
DISBURSEMENTS	8,391,835	6,414,583	1,977,252	7,845,910	5,545,973	2,299,937
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,621,115)	130,799	1,751,914	(2,026,277)	(246,906)	1,779,371
CASH, JANUARY 1	3,356,258	3,356,258	0	3,603,385	3,602,664	(721)
CASH, DECEMBER 31	1,735,143	3,487,057	1,751,914	1,577,108	3,355,758	1,778,650
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	286,000	298,409	12,409	192,500	197,559	5,059
Sales taxes	670,000	723,199	53,199	670,000	663,133	(6,867)
Intergovernmental	367,802	415,761	47,959	350,200	339,037	(11,163)
Charges for services	303,000	295,093	(7,907)	292,300	309,849	17,549
Interest	40,000	29,588	(10,412)	64,000	43,684	(20,316)
Other	205,226	215,761	10,535	206,080	280,125	74,045
Transfers in	50,223	54,634	4,411	36,028	55,564	19,536
Total Receipts	1,922,251	2,032,445	110,194	1,811,108	1,888,951	77,843
DISBURSEMENTS						
County Commissioner	103,160	98,770	4,390	101,793	97,623	4,170
County Clerk	119,907	113,151	6,756	105,670	91,586	14,084
Elections	106,557	75,258	31,299	69,172	35,069	34,103
Buildings and ground:	315,940	169,570	146,370	300,440	79,020	221,420
Employee fringe benefit:	309,000	279,224	29,776	290,200	260,140	30,060
County Treasurer	39,776	38,284	1,492	35,250	34,539	711
County Collector	101,395	98,355	3,040	97,028	95,652	1,376
Ex Officio Recorder of Deeds	53,742	45,176	8,566	55,375	48,422	6,953
Circuit Clerk	9,650	5,587	4,063	12,150	8,955	3,195
Associate Circuit Court	21,620	13,976	7,644	19,650	16,814	2,836
Court administrator	53,474	39,233	14,241	50,596	45,750	4,846
Public Administrator	50,130	48,644	1,486	50,230	48,525	1,705
Sheriff	279,321	271,675	7,646	300,815	291,401	9,414
Jail	42,000	31,911	10,089	42,000	28,293	13,707
Prosecuting Attorney	175,261	169,630	5,631	175,820	173,117	2,703
Juvenile Officer	60,164	26,726	33,438	59,481	30,608	28,873
County Coroner	19,781	18,983	798	20,485	19,999	486
Other general county government	113,950	88,102	25,848	86,700	58,584	28,116
Contract services	58,697	58,697	0	55,856	55,856	0
Child support division	105,829	99,510	6,319	99,305	95,073	4,232
Other public safety	118,480	134,453	(15,973)	125,687	132,973	(7,286)
Public health and welfare service:	210,020	193,883	16,137	202,959	191,916	11,043
Transfers out	39,158	28,431	10,727	256,994	14,771	242,223
Emergency Fund	119,000	82,832	36,168	119,000	0	119,000
Total Disbursement:	2,626,012	2,230,061	395,951	2,732,656	1,954,686	777,970
RECEIPTS OVER (UNDER) DISBURSEMENTS	(703,761)	(197,616)	506,145	(921,548)	(65,735)	855,813
CASH, JANUARY 1	1,503,647	1,503,647	0	1,569,382	1,569,382	0
CASH, DECEMBER 31	799,886	1,306,031	506,145	647,834	1,503,647	855,813

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	500,476	543,820	43,344	480,476	506,467	25,991
Intergovernmental	567,400	593,468	26,068	565,000	573,458	8,458
Interest	8,000	8,181	181	9,000	8,687	(313)
Other	1,000	236,710	235,710	11,000	29,770	18,770
Transfers in	47,400	26,123	(21,277)	57,400	36,920	(20,480)
Total Receipts	1,124,276	1,408,302	284,026	1,122,876	1,155,302	32,426
DISBURSEMENTS						
Salaries	380,000	387,230	(7,230)	395,000	378,340	16,660
Employee fringe benefits	164,000	136,427	27,573	159,500	149,284	10,216
Supplies	129,000	110,683	18,317	129,000	103,925	25,075
Insurance	45,000	24,837	20,163	60,000	32,391	27,609
Road and bridge materials	230,500	167,265	63,235	253,000	172,267	80,733
Equipment repairs	40,000	40,358	(358)	40,000	35,088	4,912
Rentals	52,000	35,698	16,302	47,000	58,830	(11,830)
Equipment purchase:	150,000	40,008	109,992	200,000	166,970	33,030
Construction, repair, and maintenance	2,500	157	2,343	2,500	2,139	361
Other	92,671	79,380	13,291	147,719	155,319	(7,600)
Total Disbursements	1,285,671	1,022,043	263,628	1,433,719	1,254,553	179,166
RECEIPTS OVER (UNDER) DISBURSEMENTS	(161,395)	386,259	547,654	(310,843)	(99,251)	211,592
CASH, JANUARY 1	232,953	232,953	0	332,562	332,204	(358)
CASH, DECEMBER 31	71,558	619,212	547,654	21,719	232,953	211,234
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	150,715	168,288	17,573	155,676	147,806	(7,870)
Charges for services	1,900	1,983	83	1,900	1,881	(19)
Interest	500	430	(70)	780	521	(259)
Other	0	0	0	0	128	128
Transfers in	34,158	20,000	(14,158)	26,818	12,000	(14,818)
Total Receipts	187,273	190,701	3,428	185,174	162,336	(22,838)
DISBURSEMENTS						
Assessor	187,273	179,222	8,051	185,184	167,983	17,201
Total Disbursements	187,273	179,222	8,051	185,184	167,983	17,201
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	11,479	11,479	(10)	(5,647)	(5,637)
CASH, JANUARY 1	42	42	0	6,107	5,689	(418)
CASH, DECEMBER 31	42	11,521	11,479	6,097	42	(6,055)

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ROAD AND BRIDGE TRUST FUND</u>						
RECEIPTS						
Sales taxes	660,000	723,251	63,251	670,000	663,133	(6,867)
Intergovernmental	1,500,000	657,340	(842,660)	600,000	8,392	(591,608)
Interest	7,000	7,578	578	6,000	7,090	1,090
Other	0	3,900	3,900	0	0	0
Total Receipts	2,167,000	1,392,069	(774,931)	1,276,000	678,615	(597,385)
DISBURSEMENTS						
Construction, repair, and maintenance	2,300,000	1,357,371	942,629	1,550,000	647,124	902,876
Other	10,500	4,542	5,958	14,500	5,448	9,052
Transfers out	40,000	28,845	11,155	50,000	29,440	20,560
Total Disbursements	2,350,500	1,390,758	959,742	1,614,500	682,012	932,488
RECEIPTS OVER (UNDER) DISBURSEMENTS	(183,500)	1,311	184,811	(338,500)	(3,397)	335,103
CASH, JANUARY 1	386,765	386,765	0	390,162	390,162	0
CASH, DECEMBER 31	203,265	388,076	184,811	51,662	386,765	335,103
<u>ENHANCED 911 FUND</u>						
RECEIPTS						
Sales taxes	334,000	361,598	27,598	334,000	331,483	(2,517)
Interest	3,500	4,748	1,248	6,000	4,970	(1,030)
Other	0	5,928	5,928	2,700	193	(2,507)
Transfers in	130,350	119,133	(11,217)	127,850	102,500	(25,350)
Total Receipts	467,850	491,407	23,557	470,550	439,146	(31,404)
DISBURSEMENTS						
Salaries	275,352	266,306	9,046	266,300	252,582	13,718
Employee fringe benefits	79,800	64,364	15,436	61,450	67,767	(6,317)
Equipment	50,000	29,377	20,623	55,000	28,959	26,041
Telephone service charges	50,000	52,650	(2,650)	55,000	48,270	6,730
Other	35,700	29,214	6,486	31,400	30,785	615
Transfers out	32,077	32,485	(408)	31,120	31,120	0
Total Disbursements	522,929	474,396	48,533	500,270	459,483	40,787
RECEIPTS OVER (UNDER) DISBURSEMENTS	(55,079)	17,011	72,090	(29,720)	(20,337)	9,383
CASH, JANUARY 1	264,150	264,150	0	284,487	284,487	0
CASH, DECEMBER 31	209,071	281,161	72,090	254,767	264,150	9,383
<u>LAW ENFORCEMENT CENTER FUND</u>						
RECEIPTS						
Sales taxes	665,000	723,123	58,123	670,000	662,384	(7,616)
Interest	7,000	3,611	(3,389)	65,000	73,381	8,381
Other	110,000	164,210	54,210	83,300	112,170	28,870
Total Receipts	782,000	890,944	108,944	818,300	847,935	29,635
DISBURSEMENTS						
Salaries	327,062	318,117	8,945	316,415	304,997	11,418
Employee fringe benefits	98,500	90,182	8,318	96,500	84,766	11,734
Prison expenses	173,800	163,184	10,616	159,600	123,667	35,933
Debt service	230,000	223,910	6,090	220,000	220,846	(846)
Groceries	96,000	80,679	15,321	80,000	75,593	4,407
Transfers out	105,000	105,000	0	102,500	104,643	(2,143)
Total Disbursements	1,030,362	981,072	49,290	975,015	914,512	60,503
RECEIPTS OVER (UNDER) DISBURSEMENTS	(248,362)	(90,128)	158,234	(156,715)	(66,577)	90,138
CASH, JANUARY 1	630,343	630,343	0	696,920	696,920	0
CASH, DECEMBER 31	381,981	540,215	158,234	540,205	630,343	90,138

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Interest	100	59	(41)	100	68	(32)
Other	0	1,009	1,009	0	0	0
Transfers in	4,700	4,931	231	1,500	1,746	246
Total Receipts	4,800	5,999	1,199	1,600	1,814	214
DISBURSEMENTS						
Vehicle lease	8,000	4,645	3,355	6,000	4,645	1,355
Total Disbursements	8,000	4,645	3,355	6,000	4,645	1,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,200)	1,354	4,554	(4,400)	(2,831)	1,569
CASH, JANUARY 1	3,266	3,266	0	6,097	6,097	0
CASH, DECEMBER 31	66	4,620	4,554	1,697	3,266	1,569
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	8,700	6,809	(1,891)	8,550	8,635	85
Interest	0	31	31	0	33	33
Other	0	72	72	0	81	81
Transfers in	0	3,500	3,500	0	2,260	2,260
Total Receipts	8,700	10,412	1,712	8,550	11,009	2,459
DISBURSEMENTS						
Sheriff	10,000	8,593	1,407	10,420	11,407	(987)
Total Disbursements	10,000	8,593	1,407	10,420	11,407	(987)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,300)	1,819	3,119	(1,870)	(398)	1,472
CASH, JANUARY 1	1,476	1,476	0	1,874	1,874	0
CASH, DECEMBER 31	176	3,295	3,119	4	1,476	1,472
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	23,000	23,337	337	28,000	23,081	(4,919)
Interest	300	303	3	350	324	(26)
Total Receipts	23,300	23,640	340	28,350	23,405	(4,945)
DISBURSEMENTS						
Equipment	46,000	46,263	(263)	46,000	15,947	30,053
Total Disbursements	46,000	46,263	(263)	46,000	15,947	30,053
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,700)	(22,623)	77	(17,650)	7,458	25,108
CASH, JANUARY 1	25,665	25,665	0	18,207	18,207	0
CASH, DECEMBER 31	2,965	3,042	77	557	25,665	25,108
<u>SHERIFF INTEREST FUND</u>						
RECEIPTS						
Interest	100	156	56	400	134	(266)
Other	0	0	0	0	1,699	1,699
Total Receipts	100	156	56	400	1,833	1,433
DISBURSEMENTS						
Sheriff	2,400	1,240	1,160	1,800	796	1,004
Total Disbursements	2,400	1,240	1,160	1,800	796	1,004
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,300)	(1,084)	1,216	(1,400)	1,037	2,437
CASH, JANUARY 1	2,449	2,449	0	1,412	1,412	0
CASH, DECEMBER 31	149	1,365	1,216	12	2,449	2,437

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,500	1,086	(414)	1,500	1,268	(232)
Interest	150	72	(78)	150	72	(78)
Total Receipts	1,650	1,158	(492)	1,650	1,340	(310)
DISBURSEMENTS						
Prosecuting Attorney	2,250	2,272	(22)	2,350	1,760	590
Total Disbursements	2,250	2,272	(22)	2,350	1,760	590
RECEIPTS OVER (UNDER) DISBURSEMENTS	(600)	(1,114)	(514)	(700)	(420)	280
CASH, JANUARY 1	5,066	5,066	0	5,486	5,486	0
CASH, DECEMBER 31	4,466	3,952	(514)	4,786	5,066	280
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	20,500	20,772	272	17,000	19,974	2,974
Interest	250	330	80	350	248	(102)
Total Receipts	20,750	21,102	352	17,350	20,222	2,872
DISBURSEMENTS						
Prosecuting Attorney	8,330	3,222	5,108	3,200	3,316	(116)
Transfers out	14,424	14,424	0	17,824	16,134	1,690
Total Disbursements	22,754	17,646	5,108	21,024	19,450	1,574
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,004)	3,456	5,460	(3,674)	772	4,446
CASH, JANUARY 1	16,609	16,609	0	15,837	15,837	0
CASH, DECEMBER 31	14,605	20,065	5,460	12,163	16,609	4,446
<u>RECORDER'S USER FEES FUND</u>						
RECEIPTS						
Charges for services	10,000	8,174	(1,826)	9,000	10,493	1,493
Interest	200	241	41	600	232	(368)
Total Receipts	10,200	8,415	(1,785)	9,600	10,725	1,125
DISBURSEMENTS						
Ex Officio Recorder of Deeds	10,000	0	10,000	13,000	15,322	(2,322)
Total Disbursements	10,000	0	10,000	13,000	15,322	(2,322)
RECEIPTS OVER (UNDER) DISBURSEMENTS	200	8,415	8,215	(3,400)	(4,597)	(1,197)
CASH, JANUARY 1	10,492	10,492	0	15,034	15,089	55
CASH, DECEMBER 31	10,692	18,907	8,215	11,634	10,492	(1,142)
<u>ADULT ABUSE FUND</u>						
RECEIPTS						
Charges for services	1,600	1,916	316	1,300	1,673	373
Interest	50	102	52	50	58	8
Total Receipts	1,650	2,018	368	1,350	1,731	381
DISBURSEMENTS						
Domestic Violence Shelter	6,900	5,200	1,700	4,945	0	4,945
Total Disbursements	6,900	5,200	1,700	4,945	0	4,945
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,250)	(3,182)	2,068	(3,595)	1,731	5,326
CASH, JANUARY 1	5,326	5,326	0	3,595	3,595	0
CASH, DECEMBER 31	76	2,144	2,068	0	5,326	5,326

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>EXPENDABLE CEMETERY TRUST FUND</u>						
RECEIPTS						
Interest	170	91	(79)	185	173	(12)
Total Receipts	170	91	(79)	185	173	(12)
DISBURSEMENTS						
Maintenance	1,000	800	200	800	1,275	(475)
Total Disbursements	1,000	800	200	800	1,275	(475)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(830)	(709)	121	(615)	(1,102)	(487)
CASH, JANUARY 1	1,053	1,053	0	2,155	2,155	0
CASH, DECEMBER 31	223	344	121	1,540	1,053	(487)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	10,900	11,812	912	10,200	10,960	760
Interest	100	197	97	100	130	30
Total Receipts	11,000	12,009	1,009	10,300	11,090	790
DISBURSEMENTS						
Supplies	18,240	5,888	12,352	10,815	5,775	5,040
Transfers out	0	0	0	0	3,408	(3,408)
Total Disbursements	18,240	5,888	12,352	10,815	9,183	1,632
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,240)	6,121	13,361	(515)	1,907	2,422
CASH, JANUARY 1	9,721	9,721	0	7,814	7,814	0
CASH, DECEMBER 31	2,481	15,842	13,361	7,299	9,721	2,422
<u>OVERTON WOOLDRIDGE LEVEE FUND</u>						
RECEIPTS						
Property taxes	6,800	5,792	(1,008)	11,700	7,088	(4,612)
Interest	750	10,047	9,297	10,000	751	(9,249)
Total Receipts	7,550	15,839	8,289	21,700	7,839	(13,861)
DISBURSEMENTS						
Levee repairs and maintenance	224,000	9,594	214,406	237,700	3,336	234,364
Other	4,300	2,825	1,475	7,300	3,151	4,149
Total Disbursements	228,300	12,419	215,881	245,000	6,487	238,513
RECEIPTS OVER (UNDER) DISBURSEMENTS	(220,750)	3,420	224,170	(223,300)	1,352	224,652
CASH, JANUARY 1	225,069	225,069	0	223,717	223,717	0
CASH, DECEMBER 31	4,319	228,489	224,170	417	225,069	224,652
<u>NEIGHBORHOOD IMPROVEMENT DISTRICT FUND</u>						
RECEIPTS						
Interest	0	36	36	50	23	(27)
Other	4,400	4,495	95	4,000	4,537	537
Total Receipts	4,400	4,531	131	4,050	4,560	510
DISBURSEMENTS						
Transfers out	4,400	5,003	(603)	11,268	11,306	(38)
Total Disbursements	4,400	5,003	(603)	11,268	11,306	(38)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(472)	(472)	(7,218)	(6,746)	472
CASH, JANUARY 1	472	472	0	7,218	7,218	0
CASH, DECEMBER 31	472	0	(472)	0	472	472

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	17,500	19,758	2,258	12,000	15,996	3,996
Interest	0	298	298	0	153	153
Other	0	160	160	0	0	0
Total Receipts	17,500	20,216	2,716	12,000	16,149	4,149
DISBURSEMENTS						
County Collector	10,000	16,124	(6,124)	7,000	1,984	5,016
Total Disbursements	10,000	16,124	(6,124)	7,000	1,984	5,016
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,500	4,092	(3,408)	5,000	14,165	9,165
CASH, JANUARY 1	15,862	15,862	0	1,697	1,697	0
CASH, DECEMBER 31	23,362	19,954	(3,408)	6,697	15,862	9,165
<u>RECORDER'S TECHNICAL FUND</u>						
RECEIPTS						
Charges for services	6,500	4,929	(1,571)	5,400	6,439	1,039
Interest	0	182	182	0	79	79
Total Receipts	6,500	5,111	(1,389)	5,400	6,518	1,118
DISBURSEMENTS						
Equipment	15,000	830	14,170	11,500	4,000	7,500
Total Disbursements	15,000	830	14,170	11,500	4,000	7,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,500)	4,281	12,781	(6,100)	2,518	8,618
CASH, JANUARY 1	8,834	8,834	0	6,316	6,316	0
CASH, DECEMBER 31	334	13,115	12,781	216	8,834	8,618
<u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental				9,000	6,499	(2,501)
Transfers in				1,000	908	(92)
Total Receipts				10,000	7,407	(2,593)
DISBURSEMENTS						
Equipment				10,000	7,407	2,593
Total Disbursements				10,000	7,407	2,593
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	0	0
CASH, JANUARY 1				0	0	0
CASH, DECEMBER 31				0	0	0
<u>ADMINISTRATIVE BOND FEE ATM FUND</u>						
RECEIPTS						
Charges for services	1,000	1,081	81	2,040	925	(1,115)
Interest	0	36	36	100	42	(58)
Other	0	0	0	0	0	0
Transfers in	0	0	0	1,000	0	(1,000)
Total Receipts	1,000	1,117	117	3,140	967	(2,173)
DISBURSEMENTS						
Equipment leases	2,544	1,908	636	2,544	1,749	795
Other	100	0	100	100	26	74
Total Disbursements	2,644	1,908	736	2,644	1,775	869
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,644)	(791)	853	496	(808)	(1,304)
CASH, JANUARY 1	6,498	6,498	0	7,306	7,306	0
CASH, DECEMBER 31	4,854	5,707	853	7,802	6,498	(1,304)

Exhibit B

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

	Year Ended December 31,					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>E.M.A. CITIZEN COUNCIL GRANT FUND</u>						
RECEIPTS						
Intergovernmental	500	2,000	1,500			
Total Receipts	500	2,000	1,500			
DISBURSEMENTS						
Grant expense	900	2,500	(1,600)			
Total Disbursements	900	2,500	(1,600)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(400)	(500)	(100)			
CASH, JANUARY 1	500	500	0			
CASH, DECEMBER 31	100	0	(100)			
<u>HAZARDS EMERGENCY PLANNING FUND</u>						
RECEIPTS						
Intergovernmental	300	5,700	5,400			
Total Receipts	300	5,700	5,400			
DISBURSEMENTS						
Grant expense	300	5,700	(5,400)			
Total Disbursements	300	5,700	(5,400)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	\$ 0	0	0			

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

Notes to the Financial Statements

COOPER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Cooper County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Levee District 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 by warrant or 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>
Circuit Clerk Interest Fund	2004 and 2003
Associate & Probate Division Interest Fund	2004 and 2003
E.M.A. Citizen Council Grant Fund	2003
Hazards Emergency Planning Fund	2003
H.A.V.A. Administration Fund	2004
Sheriff Revolving Fund	2004
E.M.A. Grant P.S.F.A. Wireless Fund	2004
CDBG Elevator Grant Fund	2004

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	2003
Sheriff Civil Fees Fund	2004
Prosecuting Attorney Training Fund	2004
Recorder's User Fees Fund	2003
Expendable Cemetery Trust Fund	2003
Neighborhood Improvement District Fund	2004 and 2003
Collector's Tax Maintenance Fund	2004
E.M.A. Citizen Council Grant Fund	2004
Hazards Emergency Planning Fund	2004

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 for the years ended December 31, 2004 and 2003, did not include the Circuit Clerk Interest and Associate & Probate Division Interest Funds.

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 depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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

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

The county's deposits at December 31, 2004 and 2003 were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

3. Prior Period Adjustment

The Administrative Bond Fee ATM Fund's cash balance at January 1, 2003, as previously stated has been increased by \$3,920 to reflect cash in the ATM machine.

The School Building Revolving Fund's cash balance of \$13 at January 1, 2003, was previously reported but has been removed.

Supplementary Schedule

COOPER 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,	
			2004	2003
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state Department of Health and Senior Services				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-3126W ERS045-4126 ERS045-5126	\$ 0 30,322 3,194	28,581 2,343 0
	Program total		<u>33,516</u>	<u>30,924</u>
10.559	Summer Food Service Program for Children	ERS146-4126i	130	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state				
Department of Economic Development -				
14.228	Community Development Block Grants/State' Program	1998-PF-351 2001-PF-356	68,049 100,236	0 0
	Program total		<u>168,285</u>	<u>0</u>
Department of Social Services -				
14.231	Emergency Shelter Grants Program	ERO-1640518 ERO-1640568	0 19,119	18,789 0
	Program total		<u>19,119</u>	<u>18,789</u>
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.710	Public Safety Partnership and Community Policing Grant	N/A	12,051	5,400
Passed through:				
Cape Girardeau County -				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	SD-2003-07 SD-2004-48	0 32,590	48,018 0
	Program total		<u>32,590</u>	<u>48,018</u>
State Department of Public Safety				
16.592	Local Law Enforcement Block Grants Program	2002-LBG-13	0	6,499
Missouri Sheriff's Association				
16	Domestic Cannabis Eradication/Suppression Program	N/A	1,045	850

COOPER 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,	
			2004	2003
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
Highway and Transportation Commission				
20.205	Highway Planning and Constructior	BRO-027(12)	650,985	8,392
		BRO-027(13)	36,326	0
	Program total		<u>687,311</u>	<u>8,392</u>
Department of Public Safety				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	N/A	2,463	6,166
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration				
39.003	Donation of Federal Surplus Personal Property	N/A	137	831
39.011	Election Reform Payment:	N/A	4,480	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services -				
93.268	Immunization Grants	PGA064-3136A	1,609	1,500
		N/A	13,008	13,312
	Program total		<u>14,617</u>	<u>14,812</u>
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	DH030510022	0	6,634
		DH040022057	6,953	0
	Program total		<u>6,953</u>	<u>6,634</u>
Department of Social Services -				
93.563	Child Support Enforcement	N/A	73,220	76,154
Department of Health and Senior Services -				
93.575	Child Care and Development Block Grant	PGA067-4126S	1,680	1,840
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-3126M	0	14,244
		N/A	0	120
	Program total		<u>0</u>	<u>14,364</u>
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grant	ERS146-4126	1,347	0

COOPER 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,	
			2004	2003
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state Department of Public Safety				
97.042	Emergency Management Performance Grant	N/A	17,739	17,055
97.051	State and Local All Hazards Emergency Operations Plannin	EMK-2003-GR-2540	5,700	300
97.053	Citizen Corps	CC-03-22-04	2,500	0
Total Expenditures of Federal Award:			\$ <u>1,084,883</u>	<u>257,028</u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

COOPER 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 Cooper County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

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

Amounts for Immunization Grants (CFDA number 93.268) during the years ended December 31, 2004 and 2003, and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) during the year ended December 31, 2003, include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$19,119 and \$18,789 to a subrecipient under the Emergency Shelter Grants Program (CFDA number 14.231) during the years ended December 31, 2004 and 2003, respectively.

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 Cooper County, Missouri

Compliance

We have audited the compliance of Cooper 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, 2004 and 2003. 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, Cooper 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, 2004 and 2003.

Internal Control Over Compliance

The management of Cooper 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 reportable 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 caused by error or fraud 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 and use of the management of Cooper County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

April 14, 2005 (fieldwork completion date)

Schedule

COOPER COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2004 AND 2003

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*

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

The prior audit report issued for the two years ended December 31, 2002, 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

COOPER 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.

The prior audit report issued for the two years ended December 31, 2002, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the financial statements of various funds of Cooper County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated April 14, 2005. We also have audited the compliance of Cooper 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, 2004 and 2003, and have issued our report thereon dated April 14, 2005.

Because the Cooper County Memorial Hospital and the Cooper County Board of Sheltered Services are audited and separately reported on by other independent auditors, the related funds are not presented in the financial statements. However, we reviewed those audit reports and other applicable information.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo 2000, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. 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.

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.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county boards referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Cooper County or of its compliance with the types of compliance requirements applicable to its major federal program but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

1. Allocations of Costs Among County Funds

The county has not adequately documented its methods for allocating certain costs related to emergency communications equipment and operations among the various county funds and these allocations have not always been made consistently.

In 1992 Cooper County voters approved a quarter cent sales tax to implement an enhanced 911 emergency dispatching system. The county established an E911 Fund to account for the sales tax proceeds and contracted with the city of Boonville to operate the system. In 1997 Cooper County voters approved a half cent sales tax for providing law enforcement services throughout the county, including the acquisition, construction, furnishing, equipping, operation and maintenance of a law enforcement and communications center. The county established a Law Enforcement Center (LEC) Fund to account for the sales tax proceeds and in 1999 constructed a law enforcement and communications center containing a jail and emergency dispatching center. The principal and interest payments on the revenue bonds used to finance the center are made from the LEC Fund. When the law enforcement and communications center opened in 1999, the county terminated its contract with the city of Boonville and began operating its emergency dispatching from the new facility. Expenditures from the E911 Fund for the two years ended December 31, 2004, totaled about \$930,000 for employee salaries and benefits, equipment, telephone service charges and other costs. Expenditures from the LEC Fund for the two years ended December 31, 2004, totaled about \$1,900,000 for salaries and benefits for jail staff, groceries, debt service, and other jail expenses.

- A. The county has not documented its basis for transferring amounts from the LEC Fund to the E911 Fund for salary and benefit costs and has not consistently made these transfers. The county pays the salaries and benefits of most employees in the E911 center – an assistant administrator, three supervisors, and seven dispatchers – from the E911 Fund and transfers amounts from the LEC Fund to the E911 Fund to reimburse for the non-emergency dispatching performed. The amounts transferred by the county annually since 2000, the first full year of operation of the law enforcement and communications center, were as follows:

Year	Amount
2000	\$76,460
2001	93,220
2002	0
2003	102,500
2004	105,000

The Presiding Commissioner indicated the amounts transferred roughly represent the salary and benefit costs for three of the E911 staff. The county believes it is appropriate for the LEC Fund to reimburse the E911 Fund for these costs because the E911 employees dispatch for law enforcement services. However, the county has no documentation to demonstrate how the annual transfer amount was derived and has undertaken no study to determine whether the amounts transferred are fair based on relative work load of the E911 staff. Additionally, in 2002, the county planned to transfer \$97,000 from the LEC Fund to the E911 Fund but forgot to make the transfer and has no current plans to correct the oversight.

The county should base its transfer amounts on a measure of actual activity and document its basis. The transfers should then be made consistently each year. These actions are necessary to ensure that the amounts charged each fund for these shared expenses are reasonable.

- B. The county has no documentation to support the relative usage of new equipment purchased for communications and the amounts charged the various funds for the costs of the equipment. The county paid approximately \$200,000 for upgrades to its communications systems in 2002 and 2003. The costs were equally divided among the Special Road and Bridge Fund, E911 Fund, and LEC Fund because each department – Road and Bridge, E911, and Sheriff – used the new equipment and upgrades. The county believes each department received roughly equal benefits from the new systems and consequently believed the costs should be divided equally among the funds. However, the county has not attempted to track or estimate each department's usage of the systems to determine whether its cost allocation was fair. While the county believes it would be difficult to track usage, an attempt to measure or estimate usage to determine the reasonableness of cost sharing among these restricted funds for the purchase of the equipment and future repair and replacement considerations would seem appropriate.

- C. The county has no documentation to support the reasonableness of costs shared by E911 and the General Revenue Fund (GRF) for the salary of one employee performing services for both of the funds. The county employs one person to direct both the county's E911 operations and its emergency management operations. His salary and benefits are paid from (GRF), with the E911 Fund reimbursing the GRF for much of his costs as E911 director. For the two years ended December 31, 2004, salary expenses for this employee paid from the GRF totaled approximately \$77,000

with reimbursements from E911 of approximately \$49,000. No timesheets are prepared and the county has no record of actual time spent by this employee in performing the relative duties of the two county funds. The county should require the employee prepare timesheets detailing his hours spent by function to determine the appropriate division of costs between the two funds.

The LEC Fund, E911 Fund, and Special Road and Bridge Fund all have statutory restrictions on their allowable uses. To ensure compliance with these statutory restrictions, the county needs to adequately document the basis for each fund's portion of shared expenses.

WE RECOMMEND the County Commission:

- A. Base its transfers from the LEC Fund to the E911 Fund for salary reimbursements upon an estimate of actual activity and maintain documentation of the calculation. Additionally, the County Commission should reconsider why transfers from the LEC Fund to the E911 Fund were not necessary in 2002. Future transfers should be made in accordance with documented plans.
- B. Develop measures of usage by the various departments of the communications equipment and allocate future repair and upgrade costs to the funds in accordance with the relative usage.
- C. Require the Emergency Management/E911 Director prepare timesheets documenting his hours worked by function and allocate his salary costs between the funds based on actual time worked.

AUDITEE'S RESPONSE

- A. *The County Commission, with input from the local E911 Board, determined in 1999 that for the "new E911" center to function at maximum effectiveness, it must be adequately staffed. To meet the responsibilities of emergency public safety dispatch, non-emergency law enforcement dispatch, and related services the 24/7 operations required two dispatchers per shift. It was further determined that a reasonable, logical, and practical breakdown of personnel costs would be for the LEC fund to fund at least three E911 dispatch positions. Since 2000, emergency call volume, law enforcement staff, LEC daily inmate population and related service demands have all grown proportionally. The Commission agrees with the audit recommendations and will continue to monitor these work activity indicators and prepare budget estimates accordingly.*

The oversight of failing to order the transfer between funds in 2002 was an obvious error. However, both funds continue to experience adequate carryover balances and review measures are in place to prevent a like event in the future.

- B. *The County Commission will meet with the Communications Director and equipment service vendor to discuss feasibility of monitoring individual department usage of the*

communication system. Measures considered would have to be cost-effective and not add to staff workload.

- C. *The County Commission will work with the employee to develop a method to document work time between funds that is feasible and not counter-productive.*

2. Controls over Fuel Costs

Records of fuel usage by the Road and Bridge Department employees are not adequately reviewed. Road and Bridge fuel usage logs are not routinely reviewed by the department supervisor or County Commission and gallons purchased are not reconciled to the gallons dispensed as recorded in the logs. During the two years ended December 31, 2004, the county expended about \$158,000 for fuel for approximately 22 pickups and dump trucks and a number of graders, tractors, loaders, etc used by the Road and Bridge Department. The Road and Bridge Department employees dispense fuel into the equipment and vehicles from fuel tanks leased by the county and located at various sites in the county. Procedures provide for the employees to record the date, employee name, vehicle description and gallons pumped on logs maintained at the sites. However, for several of the logs reviewed, we noted the employee name and/or date of fueling was sometimes omitted from the logs and there was no evidence of supervisory review and no reconciliation of gallons purchased to gallons dispensed. In addition, the logs contain no information regarding odometer or operating hour readings with which to review the reasonableness of the fuel usage.

To ensure the reasonableness and propriety of fuel usage and expenditures, the fuel usage logs should contain all necessary information, be periodically reviewed and recorded usage reconciled to fuel purchased and on hand. Failure to account for fuel usages could result in loss, theft, or misuse.

WE RECOMMEND the County Commission ensure the Road and Bridge Department fuel usage logs are periodically reviewed for completeness and reasonableness of usage and reconciled to fuel purchased and on hand.

AUDITEE'S RESPONSE

The County Commission agrees and will review procedures for maintaining Road and Bridge Department fuel usage logs. Employees will be instructed on proper log usage and the current logs will be revised to include odometer and hour gauge readings. The Commissioners and Road and Bridge Supervisor will schedule a monthly review of fuel usage.

3. Compensatory Time Balances for Sheriff's Department Employees

The County Commission and Sheriff are not adequately monitoring and controlling the compensatory time balances of employees in the Sheriff's Department.

- A. The Sheriff's deputies have accumulated significant, and in some cases excessive, compensatory time balances and the County Commission and Sheriff have been unable to significantly reduce the accumulated balances. According to employee timesheets, the compensatory time balances for all seven deputies totaled approximately 3,550 hours as of February 20, 2005. Two of the deputies have 75 percent of the accrued compensatory time balances, with one deputy having approximately 1,900 hours and the other having approximately 750 hours. The Fair Labor Standards Act provides that employees regularly engaged in public safety activities are allowed to accumulate a maximum of 480 hours of compensatory time. Hours in excess of this maximum are to be paid or be taken off by the employee in the next pay period.

The Sheriff and County Commission have been unable to agree on a plan to reduce the balances, which have continued to grow. Our prior report showed that compensatory time balances already totaled 2,880 hours in July 2001. In 2003, the County Commission offered financial support to the multi-county drug task force in exchange for reassignment of the county's deputy working with the task force to full-time county duties and a pledge from the Sheriff and deputies to reduce the accumulated compensatory time balances. The Sheriff rejected the offer because he felt he could not commit to reducing the accumulated compensatory time balances and still provide the required levels of service. Rather, the Sheriff requested that additional staff be provided, but the county did not approve the request. According to the approved 2005 budget, the county intends to pay the employees during 2005 for about one-half, or about \$24,000, of the total accumulated compensatory time balances.

Because the accumulated compensatory time balances represent a significant liability to the county, the County Commission and Sheriff should better control the compensatory time being earned by the deputies, ensure the individual balances do not exceed the maximum allowed accumulations, and continue to work on reducing prior accruals.

- B. The time sheets prepared by one deputy contained errors and inconsistencies in the reported hours worked and compensatory time balances. On some of his timesheets the hours shown as worked on some days were not calculated accurately based on the beginning and ending shift times reported on the timesheet. Also, the total overtime hours reported on the timesheets were partly or wholly excluded from the accumulated compensatory time balance reported on the timesheet. The Sheriff indicated he is unable to verify the hours worked and compensatory time balances for

this employee because the employee reports to a multi-county drug task force. The task force director indicated that the deputy is paid for his overtime through a federal grant handled by Moniteau County.

Accurate timesheets are necessary to ensure overtime worked and compensatory time balances are correct. The Sheriff and County Commission should work with the task force to determine the proper accumulated compensatory time balance for which the county is responsible. The timesheets should reflect total hours worked and the hours for which the county is responsible.

- C. The county's personnel policies do not address whether department heads are entitled to overtime. The jail administrator, considered a department head by the county, has accumulated about 600 hours of compensatory time as of March 2005 according to her personal records. Neither the County Clerk nor the County Commission was aware of the compensatory time being accumulated and tracked by the employee. According to the Presiding Commissioner, the county considers the employee, as a department head, exempt from the overtime provisions of the Fair Labor Standards Act and therefore not entitled to overtime compensation. However, the county's position has not been communicated to the employee.

The County Commission should clarify its personnel policies about overtime for department heads to ensure its intentions are clear to all employees. The county should consider consulting with the U.S. Department of Labor when amending its policy.

WE RECOMMEND the County Commission and Sheriff:

- A. Reduce the county liability for compensatory time by allowing time off or paying for accumulated compensatory time, ensure individual accumulated compensatory time balances do not exceed the maximum allowed, and work to better control additional compensatory time being earned.
- B. Review the employee's time sheets and make any needed corrections to the accumulated compensatory time balances. The deputy should be required to prepare timesheets which document all hours worked and indicate the portion hours for which the county is responsible.
- C. Consult with the U.S. Department of Labor about overtime for department heads and clarify or revise the county's overtime policies.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. The County Commission agrees and is very concerned about the potential liability to the county of accumulated time balances. The Commission and Sheriff have recently addressed the compensatory time issues of the two deputies having in excess of 480 hours. Currently, the county liability has been reduced by 50% with a mutual understanding that the Sheriff's Department will actively work to reduce the remaining balance. Progress will be monitored.*
- B. The County Commission disagrees and believes that complete and accurate reporting of hours worked and compensatory time balances is the responsibility of the department staff. The Commission will review monthly timesheets for compliance with existing policy.*
- C. The County Commission agrees and will follow the audit recommendations.*

The Sheriff provided the following responses:

- A. Unfortunately there has been little change in the Sheriff's Office since last audit with the exception of an increase in calls for service, an increase in civil process, and an increase in state mandated rules. Recently the County Commission helped in relieving some of the overtime by paying two of my officers half of their accumulated time over 480 hours. We have tried to do what we could to address this issue and will continue to explore avenues to address the problem of eliminating accumulated overtime as well as accrual of overtime.*

This issue will not, however, be addressed at the cost of cutting services we provide to citizens of this county. I feel the time is approaching that this office needs to be recognized by the Commission as an important part of the services provided to Cooper County citizens by local government. The issue of providing adequate manpower and/or overtime pay must be addressed. In this area, this department has had the support of the Circuit Judge, the Associate Circuit Judge, the Prosecutor, and even the Grand Jury which investigated this issue in 2004. The Grand Jury made recommendations to the Commission, but as of this point in time they have been ignored.

- B. This deputy is paid overtime by the Drug Task Force through Moniteau County. He is paid for any hours over the 480 ceiling. The timesheet errors and discrepancies have been addressed and corrected.*
- C. I would submit that the County Commission does not have an understanding of Chapter 221 of the Revised Statutes of Missouri, specifically section 221.020. The Jail Administrator is not a department head but a ranking member of a division within the Sheriff's Department. This individual is appointed by me. I do not feel that the Commission has the power to make the Detention Division its own agency while under the authority of the Sheriff. This may require an opinion from the State Attorney General's Office or, at the very least, advice from the Prosecuting Attorney of the county.*

The ranking officer in question submits time sheets, signed by me, to the County Clerk's office every pay period along with the rest of the Detention staff. When I was advised not to submit a request for overtime pay, as with the other department heads mentioned, I felt this could be considered an act of discrimination and the county might be held liable if litigation was pursued. It is the wish of the officer involved to handle the matter in-house by using compensatory time when possible. It has recently come to my attention that the Commission feels this officer does not deserve overtime, however I have not gotten to discuss this matter with them.

4.

Property Tax Agreements with Cities

The county has not annually reviewed and approved the agreements with cities for property tax collection services. Written agreements provide for the county to perform various property tax recordkeeping and collection services for six cities in the county. Written agreements outlining services to be performed by the County Clerk and County Collector were executed with three cities in 1991, two cities in 1998, and one city in 2000. In return for these services, the agreements provide for the County Clerk and County Collector to each be personally compensated at the rate of one and one-half percent withheld from all property taxes collected. In addition, the county is compensated for providing computer services and supplies at a rate of one percent of all property taxes collected, plus an additional two percent of delinquent taxes which is collected from the taxpayer. Compensation to the county, County Clerk, and County Collector totaled about \$15,400, \$18,900, and \$18,400, respectively, during the two years ended December 31, 2004. The Deputy County Collector received a portion of the withholdings for the County Collector.

Section 50.332, RSMo 2000, allows county officials, with the approval of the County Commission, to perform services for cities that they normally provide to the county for additional compensation. Each of the agreements include language that the agreements will be automatically renewed on an annual basis if no changes are desired by any parties to the contract. However, there was no documentation of any annual review or approval of the contracts. In addition, the County Commissioners and County Collector that entered into the agreements from 1991 are no longer in office. The county should annually evaluate and approve these agreements, and document those actions.

This condition was noted in our prior report.

WE AGAIN RECOMMEND the County Commission along with the County Clerk, County Collector, and Prosecuting Attorney, review and annually approve the contracts with the cities.

AUDITEE'S RESPONSE

The County Commission provided the following response:

The County Commission currently reviews the contracts as part of the annual county budget approval process. The Commission will follow the audit recommendation and schedule a December meeting with the mentioned elected officials to review contract documents.

The County Clerk provided the following response:

The County Commission and the County Clerk do review and have discussed the tax collection agreements every year during the budget process. The cities that participate in these contracts are saving thousands of dollars in employee salary, employee benefits, office space, computers, printers, postage and numerous other items they would have to have in order to collect their city taxes. The documentation of these discussions needs to be improved.

5. Juvenile Office Funding

The county and circuit court have not resolved differences between themselves about the need and funding for a deputy juvenile officer and have incurred significant legal costs to contest the issue.

Most of the salary and benefits for the county's deputy juvenile officer have been paid by a state grant, which is awarded annually for the state fiscal year beginning on July 1. However, the county's budget is prepared in January for the calendar year and the renewal of the grant for the upcoming fiscal year is not known at that time. Given the uncertainty of the grant's renewal each year, the prior Circuit Court Judge submitted budgets to the county seeking county funds the last six months of the budget year for continued employment of the deputy juvenile officer if the grant was not renewed. Beginning in 2000 and almost every year since then, the county has contested this portion of the budget from the circuit court and submitted the issue to the Judicial Finance Commission (JFC) for review. In some years, the grant was renewed prior to the JFC hearing, making the contested budget a moot issue. The JFC ruled in favor of the county in 2001 and 2003 but the circuit court appealed the matter to the Missouri Supreme Court. In 2004, the Missouri Supreme Court considered the case and reversed and remanded it to the JFC. The JFC then again ruled in the county's favor and the circuit court again appealed to the Missouri Supreme Court, which has not yet ruled on the latest appeal.

The county discussed the budgets with the prior Circuit Court Judge and also held a public discussion on the need for the deputy juvenile officer. These actions did not resolve the disagreement. The county thought it should take the issue before the JFC because the renewal of the grant was not a certainty and it was opposed to funding the position for the last six months of each year without the grant. Legal fees paid by the county and circuit court

to contest this issue currently total about \$34,000 – nearly as much as the annual salary and benefit costs for the employee.

The county and circuit court should resolve budget issues through negotiations and discussions to avoid litigation costs. The state grant has been renewed each year and consequently the JFC rulings and the legal costs incurred to obtain these rulings will have no impact until the state funding is not renewed.

WE RECOMMEND the County Commission and Circuit Court better communicate budget disagreements and resolve these issues through budget negotiations without resorting to litigation.

AUDITEE'S RESPONSE

The County Commission provided the following response:

The County Commission agrees with the recommendation and is open to discussing the issue with the Circuit Judge at any time. However, the Commission stands firm in its position, as supported by the Judicial Finance Committee rulings, that counties are not statutorily responsible for personnel costs in the Juvenile Office.

The prior Circuit Judge provided the following response:

Each year the County Commission has disapproved the request and submitted the issue to the Judicial Finance Commission. The latest year's dispute is now before the Supreme Court where it has been lodged since last February.

The Circuit Court has repeatedly attempted to resolve the matter, but the County Commission is and continues to be intractable. At one time the Presiding Commissioner suggested the only point of discussion to be considered would be if the demand of the Circuit Court would be reduced to a salary figure the county is willing to pay an entry level employee of the County Sheriff's Department. Of course, that is not an option as juvenile officers' salaries are determined by statute depending on the level of the officer. Also, the requirements for a juvenile officer require certain college degree requirements or equal prior experience, whereas there are no requirements for one to be employed as a county law officer. For the Court to have done so even if it legally could, would immediately result in the loss of the officer who has filled the position with great ability and with very substantial support in the community from school and law enforcement authorities.

The Circuit Court has always taken the position that extension of the grant would be sought each year and, if successful, the salary request would not be used. So far the grant has been extended for the reason that the case load and need in Cooper County for a second juvenile officer position is so critical and is of value to the Division of Youth Services to effect diversion. There is no certainty, however, of continuing renewal. For that reason the Circuit Court has always felt it critically important to the best interests of the County of Cooper that the budget request be made each year, a position which is universally supported by public school authorities, law enforcement authorities,

the Division of Youth Services, the Children's Division and law enforcement agencies in Cooper County and by local media. While the present litigation proceeds in my name as Presiding Judge of the 18th Circuit, I no longer serve in that capacity, having retired near the end of last February.

The current Circuit Judge provided the following response:

Both the County Commission and the Circuit Court consist of public servants that believe that they are doing what is best for the people of Cooper County. There is disagreement however, between the two as how to do that.

The people of the State of Missouri through their legislature set up a procedure to resolve conflicts such as the one extant. It is the intent of the Circuit Court, and I presume the County Commission, to use the procedures that the law provides for. Unfortunately, the Supreme Court, as the ultimate arbiter of such controversies, has not provided a definitive answer to resolve the conflict. It will in all likelihood therefore, continue.

Both sides believe there is a need for a deputy juvenile officer. They disagree as to who should pay for that position. The State has paid through its grant process but there is no guarantee that they will continue to do so. The Circuit Court is not seeking to have the County pay for any part of the position unless the grants are not provided for. But, for six months out of each year, as a result of the fiscal years of the two parties being different, no one knows whether that will happen. Fiscal prudence would suggest that the County budget for the eventuality that the grant will not be funded.

The bottom line is that if the County does not budget for that eventuality, and the grants are not provided, Cooper County will not have juvenile services for delinquency. I think every person agrees that that would be tragic for Cooper County.

I have not had the opportunity to negotiate with the County Commission but will do so. In order to aid the County I have authorized a request for additional FTE (full time equivalents) from the State to pay for the deputy juvenile officer in full but I am not confident that they will be received.

It is my sworn duty to request and pursue sufficient resources to allow the Court to conduct its business. The Constitution of the State of Missouri requires this.

6.

Fixed Assets

The County Commission has not established a written policy related to the handling and accounting for fixed assets and some county officials have not properly accounted for fixed assets under their control.

The County Commission is responsible for examining and inspecting all county lands and buildings. In addition, each county official or department head is responsible for performing periodic inspections and inventories of county property used by their department and submitting an inventory report to the County Clerk. The Presiding Commissioner indicated

he previously issued a letter to all officials and department heads reminding them of their inventory responsibilities. However, our review determined that required inventories and inspections were not performed by the County Treasurer, Collector, Sheriff, Circuit Clerk, Associate Circuit Judge, Public Administrator, E911 and Emergency Management Department, and Health Department and no reports have been filed with the County Clerk by these officials or department heads. Many of these same offices also did not submit the required inventory reports during our prior audit. Due to the failure to perform annual inventories, the county does not have a complete record of all fixed assets owned. For example, because the Sheriff has prepared no listing of assets of his department, the county has no record of taser equipment costing approximately \$5,000 acquired in 2004 other than the invoices for the equipment purchases.

Adequate general fixed asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage on county property. Physical inventories of county property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the county clerk. The reports required by this section shall be signed by the county clerk.

This condition was noted in our prior report.

WE AGAIN RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets and work with other county officials and department heads to ensure annual inventories are conducted and inventory records updated. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

AUDITEE'S RESPONSE

The County Commission will write a letter of request and solicit inventory reports from elected officials and department heads as directed in Chapter 49 of the Revised Statutes of Missouri. The Commission will request from the County Clerk a list of officeholders not submitting reports prior to annual budget reviews.

The county has not considered the cost effectiveness of a vehicle leased for the County Clerk. In 2002, the County began leasing a vehicle for \$4,645 annually with monies from the Election Services Fund (ESF). The County Clerk uses the vehicle when needed for election purposes, other duties of his office, and for personal commuting. The official usage of the vehicle has not been fully identified but it appears the county could reduce its costs by discontinuing the lease and reimbursing the County Clerk for using his personal vehicle.

During the three years ended December 31, 2004, ESF disbursements totaled about \$11,600 for the vehicle lease. The County Clerk indicated the General Revenue Fund has periodically reimbursed the ESF for vehicle mileage incurred for official usage, including election purposes. We reviewed the reimbursements and noted, for example, during the 13 months ending in August 2004, the lease costs (\$5,032) exceeded the mileage reimbursements (4,717 miles at 37.5 cents per mile for a total of \$1,769) by \$3,263. Reimbursements totaled \$2,507 through December 31, 2004. It appears eliminating the lease and reimbursing the County Clerk for travel in his personal vehicle would have resulted in lower costs to the county. If a county vehicle is needed, the county should consider allowing other employees to share the vehicle to increase its official usage.

WE RECOMMEND the County Clerk and County Commission evaluate the vehicle needs of the County Clerk and consider the cost effectiveness of the vehicle lease compared to other alternatives.

AUDITEE'S RESPONSE

The County Clerk provided the following response:

I believe it would be good to look at all the county vehicles as to cost effectiveness. It would pay the county to hire a professional financial consultant to look objectively at the number of vehicles and their uses. With numerous Sheriff and deputy patrol cars, Road and Bridge vehicles and vehicles used in both Emergency Management Agency and for Enhanced 911 services, I am sure some savings would result from a professional evaluation. If previous audits had written up such a report years ago about these numerous other county vehicles and a study had been done, the savings could have been significant.

The County Commission provided the following response:

The County Commission disagrees because the Election Services Fund is a special use fund, established by statute, for discretionary use by the County Clerk. The County Commission has no responsibility in administering the ESF.

AUDITOR'S COMMENT

We agree that the county should review the cost effectiveness of all county vehicles, giving consideration to specially equipped vehicles which may be needed. In addition, since General Revenue monies under the control of the County Commission are reimbursing part of the costs incurred by the ESF, the County Commission should ensure such expenditures are reasonable and cost effective.

Follow-Up on Prior Audit Findings

COOPER 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 Cooper County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2000, and our audit report for the Eighteenth Judicial Circuit Associate Division III Municipal Division, issued August 28, 2001.

Any 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. Budgets, Financial Statements, and Expenditures

- A. Actual disbursements exceeded approved budgeted amounts in several county funds.
- B. The county's annual published financial statements did not include any actual financial activity of several county funds. For those county funds included in the published financial statements, receipts and year end cash balances were not provided in a recapitulation. In addition, the published financial statements did not include information on the county's bonded debt.
- C. Amounts were reported on the county budget documents inconsistently between years and several receipt categories were misclassified.
- D. The county annually distributed to cities 25 percent of the Special Road and Bridge Fund tax revenues derived from property located in those cities. The county had not entered into written contracts with the cities or monitored their use of these funds.
- E. The county had old written agreements that provided for the county to perform various property tax recordkeeping and collection services for three cities in the county. There was no documentation of any annual review or approval of the contracts.

Recommendation:

The County Commission:

- A. Not authorize warrants in excess of budgeted expenditures.

- B. Ensure annual published financial statements for all county funds are reported in compliance with statutory requirements.
- C. Ensure all receipts and disbursements are properly and consistently classified on the budget documents.
- D. Ensure monies are allocated to cities based upon written agreements which provide a method of monitoring expenditures of the funds.
- E. Along with the County Clerk, County Collector, and Prosecuting Attorney, review and annually approve the contracts with the cities.

Status:

- A. Not implemented. Actual disbursements exceeded budgeted amounts during 2004 and 2003 for several county funds primarily administered by other officials or departments. The County Commission did not closely monitor the budgets of these funds. However, the County Treasurer intends to install computer software and equipment during 2005 that may enable the County Commission to produce periodic reports comparing budgeted to actual receipts and disbursements of these funds. Although not repeated in the current MAR, the County Commission should not authorize warrants in excess of budgeted expenditures.
- B. Partially implemented. The county's published financial statements for 2004 and 2003 included the county's bonded debt and a financial recapitulation. However, financial information on the interest funds held by the Circuit Clerk and Associate Circuit Judge were not included in the published financial statements. The county clerk indicated that he has requested information on the two funds from the courts for preparation of the budgets and publication of the financial statements, but the information has not been provided. Although not repeated in the current MAR, the County Commission should ensure financial activity for all county funds is included in the published financial statements.
- C. Partially implemented. Actual amounts per budget were reported consistently in the current audit period. However, the budgets contained several misclassifications among the various receipt and disbursement categories. Although not repeated in the current MAR, the County Commission should ensure receipts and disbursements are properly classified on the budget documents.
- D. Not implemented. This recommendation has been included in several preceding audit reports dating back to a report for the three years ended December 31, 1994. According to responses included in the preceding reports, the county commission believes its distributions are in accordance

with state law and does not intend to adopt written agreements with the cities or monitor the cities' expenditures. During the two years ended December 31, 2004, the county distributed approximately \$130,000 in Special Road and Bridge property tax monies to the cities. Although not repeated in the current MAR, our recommendation remains as stated.

E. Not implemented. See MAR No. 4.

2. Cooper County Investments

The county maintained a portion of its monies with two investment companies which invested the monies in certificates of deposit held at various banks in other states.

Recommendation:

The County Commission and County Treasurer ensure their investment of public monies complies with state law.

Status:

Implemented.

3. Associate Commissioner Salaries

The Associate County Commissioners were each given salary increases totaling about \$5,250 that were not allowable based on a Missouri Supreme Court decision.

Recommendation:

The County Commission document its decisions and develop a plan for obtaining repayment of the salary overpayments.

Status:

Not implemented. However, Associate County Commissioner Howard Simmons voluntarily repaid the county \$5,250 in 2002 for the excess salary granted him during 1999 and 2000. Although not repeated in the current MAR, the county should develop a plan for obtaining repayment for the salary overpayments to the other Associate County Commissioner.

4. Fixed Assets

Required inventories and inspections of county property were not performed by several county officials or their designees and no reports were filed with the County Clerk by these officials.

Recommendation:

The County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, all general fixed assets should be tagged or otherwise identified as county-owned property.

Status:

Not implemented. See MAR No. 6.

5. Prosecuting Attorney Salary

The county had no procedure in place to determine the additional compensation allowed the Prosecuting Attorney related to the Department of Corrections facility in the county or how to rectify any over/underpayments resulting from fluctuations in average inmate populations. As a result, the Prosecuting Attorney received \$2,500 in excess compensation during 2000.

Recommendation:

The County Commission review the Prosecuting Attorney's salary and related statutory provisions, and seek repayment of any excess salary payments if appropriate. In addition, the County Commission needs to establish procedures for determining the proper amount and timing of these additional salary amounts, and handling potential future over/underpayments resulting from changes in average inmate population.

Status:

Partially implemented. While the Prosecuting Attorney continued receiving the additional amount in 2001, his salary was adjusted in 2002 to reflect the decreased average inmate populations, and he repaid the \$2,500 which was overpaid from 2000. Although not repeated in the current MAR, the County Commission should review the excess 2001 salary payments.

6. Sheriff's Personnel Policies and Procedures

- A. A written policy regarding overtime and compensatory time had not been adopted for the Sheriff's department.
- B. Various deputies' monthly time sheets contained errors and inconsistencies, and improper compensatory time balances. Additionally, compensatory time balances for three deputies exceeded the allowable maximum.
- C. Sheriff's department employee time sheets were not reviewed by supervisory personnel prior to submission to the County Clerk and were not submitted in a timely manner. Additionally, information from the original time sheets submitted by the deputies was manually transferred to different time sheet forms, which were then transmitted to the County Clerk.

Recommendation:

The County Commission:

- A&B. Consult with the U.S. Department of Labor and work with the Sheriff to establish a comprehensive overtime and compensatory time policy which complies with provisions of the FLSA. In addition, the County Commission needs to more closely monitor Sheriff's department compensatory time to limit potential county liabilities. All current compensatory time balances should be reviewed for propriety.
- C. Ensure that Sheriff's department time sheets provide hours worked for the appropriate time period, have been subject to proper review by the Sheriff, and are submitted to the County Clerk when required. In addition, the Sheriff should develop a time sheet form to be utilized by deputies and also submitted to the County Clerk.

Status:

- A&B. Partially implemented. While the county did not consult with the U.S. Department of Labor, the county did adopt an overtime and compensatory time policy in 2002. However, two employees currently have compensatory time balances exceeding the maximum allowable amount. See MAR No. 3.
- C. Partially implemented. The Sheriff's department adopted new timesheets in 2002. These timesheets are approved by the Sheriff and submitted to the County Clerk monthly. However, we noted inaccuracies in the timesheets of one employee. See MAR No. 3.

7. Associate Circuit Divisions' Accounting Controls and Procedures

- A. The Associate Division III Judge identified several criminal cases where it appeared payments totaling \$1,203 were not recorded in the receipt records or deposited. Subsequently, he also discovered that \$1,986 in cash apparently received by the court could not be located.
- B. Duties were not adequately segregated and there was no documentation of an independent review of the work performed by each Associate Court employee.
- C.1. Monies received by the Associate Division were not always deposited on a timely basis, checks were not restrictively endorsed immediately upon receipt, and monies were maintained in an unlocked file cabinet until deposit. Additionally, municipal monies were not being deposited on a timely basis.
 - 2. Criminal receipts records were not reconciled to deposits and the change fund was not maintained at a constant amount.
 - 3. The civil division bank account had two long outstanding checks.
- D. Monthly listings of open items (liabilities) were not prepared for the criminal and civil accounts and, consequently, open items were not reconciled to the cash balance. Civil account collections had not been disbursed timely and civil fee pay out sheets could not be located when needed.
- E. Receipts recorded on the computer system and subsequently voided were not adequately reviewed by the Associate Division personnel. While a number of voided transactions were re-entered into the computer system and later deposited, we noted five voided transactions that were never re-entered or deposited.
- F. A record of interest monies earned and spent, and the balance of these monies, was not maintained and supporting documentation for two expenditures from the interest monies could not be located.
- G. Passwords used to access the computerized case file system were not kept confidential.

Recommendation:

The Associate Division III Judge ensure:

- A. Cooperation with law enforcement authorities and the Prosecuting Attorney regarding any investigation and criminal prosecution. In addition, he should work to obtain restitution of the \$3,189.
- B. Duties surrounding the handling of civil and criminal payments are segregated to the extent possible. At a minimum, there should be an independent comparison of receipts records to bank deposits and an independent review of bank reconciliations. Also, a review of cases that have had no recorded activity or have not been otherwise resolved for an extended period of time should be performed.
- C.1
&2. Checks and money orders are endorsed immediately upon receipt, monies received are promptly recorded in the receipts records, monies are maintained in a secure location prior to deposit, receipts are deposited daily or when accumulated receipts exceed \$100, and details of the receipts records are reconciled to the composition of deposits.
- 3. Old outstanding checks are reissued to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions.
- D. Monthly listings of open items are prepared and reconciled to the cash balance. In addition, monies collected need to be disbursed timely and court records need to be maintained in an orderly fashion.
- E. Voided transactions are adequately documented and reviewed by supervisory personnel. In addition, the Associate Division III Judge needs to perform additional follow-up on the voided transactions that do not appear to have been deposited and seek restitution if appropriate.
- F. A ledger of interest receipts and disbursements is implemented and supporting documentation for all expenditures of interest monies retained.
- G. Passwords are kept confidential.

Status:

- A. Implemented. The former court clerk was convicted and placed on probation. She was ordered to pay restitution totaling \$16,521 related to the items noted above and other shortages found, including items noted below in our prior report on the Eighteenth Judicial Circuit – Associate

Division III – Municipal Division. As of February 28, 2005, the unpaid restitution totaled \$5,124.

B-G. Implemented.

8. Sheriff's Accounting Controls and Procedures

- A. The duties of cash custody and record-keeping were not adequately segregated and there were no documented reviews of the accounting records performed by the Sheriff or another supervisor.
- B. The reconciled cash balance exceeded identified open items and the identity of these monies was not known by office personnel.
- C. The Sheriff did not deposit or otherwise account for monies received from the sale of advertising space on calendars featuring the Sheriff's department.

Recommendation:

The Sheriff:

- A. Segregate the accounting duties of the office to the extent possible and periodically perform and document supervisory reviews of the work.
- B. Investigate and identify cash balances in excess of those identified on the open items listing. Unidentified balances should be disposed of in accordance with state law.
- C. Turn over the monies received from calendar advertising to the County Treasury and expend these monies through the normal budgetary process, while maintaining documentation of the expenditures.

Status:

A&C. Implemented.

- B. Partially implemented. The Sheriff investigated the excess of cash balance over the open items listing. He identified some old unclaimed bonds and remitted those amounts to the County Treasurer's Unclaimed Fees Fund. The Sheriff was unable to identify the remaining unreconciled difference totaling about \$6,200, which he remitted to the Sheriff's Interest Fund maintained by the County Treasurer in August 2002. Since then the Sheriff has had no open items because he began disbursing bonds immediately upon receipt in January 2002.

9. Prosecuting Attorney's Controls and Procedures

- A. Monies received from court-ordered restitution and bad check restitution and fees were not always deposited on a timely basis.
- B. Disbursements to the County Treasurer for bad check fees collected were untimely.

Recommendation:

The Prosecuting Attorney:

- A. Deposit receipts daily or when accumulated receipts exceed \$100.
- B. Distribute fees collected to the county in a timely manner.

Status:

A&B. Implemented.

10. Senate Bill No. 40 Board

- A. The Board made a \$70,000 loan to a not-for-profit corporation for the purpose of purchasing a building.
- B. The contracts with the not-for-profits were not adequate and there was no documentation that the not-for-profits periodically reported to the Board the amount and type of services rendered, the number of clients served, or progress made in achieving the contract objectives.

Recommendation:

The Senate Bill 40 Board:

- A. Discontinue loans of public funds.
- B. Enter into more specific contracts that clearly define the responsibilities of each party, and obtain and review periodic service reports to ensure services are provided in accordance with the contractual terms.

Status:

- A. Implemented.
- B. Partially implemented. The contracts with the NFPs were modified to require monthly documentation from the NFPs detailing services provided

and clients served. However, the contracts do not specify the minimum/maximum levels of services to be provided or the number of clients to be served. Although not repeated in the current MAR, the Senate Bill 40 Board should enter into more specific contracts that clearly define the responsibilities of each party.

EIGHTEENTH JUDICIAL CIRCUIT
ASSOCIATE DIVISION III
MUNICIPAL DIVISION

1. Misappropriated Funds

Payments totaling at least \$11,387 apparently were received and not deposited from 1999 through March 2001.

Recommendation:

The Associate Division III Judge continue to work with law enforcement authorities and obtain restitution.

Status:

Implemented. The former court clerk was convicted and placed on probation. She was ordered to pay restitution totaling \$16,521 for the undeposited items above and other misappropriations. As of February 28, 2005, the unpaid restitution totaled \$5,124.

2. Accounting Controls and Procedures over City Cases

- A. Duties were not adequately segregated. One clerk was primarily responsible for all duties.
- B. Receipts were not always deposited on a timely basis. In addition, checks and money orders were not restrictively endorsed immediately upon receipt and monies on hand were stored in an unlocked file cabinet until deposit. Also, the change fund was not maintained at a set amount.
- C. Bank reconciliations were not prepared and neither a current checkbook balance nor book balance was maintained for municipal transactions.
- D. Monthly listings of open items (liabilities) had not been prepared since May 2000 and reconciled to the cash balances.
- E. The Municipal Division did not issue a receipt slip to the police department for bonds transmitted for deposit. In addition, bond monies

were not always receipted and deposited by the Municipal Division timely.

- F. Disbursements to the state, city and other entities for municipal fines and court costs collected were untimely.
- G. Neither the Boonville Police Department nor the Municipal Division maintained adequate records or monitoring procedures to account for traffic and ordinance tickets assigned and issued, and the ultimate disposition.
- H. Court personnel had difficulty locating various municipal records, case information related to some tickets was not complete, and ticket copies could not always be located. Numerous alterations were made to the receipt records and case docket information.

Recommendation:

The Associate Division III Judge ensure:

- A. Duties surrounding the handling of municipal tickets and the related payments are segregated to the extent practical. At a minimum, there should be an independent comparison of receipt slips to bank deposits and an independent review of bank reconciliations. Also, procedures should be established to periodically identify and review any cases that have had no recorded activity or have not been otherwise resolved for an extended period of time.
- B. Receipts are deposited daily or when accumulated receipts exceed \$100, checks and money orders are endorsed immediately upon receipt, receipts are stored in a secure location until deposited, and the change fund is maintained at a set amount.
- C. Monthly bank reconciliations are performed and checkbook and ledger balances maintained.
- D. Monthly listings of open items are prepared and reconciled to the cash balance.
- E. Receipt slips which indicate the amount and date received are issued to the agencies transferring bond monies to the court.
- F. Monies collected are disbursed to applicable parties in a timely manner.
- G. Procedures are established with the police department to improve accountability for municipal tickets sent to the court.

H. Periodic independent reviews of accounting records and case file information are performed.

Status:

A-F

&H. Implemented.

G. Not implemented. Although not repeated in the current MAR, the recommendation remains as stated.

STATISTICAL SECTION

History, Organization, and
Statistical Information

COOPER COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1818, the county of Cooper was named after Benjamin Cooper, an early settler in the area. Cooper County is a county-organized, third-class county and is part of the Eighteenth Judicial Circuit. The county seat is Boonville.

Cooper 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 approximately 560 miles of county roads and 95 county 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 important to the county's citizens.

The county's population was 14,643 in 1980 and 16,670 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2004	2003	2002	2001	1985*	1980**
		(in millions)					
Real estate	\$	105.3	102.2	94.9	83.7	50.2	33.3
Personal property		35.9	37.4	39.5	33.1	11.7	10.1
Railroad and utilities		33.3	29.5	28.7	30.6	19.9	12.5
Total	\$	174.5	169.1	163.1	147.4	81.8	55.9

* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2004	2003	2002	2001
General Revenue Fund	\$.2171	.1500	.1000	.1000
Special Road and Bridge Fund		.3121	.3121	.3121	.3100
Senate Bill 40 Board Fund		.2000	.2000	.2000	.2000
Hospital Maintenance Fund		.1500	.1500	.1500	.1500

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:

	2005	2004	2003	2002
State of Missouri	\$ 53,740	51,281	49,170	45,410
General Revenue Fund	394,053	269,111	185,695	181,531
Special Road and Bridge Fund	553,089	528,807	506,954	465,405
Assessment Fund	128,357	97,373	92,737	84,517
Senate Bill 40 Board Fund	349,290	334,534	320,592	295,018
School districts	7,336,697	6,979,315	6,687,895	6,109,532
Library district	252,670	237,012	227,261	209,951
Ambulance district	212,067	202,837	194,477	179,648
Fire protection district	267,550	249,573	235,942	227,241
Hospital Maintenance Fund	265,124	253,600	243,147	224,608
Nursing home district	40,824	39,117	37,600	37,047
Neighborhood Improvement				
District	0	4,955	5,455	3,647
Levee district	3,601	3,644	4,779	7,145
Cities	704,420	704,909	687,542	521,635
Other	66,490	77,780	60,581	144,438
County Clerk	252	226	225	275
County Employees' Retirement	26,766	25,019	27,970	24,521
Tax Maintenance Fund	17,844	16,680	0	0
Commissions and fees:				
General Revenue Fund	179,198	171,028	166,085	145,781
Total	\$ 10,852,032	10,246,801	9,734,107	8,907,350

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				%
	2005	2004	2003	2002	
Real estate	94.9	94.6	95.0	94.7	
Personal property	87.9	88.1	85.9	86.1	
Railroad and utilities	100.0	100.0	100.0	99.0	

Cooper 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	
Road and Bridge Capital Improvements	.0050	2008	None	
Enhanced 911	.0025	None	None	
Law Enforcement Center	.0050	None	None	

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

Officeholder	2005	2004	2003	2002	2001
County-Paid Officials:					
Eddie Brickner, Presiding Commissioner	\$	33,144	31,869	29,983	29,252
Richard Dick, Associate Commissioner		28,532	28,532	27,872	27,192
Charlie Schlotzhauer, Associate Commissioner		28,532	28,532	27,872	27,192
Darryl Kempf, County Clerk (1)		67,016	46,303	50,058	48,188
Douglas Abele, Prosecuting Attorney		67,685	65,082	60,579	61,601
Paul Milne, Sheriff		47,906	47,906	46,906	45,320
Stanley Serck, County Treasurer		34,601	33,270	31,250	30,488
Larry Jones, County Coroner		13,669	13,669	12,669	12,360
Wade Davis, Public Administrator		43,230	43,230	42,230	41,200
Carol Nauman, County Collector (2), year ended February 28 (29),	56,422	54,814	52,083	48,420	
James Lachner, County Assessor (3), year ended August 31,		43,995	43,797	42,787	41,111

(1) Includes \$18,861, \$0, \$6,536, and \$5,727 respectively, of commissions earned for collecting city property taxes.

(2) Includes \$7,946, \$8,202, \$8,097, and \$5782 respectively, of commissions earned for collecting city property taxes.

(3) Includes \$765, \$900, \$900, and \$900 respectively in annual compensation received from the state.

State-Paid Officials:

Jammy Brandes, Circuit Clerk and Ex Officio Recorder of Deeds		47,900	47,300	47,300	47,300
Kenton G. Askren, Associate Circuit Judge		96,000	96,000	96,000	96,000