



Claire McCaskill

Missouri State Auditor

November 2006

Gasconade County, Missouri

Years Ended

December 31, 2005 and 2004



Office Of The
State Auditor Of Missouri
Claire McCaskill

November 2006

IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Gasconade, that do not have a county auditor. In addition to a financial 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.

Significant problems were noted in the controls over collections of the Sheriff's office, and as a result, the Sheriff's office did not detect \$974 of receipts which were not deposited and appear to be missing. These missing funds occurred during the terms of both the current Sheriff, who took office on January 1, 2005, and the former Sheriff. The Sheriff should follow up on this matter and reimburse his official account for any amounts remaining missing. These missing funds were not detected by the Sheriff's office due to several record keeping deficiencies and internal control weaknesses, including a lack of reconciliations between receipts and deposits and a lack of segregation of duties or supervisory reviews. Other problems include receipt slips not issued for some collections, receipts not deposited intact in a timely manner, and no reconciliations between liabilities and cash balances. In addition, Sheriff's sales fees were not properly distributed from the Sheriff's fee account to the county.

Improvements are needed in the controls and procedures over the 911 Board's expenditures and payroll. Board approval of invoices for payment is not adequately documented, supporting documentation such as vendor invoices was not retained for some disbursements, employee timesheets do not always include documentation of supervisory approval, and the board has not adopted written policies for overtime and compensatory time. Records of capital assets are not maintained, actual disbursements exceeded budgeted amounts, and annual financial statements are not published. Reasons and votes taken to close board meetings are not documented in the regular board minutes.

The county has not prepared an annual maintenance plan for county roads and bridges, and does not report commuting mileage to the IRS for Road and Bridge supervisors. In addition, procedures to account for county property should be improved, and county property records are not complete.

The audit also included findings regarding controls and procedures of the Prosecuting Attorney, Associate Circuit and Probate Court, and Ex Officio Recorder of Deeds.

All reports are available on our Web site: auditor.mo.gov

YELLOW SHEET

GASCONADE 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**

To the County Commission
and
Officeholders of Gasconade 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 Gasconade County, Missouri, as of and for the years ended December 31, 2005 and 2004. 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 Gasconade County, Missouri, as of December 31, 2005 and 2004, 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 Gasconade 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, 2005 and 2004, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 22, 2006, 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.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Gasconade 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

June 22, 2006 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Susan Cessac
Audit Staff:	Liang Xu
	Michelle Franken



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 Gasconade County, Missouri

We have audited the financial statements of various funds of Gasconade County, Missouri, as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 22, 2006. 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 Gasconade 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 Gasconade 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 Gasconade County, Missouri, and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

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

Claire McCaskill
State Auditor

June 22, 2006 (fieldwork completion date)

Financial Statements

Exhibit A-1

GASCONADE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2005

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 455,381	1,809,826	1,830,573	434,634
Special Road and Bridge	600,543	1,944,129	2,135,871	408,801
Assessment	71,528	198,366	145,048	124,846
Union Electric	53,886	62,125	53,651	62,360
Law Enforcement Training	3,641	3,704	4,620	2,725
Prosecuting Attorney Training	1,317	630	1,580	367
Prosecuting Attorney Bad Check	12,778	10,724	9,699	13,803
Sheriff Department Law Enforcement	15,617	30,839	29,902	16,554
Recorder Records Retention	22,645	14,383	13,678	23,350
Recorder Technology	13,268	6,053	0	19,321
Family Service and Justice	27,712	6,454	1,435	32,731
Election Services	4,891	1,426	1,673	4,644
Election Technology	0	93,710	78,352	15,358
Domestic Violence	285	592	500	377
Sheriff Revolving Conceal and Carry Weapon Fee	4,208	2,180	836	5,552
Tax Maintenance	25,331	19,340	9,288	35,383
Law Library	22,869	7,175	1,389	28,655
Circuit Clerk Interest	10,953	430	343	11,040
Associate Division Interest	1,104	76	0	1,180
Local Records Grant	0	2,011	535	1,476
Health Center	60,290	424,534	440,537	44,287
County Health Building	53,137	11,619	0	64,756
Community Mental Health	43,357	166,411	161,513	48,255
911 Board	9,036	475,299	425,849	58,486
Total	\$ 1,513,777	5,292,036	5,346,872	1,458,941

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

Exhibit A-2

GASCONADE 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	\$ 518,156	1,770,917	1,833,692	455,381
Special Road and Bridge	913,501	1,725,647	2,038,605	600,543
Assessment	49,198	164,035	141,705	71,528
Union Electric	41,570	60,723	48,407	53,886
Law Enforcement Training	3,369	4,916	4,644	3,641
Prosecuting Attorney Training	1,493	839	1,015	1,317
Prosecuting Attorney Bad Check	16,919	7,203	11,344	12,778
Sheriff Department Law Enforcement	13,294	28,423	26,100	15,617
Recorder Records Retention	24,175	14,210	15,740	22,645
Recorder Technology	7,054	6,214	0	13,268
Family Service and Justice	23,542	6,295	2,125	27,712
Election Services	1,278	5,313	1,700	4,891
Domestic Violence	50	585	350	285
Sheriff Revolving Conceal and Carry Weapon Fee	0	6,868	2,660	4,208
Tax Maintenance	18,615	20,077	13,361	25,331
Law Library	16,150	6,885	166	22,869
Circuit Clerk Interest	11,166	250	463	10,953
Associate Division Interest	6,222	82	5,200	1,104
Local Records Grant	2,936	4,518	7,454	0
Health Center	65,972	423,793	429,475	60,290
County Health Building	48,449	4,949	261	53,137
Community Mental Health	38,271	169,440	164,354	43,357
911 Board	12,490	324,952	328,406	9,036
Total	\$ 1,833,870	4,757,134	5,077,227	1,513,777

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

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 5,048,772	5,292,036	243,264	4,754,867	4,750,266	(4,601)
DISBURSEMENTS	5,931,985	5,346,872	585,113	5,854,359	5,074,567	779,792
RECEIPTS OVER (UNDER) DISBURSEMENTS	(883,213)	(54,836)	828,377	(1,099,492)	(324,301)	775,191
CASH, JANUARY 1	1,513,933	1,513,777	(156)	1,835,180	1,833,870	(1,310)
CASH, DECEMBER 31	630,720	1,458,941	828,221	735,688	1,509,569	773,881
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	268,800	277,252	8,452	263,410	288,671	25,261
Sales taxes	900,000	941,369	41,369	928,000	890,548	(37,452)
Intergovernmental	82,092	104,670	22,578	110,831	101,834	(8,997)
Charges for service:	367,725	370,081	2,356	364,000	368,256	4,256
Interest	18,100	15,579	(2,521)	18,140	19,632	1,492
Other	31,115	19,648	(11,467)	23,750	33,840	10,090
Transfers in	89,850	81,227	(8,623)	77,620	68,136	(9,484)
Total Receipts	1,757,682	1,809,826	52,144	1,785,751	1,770,917	(14,834)
DISBURSEMENTS						
County Commissior	128,272	123,903	4,369	130,596	124,159	6,437
County Clerk	74,431	70,317	4,114	74,144	71,318	2,826
Elections	45,793	42,572	3,221	108,141	102,539	5,602
Buildings and grounds	79,562	62,865	16,697	105,615	89,010	16,605
County Treasurer	41,440	40,588	852	41,408	39,972	1,436
County Collector	134,138	118,188	15,950	133,909	128,874	5,035
Circuit Clerk and Ex Officio Recorder of Deeds	53,248	44,999	8,249	53,860	47,208	6,652
Associate Circuit Court	43,813	16,822	26,991	39,248	17,507	21,741
Court administration	3,100	1,268	1,832	3,100	1,064	2,036
Public Administrator	40,568	37,603	2,965	33,758	32,009	1,749
Sheriff	478,968	471,124	7,844	481,785	461,242	20,543
Jail	241,067	244,010	(2,943)	233,054	213,039	20,015
Prosecuting Attorney	163,377	147,314	16,063	172,202	157,251	14,951
Juvenile Offices	41,350	45,150	(3,800)	48,021	39,669	8,352
County Coroner	23,152	21,644	1,508	18,641	15,543	3,098
Surveyor	17,025	15,366	1,659	9,175	3,856	5,319
E911 dispatch services	138,000	138,000	0	138,000	138,000	0
Other	207,744	188,840	18,904	187,244	151,432	35,812
Transfers out	44,115	0	44,115	3,400	0	3,400
Emergency Fund	52,731	0	52,731	53,573	0	53,573
Total Disbursements	2,051,894	1,830,573	221,321	2,068,874	1,833,692	235,182
RECEIPTS OVER (UNDER) DISBURSEMENTS	(294,212)	(20,747)	273,465	(283,123)	(62,775)	220,348
CASH, JANUARY 1	455,381	455,381	0	518,156	518,156	0
CASH, DECEMBER 31	161,169	434,634	273,465	235,033	455,381	220,348

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	431,500	449,707	18,207	426,500	456,439	29,939
Sales taxes	540,000	564,823	24,823	550,000	534,330	(15,670)
Intergovernmental	678,600	766,037	87,437	647,450	606,468	(40,982)
Interest	18,000	15,575	(2,425)	18,000	19,645	1,645
Other	155,000	147,987	(7,013)	107,000	108,765	1,765
Total Receipts	1,823,100	1,944,129	121,029	1,748,950	1,725,647	(23,303)
DISBURSEMENTS						
Salaries	571,470	567,506	3,964	591,847	543,212	48,635
Supplies	198,500	205,462	(6,962)	166,500	173,612	(7,112)
Insurance	65,000	72,115	(7,115)	65,000	42,675	22,325
Road and bridge materials	608,500	615,131	(6,631)	561,500	504,840	56,660
Equipment repairs	113,000	80,869	32,131	86,000	103,558	(17,558)
Rentals	1,000	1,300	(300)	1,000	400	600
Equipment purchases	328,000	244,413	83,587	289,500	258,592	30,908
Construction, repair, and maintenance	234,500	206,809	27,691	524,000	282,442	241,558
Other	89,300	70,039	19,261	100,400	69,988	30,412
Transfers out	77,000	72,227	4,773	63,000	59,286	3,714
Total Disbursements	2,286,270	2,135,871	150,399	2,448,747	2,038,605	410,142
RECEIPTS OVER (UNDER) DISBURSEMENTS	(463,170)	(191,742)	271,428	(699,797)	(312,958)	386,839
CASH, JANUARY 1	600,543	600,543	0	913,501	913,501	0
CASH, DECEMBER 31	137,373	408,801	271,428	213,704	600,543	386,839
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	210,846	194,565	(16,281)	166,041	160,440	(5,601)
Interest	400	682	282	300	372	72
Other	2,000	3,119	1,119	2,200	3,223	1,023
Transfers in	9,115	0	(9,115)	3,400	0	(3,400)
Total Receipts	222,361	198,366	(23,995)	171,941	164,035	(7,906)
DISBURSEMENTS						
Assessor	222,361	145,048	77,313	171,531	141,705	29,826
Total Disbursements	222,361	145,048	77,313	171,531	141,705	29,826
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	53,318	53,318	410	22,330	21,920
CASH, JANUARY 1	71,528	71,528	0	49,198	49,198	0
CASH, DECEMBER 31	71,528	124,846	53,318	49,608	71,528	21,920

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>UNION ELECTRIC FUND</u>						
RECEIPTS						
Intergovernmental	12,000	17,694	5,694	12,000	21,372	9,372
Charges for service:	38,500	43,000	4,500	38,500	38,500	0
Interest	125	209	84	170	124	(46)
Other	16,743	1,222	(15,521)	0	727	727
Total Receipts	67,368	62,125	(5,243)	50,670	60,723	10,053
DISBURSEMENTS						
Emergency operations centre	70,872	53,651	17,221	50,670	48,407	2,263
Total Disbursements	70,872	53,651	17,221	50,670	48,407	2,263
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,504)	8,474	11,978	0	12,316	12,316
CASH, JANUARY 1	53,886	53,886	0	41,570	41,570	0
CASH, DECEMBER 31	50,382	62,360	11,978	41,570	53,886	12,316
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	2,400	1,229	(1,171)	1,100	1,071	(29)
Charges for service:	2,525	2,457	(68)	2,570	2,547	(23)
Interest	15	18	3	15	12	(3)
Other	0	0	0	0	1,286	1,286
Total Receipts	4,940	3,704	(1,236)	3,685	4,916	1,231
DISBURSEMENTS						
Sheriff	7,200	4,620	2,580	4,800	4,644	156
Total Disbursements	7,200	4,620	2,580	4,800	4,644	156
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,260)	(916)	1,344	(1,115)	272	1,387
CASH, JANUARY 1	3,641	3,641	0	3,369	3,369	0
CASH, DECEMBER 31	1,381	2,725	1,344	2,254	3,641	1,387
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for service:	530	626	96	535	628	93
Interest	5	4	(1)	5	5	0
Other	0	0	0	0	206	206
Total Receipts	535	630	95	540	839	299
DISBURSEMENTS						
Prosecuting Attorney	1,800	1,580	220	1,500	1,015	485
Total Disbursements	1,800	1,580	220	1,500	1,015	485
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,265)	(950)	315	(960)	(176)	784
CASH, JANUARY 1	1,317	1,317	0	1,493	1,493	0
CASH, DECEMBER 31	52	367	315	533	1,317	784

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for service:	7,000	10,640	3,640	7,000	7,128	128
Interest	75	84	9	85	75	(10)
Total Receipts	<u>7,075</u>	<u>10,724</u>	<u>3,649</u>	<u>7,085</u>	<u>7,203</u>	<u>118</u>
DISBURSEMENTS						
Prosecuting Attorney	2,900	1,199	1,701	2,900	2,844	56
Transfers out	8,500	8,500	0	8,500	8,500	0
Total Disbursements	<u>11,400</u>	<u>9,699</u>	<u>1,701</u>	<u>11,400</u>	<u>11,344</u>	<u>56</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(4,325)</u>	<u>1,025</u>	<u>5,350</u>	<u>(4,315)</u>	<u>(4,141)</u>	<u>174</u>
CASH, JANUARY 1	12,778	12,778	0	16,919	16,919	0
CASH, DECEMBER 31	<u>8,453</u>	<u>13,803</u>	<u>5,350</u>	<u>12,604</u>	<u>12,778</u>	<u>174</u>
<u>SHERIFF DEPARTMENT LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Charges for service:	24,975	30,757	5,782	26,265	28,393	2,128
Interest	25	82	57	35	30	(5)
Total Receipts	<u>25,000</u>	<u>30,839</u>	<u>5,839</u>	<u>26,300</u>	<u>28,423</u>	<u>2,123</u>
DISBURSEMENTS						
Sheriff	35,000	29,902	5,098	30,660	26,100	4,560
Total Disbursements	<u>35,000</u>	<u>29,902</u>	<u>5,098</u>	<u>30,660</u>	<u>26,100</u>	<u>4,560</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(10,000)</u>	<u>937</u>	<u>10,937</u>	<u>(4,360)</u>	<u>2,323</u>	<u>6,683</u>
CASH, JANUARY 1	15,617	15,617	0	13,294	13,294	0
CASH, DECEMBER 31	<u>5,617</u>	<u>16,554</u>	<u>10,937</u>	<u>8,934</u>	<u>15,617</u>	<u>6,683</u>
<u>RECORDER RECORDS RETENTION FUND</u>						
RECEIPTS						
Charges for service:	14,000	14,211	211	14,747	14,053	(694)
Interest	0	172	172	253	157	(96)
Total Receipts	<u>14,000</u>	<u>14,383</u>	<u>383</u>	<u>15,000</u>	<u>14,210</u>	<u>(790)</u>
DISBURSEMENTS						
Ex Officio Recorder of Deed	16,000	13,678	2,322	17,000	15,740	1,260
Total Disbursements	<u>16,000</u>	<u>13,678</u>	<u>2,322</u>	<u>17,000</u>	<u>15,740</u>	<u>1,260</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(2,000)</u>	<u>705</u>	<u>2,705</u>	<u>(2,000)</u>	<u>(1,530)</u>	<u>470</u>
CASH, JANUARY 1	22,645	22,645	0	24,175	24,175	0
CASH, DECEMBER 31	<u>20,645</u>	<u>23,350</u>	<u>2,705</u>	<u>22,175</u>	<u>22,645</u>	<u>470</u>

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDER TECHNOLOGY FUND</u>						
RECEIPTS						
Charges for service:	6,337	5,937	(400)	6,934	6,152	(782)
Interest	63	116	53	66	62	(4)
Total Receipts	6,400	6,053	(347)	7,000	6,214	(786)
DISBURSEMENTS						
Ex Officio Recorder of Deed	5,000	0	5,000	6,000	0	6,000
Total Disbursements	5,000	0	5,000	6,000	0	6,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,400	6,053	4,653	1,000	6,214	5,214
CASH, JANUARY 1	13,268	13,268	0	7,054	7,054	0
CASH, DECEMBER 31	14,668	19,321	4,653	8,054	13,268	5,214
<u>FAMILY SERVICE AND JUSTICE FUND</u>						
RECEIPTS						
Charges for service:	6,500	6,306	(194)	7,133	6,201	(932)
Interest	0	148	148	67	94	27
Total Receipts	6,500	6,454	(46)	7,200	6,295	(905)
DISBURSEMENTS						
Family Court	2,200	1,435	765	5,000	2,125	2,875
Total Disbursements	2,200	1,435	765	5,000	2,125	2,875
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,300	5,019	719	2,200	4,170	1,970
CASH, JANUARY 1	27,712	27,712	0	23,542	23,542	0
CASH, DECEMBER 31	32,012	32,731	719	25,742	27,712	1,970
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for service:	2,200	1,398	(802)	5,770	5,305	(465)
Interest	0	28	28	10	8	(2)
Total Receipts	2,200	1,426	(774)	5,780	5,313	(467)
DISBURSEMENTS						
Elections	7,000	1,673	5,327	4,950	1,700	3,250
Total Disbursements	7,000	1,673	5,327	4,950	1,700	3,250
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,800)	(247)	4,553	830	3,613	2,783
CASH, JANUARY 1	4,891	4,891	0	1,278	1,278	0
CASH, DECEMBER 31	91	4,644	4,553	2,108	4,891	2,783

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION TECHNOLOGY FUND</u>						
RECEIPTS						
Intergovernmental	92,037	93,635	1,598			
Transfers in	35,000	0	(35,000)			
Interest	0	75	75			
Total Receipts	127,037	93,710	(33,327)			
DISBURSEMENTS						
Election equipment and supplie:	127,037	78,352	48,685			
Total Disbursements	127,037	78,352	48,685			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	15,358	15,358			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	15,358	15,358			
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for service:	650	590	(60)	530	585	55
Interest	1	2	1	3	0	(3)
Total Receipts	651	592	(59)	533	585	52
DISBURSEMENTS						
Transfers out	350	500	(150)	500	350	150
Total Disbursements	350	500	(150)	500	350	150
RECEIPTS OVER (UNDER) DISBURSEMENTS	301	92	(209)	33	235	202
CASH, JANUARY 1	285	285	0	50	50	0
CASH, DECEMBER 31	586	377	(209)	83	285	202
<u>SHERIFF REVOLVING CONCEAL AND CARRY</u>						
<u>WEAPON FEE FUND</u>						
RECEIPTS						
Charges for service:	7,980	2,156	(5,824)			
Interest	20	24	4			
Total Receipts	8,000	2,180	(5,820)			
DISBURSEMENTS						
Sheriff	2,400	836	1,564			
Total Disbursements	2,400	836	1,564			
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,600	1,344	(4,256)			
CASH, JANUARY 1	4,208	4,208	0			
CASH, DECEMBER 31	9,808	5,552	(4,256)			

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for service:	17,650	19,176	1,526	11,000	19,971	8,971
Interest	85	164	79	36	106	70
Total Receipts	17,735	19,340	1,605	11,036	20,077	9,041
DISBURSEMENTS						
County Collector	22,600	9,288	13,312	15,080	13,361	1,719
Total Disbursements	22,600	9,288	13,312	15,080	13,361	1,719
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,865)	10,052	14,917	(4,044)	6,716	10,760
CASH, JANUARY 1	25,331	25,331	0	18,221	18,615	394
CASH, DECEMBER 31	20,466	35,383	14,917	14,177	25,331	11,154
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for service:	6,900	7,175	275	6,900	6,885	(15)
Total Receipts	6,900	7,175	275	6,900	6,885	(15)
DISBURSEMENTS						
Law Library	15,000	1,389	13,611	500	166	334
Total Disbursements	15,000	1,389	13,611	500	166	334
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,100)	5,786	13,886	6,400	6,719	319
CASH, JANUARY 1	22,869	22,869	0	16,150	16,150	0
CASH, DECEMBER 31	14,769	28,655	13,886	22,550	22,869	319
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	300	430	130	350	250	(100)
Total Receipts	300	430	130	350	250	(100)
DISBURSEMENTS						
Circuit Clerk	1,200	343	857	2,000	463	1,537
Total Disbursements	1,200	343	857	2,000	463	1,537
RECEIPTS OVER (UNDER) DISBURSEMENTS	(900)	87	987	(1,650)	(213)	1,437
CASH, JANUARY 1	10,953	10,953	0	11,166	11,166	0
CASH, DECEMBER 31	10,053	11,040	987	9,516	10,953	1,437
<u>ASSOCIATE DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	20	76	56	150	82	(68)
Total Receipts	20	76	56	150	82	(68)
DISBURSEMENTS						
Associate Circuit Court	800	0	800	0	5,200	(5,200)
Total Disbursements	800	0	800	0	5,200	(5,200)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(780)	76	856	150	(5,118)	(5,268)
CASH, JANUARY 1	1,129	1,104	(25)	6,247	6,222	(25)
CASH, DECEMBER 31	349	1,180	831	6,397	1,104	(5,293)

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
LOCAL RECORDS GRANT FUND						
RECEIPTS						
Intergovernmental	3,000	2,011	(989)	9,977	4,504	(5,473)
Interest	0	0	0	30	14	(16)
Total Receipts	3,000	2,011	(989)	10,007	4,518	(5,489)
DISBURSEMENTS						
Equipment	3,000	535	2,465	10,007	7,454	2,553
Total Disbursements	3,000	535	2,465	10,007	7,454	2,553
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,476	1,476	0	(2,936)	(2,936)
CASH, JANUARY 1	0	0	0	2,936	2,936	0
CASH, DECEMBER 31	0	1,476	1,476	2,936	0	(2,936)
HEALTH CENTER FUND						
RECEIPTS						
Property taxes	160,000	166,916	6,916	155,000	169,886	14,886
Intergovernmental	229,233	228,820	(413)	209,872	223,929	14,057
Charges for services:	14,000	22,469	8,469	13,500	15,402	1,902
Interest	1,000	1,445	445	1,600	875	(725)
Other	800	4,884	4,084	0	13,450	13,450
Transfers in	30,000	0	(30,000)	28,000	251	(27,749)
Total Receipts	435,033	424,534	(10,499)	407,972	423,793	15,821
DISBURSEMENTS						
Salaries	337,345	307,692	29,653	323,033	308,849	14,184
Office expenditures:	69,330	69,060	270	67,600	61,188	6,412
Equipment	7,500	5,432	2,068	7,000	5,973	1,027
Mileage and training	19,000	19,325	(325)	20,750	16,522	4,228
Other	54,850	39,028	15,822	48,500	36,943	11,557
Total Disbursements	488,025	440,537	47,488	466,883	429,475	37,408
RECEIPTS OVER (UNDER) DISBURSEMENTS	(52,992)	(16,003)	36,989	(58,911)	(5,682)	53,229
CASH, JANUARY 1	61,968	60,290	(1,678)	67,651	65,972	(1,679)
CASH, DECEMBER 31	8,976	44,287	35,311	8,740	60,290	51,550
COUNTY HEALTH BUILDING FUND						
RECEIPTS						
Charges for services:	5,000	11,229	6,229	5,000	4,616	(384)
Interest	300	390	90	400	333	(67)
Total Receipts	5,300	11,619	6,319	5,400	4,949	(451)
DISBURSEMENTS						
Other	0	0	0	0	10	(10)
Transfers out	30,000	0	30,000	28,000	251	27,749
Total Disbursements	30,000	0	30,000	28,000	261	27,739
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,700)	11,619	36,319	(22,600)	4,688	27,288
CASH, JANUARY 1	53,137	53,137	0	48,449	48,449	0
CASH, DECEMBER 31	28,437	64,756	36,319	25,849	53,137	27,288

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY MENTAL HEALTH FUND						
RECEIPTS						
Property taxes	160,000	164,937	4,937	160,000	167,943	7,943
Intergovernmental	400	284	(116)	490	448	(42)
Interest	1,050	1,190	140	1,000	1,049	49
Total Receipts	161,450	166,411	4,961	161,490	169,440	7,950
DISBURSEMENTS						
Office expenditures	1,100	1,513	(413)	6,950	4,443	2,507
Mileage and training	5,000	0	5,000	150	0	150
Contract payments	160,000	160,000	0	160,000	159,911	89
Contingency reserve	10,000	0	10,000	10,000	0	10,000
Total Disbursements	176,100	161,513	14,587	177,100	164,354	12,746
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,650)	4,898	19,548	(15,610)	5,086	20,696
CASH, JANUARY 1	43,357	43,357	0	38,271	38,271	0
CASH, DECEMBER 31	28,707	48,255	19,548	22,661	43,357	20,696
911 BOARD FUND						
RECEIPTS						
Sales taxes	0	42,104	42,104	0	0	0
Intergovernmental	0	28,625	28,625	0	5,116	5,116
Charges for services	162,550	154,799	(7,751)	157,111	158,593	1,482
Phone tax	182,935	189,110	6,175	163,016	160,125	(2,891)
Other	700	60,661	59,961	1,000	1,118	118
Total Receipts	346,185	475,299	129,114	321,127	324,952	3,825
DISBURSEMENTS						
Salaries	254,534	258,172	(3,638)	257,996	253,620	4,376
Phone system	25,501	26,477	(976)	29,520	22,166	7,354
Equipment	3,000	62,975	(59,975)	5,600	12,853	(7,253)
Office expenditures	3,850	6,915	(3,065)	3,350	3,452	(102)
Mileage and training	8,000	8,599	(599)	2,600	2,897	(297)
Rentals	14,650	15,650	(1,000)	14,650	12,750	1,900
Insurance	10,834	17,175	(6,341)	10,834	11,231	(397)
Other	28,107	29,886	(1,779)	8,607	9,437	(830)
Total Disbursements	348,476	425,849	(77,373)	333,157	328,406	4,751
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,291)	49,450	51,741	(12,030)	(3,454)	8,576
CASH, JANUARY 1	7,489	9,036	1,547	12,490	12,490	0
CASH, DECEMBER 31	\$ 5,198	\$ 58,486	\$ 53,288	\$ 460	\$ 9,036	\$ 8,576

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

Notes to the Financial Statements

GASCONADE 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 Gasconade County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the 911 Board, Health Center Board, or Community Mental Health Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, 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 a formal budget for the Sheriff Revolving Conceal and Carry Weapon Fee Fund for the year ended December 31, 2004.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the Domestic Violence Fund and 911 Board Fund for the year ended December 31, 2005, and the Associate Division Interest Fund for the year ended December 31, 2004.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, 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, 2005 and 2004, did not include the 911 Board Fund.

2. Cash

Disclosures are provided below to comply with Statement No. 40 of the Governmental Accounting Standards Board, *Deposit and Investment Risk Disclosures*. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Gasconade County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The county's deposits (which includes the Health Center funds) at December 31, 2005 and 2004, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

The Community Mental Health Board's and 911 Board's deposits at December 31, 2005 and 2004, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance.

Investments

Section 110.270, RSMo, 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. At December 31, 2005 and 2004, the county had no such

investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

Schedule

GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

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

GASCONADE 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, 2001, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the financial statements of various funds of Gasconade County, Missouri, as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 22, 2006.

Because the Senate Bill 40 Board Fund is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed that audit report and other applicable information.

In addition, to comply with the State Auditor's responsibility under Section 29.230, RSMo, to audit county officials at least once every 4 years, we have audited the operations of elected officials with funds other than those presented in the financial statements. 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 board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Responses. These MAR findings resulted from our audit of the financial statements of Gasconade County but do not meet the criteria for inclusion in the written report on internal control over financial reporting

and on compliance and other matters that is required for an audit performed in accordance with *Government Auditing Standards*.

1. County Controls and Procedures
--

The county has not prepared an annual maintenance plan for county roads and bridges, and does not report commuting mileage to the IRS for Road and Bridge supervisors.

- A. An annual maintenance plan has not been prepared to document expected work on the county's roads and bridges. Approximately \$2 million in receipts and disbursements are processed through the county's Special Road and Bridge Fund during a typical year. However, the budget document presents proposed activities in general categories which contain significant dollar amounts and do not provide details regarding specific projects or plans. The County Commission and road foreman indicated the county typically spreads rock on county roads on an as-needed basis, and prioritizes maintenance work on bridges based on safety concerns; however, specifics are not documented in a plan, the commission minutes, or the budget message and made available to the public.

A maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the roads and bridges to be worked on, the type of work to be performed, cost estimates, the dates such work could begin, and other relevant information. The plan should be referred to in the budget message and approved by the County Commission. In addition, the County Commission should consider holding a public hearing to obtain input from residents. Such a plan would serve as a useful management tool, encourage greater input into the overall budgeting process, and provide a means to continually and more effectively monitor and evaluate the repair and maintenance projects throughout the year.

- B. Two Road and Bridge supervisors are allowed to use county-owned vehicles to commute to and from work. The County Commission indicated these employees are on 24-hour call for emergency situations and have documented this policy in the employee manual. However, the county does not keep records of mileage incurred on the county vehicles for commuting purposes. The County Commission estimated that one of the employees commutes approximately 2 miles per day and the other employee commutes approximately 18 miles per day.

Internal Revenue Service (IRS) reporting guidelines indicate personal commuting mileage is a reportable fringe benefit and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs which distinguish between business and personal usage. Such logs are not maintained for these county vehicles and are not required by the county. Because procedures have not been established to ensure that IRS regulations are followed, the

county may be subject to penalties and/or fines for failure to report all taxable benefits.

A similar condition was noted in a prior report.

WE RECOMMEND the County Commission:

- A. Develop a road and bridge maintenance plan in conjunction with the annual fiscal budgets.
- B. Comply with IRS guidelines for reporting fringe benefits related to county-owned vehicles.

AUDITEE'S RESPONSE

- A. *We will consider adding more detail to the budget regarding proposed maintenance projects and include in the budget message and commission minutes that these projects will be performed if funds are available.*
- B. *We will contact the IRS or a CPA with expertise on these types of issues and take action deemed necessary.*

2. County Property Records

Procedures to account for county property should be improved, and county property records are not complete. The County Clerk obtains all county departments' inventory reports documenting their physical inventories, and uses those reports to calculate total assets for modifications to county insurance coverage; however, the County Clerk does not maintain perpetual inventory records and does not record additions and deletions of county property as they occur.

Our review of equipment purchases noted a truck with a snow plow (\$47,592) and a duplexer (\$1,750) were not recorded on the road and bridge department's inventory report. In addition, the County Clerk did not submit the annual requests for physical inventory reports on a timely basis. Section 49.093, RSMo, requires each county department to submit annual inventory reports by October 10 of each year; however, the County Clerk did not send requests for the physical inventories to the departments until March 2006 and all of the reports were not received until April 2006.

Adequate property records and monitoring procedures by the County Clerk are necessary to ensure compliance with Section 49.093, RSMo, and provide adequate internal controls over county property. The preparation of overall county property records and comparison to annual physical inventories could potentially identify unrecorded additions and dispositions,

identify obsolete assets, and deter and detect theft of assets. Procedures to insure new property items are necessary to properly protect county assets.

WE RECOMMEND the County Clerk implement procedures for preparing overall county property records and tracking new property items throughout the year, modify insurance coverage promptly, and follow up on discrepancies identified during the annual physical inventory process. In addition, the annual physical inventories should be performed and turned into the County Clerk on a timely basis as required by state law.

AUDITEE'S RESPONSE

I concur with the finding and have properly and timely completed current inventory reports by October 10, 2006. The asset valuation has been updated as of that date from the last inventory reports collected in April 2006. In the year 2005, when the county's insurance company did not request an updated list of inventory, I did not request inventories from the other officials and department heads and realize this was an error. I have also asked the officials and department heads for better documentation of the acquisition and disposition of items.

3. Sheriff's Controls and Procedures

Significant problems were noted in the controls over collections of the Sheriff's office, and as a result, the Sheriff's office did not detect \$974 receipts which were not deposited and appear to be missing. Problems include a lack of segregation of duties or supervisory reviews, lack of reconciliations between receipts and deposits, receipt slips not issued for some collections, receipts not deposited intact in a timely manner, and no reconciliations between liabilities and cash balances. In addition, Sheriff's sales fees were not properly distributed to the county.

The Sheriff's Department handled receipts of approximately \$54,000 and \$111,000 during the years ended December 31, 2005 and 2004, respectively.

- A. Cash receipts totaling \$974 collected by the Sheriff's office from January 2004 through December 2005 could not be traced to deposits into the Sheriff's bank accounts. We detected this problem while reconciling the Sheriff's receipt records to deposits. The majority of these receipts appear to be gun permit fees received in cash which were recorded on the cash control ledger but were not deposited.

These missing funds occurred during the terms of both the current Sheriff, who took office on January 1, 2005, and the former Sheriff. The current Sheriff indicated he would investigate this matter and attempt to resolve the discrepancies between receipts and deposits.

These missing funds were not detected by the Sheriff's office due to several record keeping deficiencies and internal control weaknesses, including a lack of

reconciliation between receipts and deposits, as discussed below. In addition, due to the problems and weaknesses, additional monies may have been received and not deposited that were not discovered, in particular for periods prior to January 2004.

- B. Cash custody and recordkeeping duties are not adequately segregated. The Sheriff's office manager is responsible for receiving, recording, depositing, and disbursing all monies, as well as reconciling the bank accounts. While the County Treasurer performs an independent review of the monthly bank reconciliations, there is no supervisory review or comparison of the Sheriff's accounting records to the bank records.

Internal controls would be improved by segregating the duties of receiving and depositing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the accounting records should be performed and documented.

A similar condition was noted in a prior report.

- C. Receipt slips are not issued for some monies received and receipts are not reconciled to deposits. In addition, the method of payment is not always noted on receipt slips. To adequately account for collections and reduce the risk of loss or misuse of funds, pre-numbered receipt slips, which indicate the method of payment received, should be issued for all monies received immediately upon receipt. Receipts should also be reconciled to bank deposits, including the composition of monies received (i.e. cash, checks, or money orders). The lack of reconciliations between receipts and deposits appears to have allowed the shortage noted in Part A above to go undetected by the Sheriff's office.
- D. Monies are not always deposited intact or in a timely manner. For example, a \$222 cash bond received on October 12, 2005 was not deposited until October 24, 2005. In addition, as noted in Part A above, some cash receipts could not be traced to any deposits, and some cash receipts were withheld and included in subsequent deposits. For example, \$120 cash received between December 21, 2004 and January 4, 2005, was withheld from the January 4, 2005 deposit and subsequently deposited with other receipts on January 20, 2005. Our review noted deposits are generally made three to four times a month and the average deposit during October through December 2005, was \$1,380.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected.

- E. The Sheriff does not have procedures to ensure all monies received are disbursed. All monies received by the Sheriff, which includes cash bonds and accountable fees, are normally disbursed by the end of each month and the Sheriff's bank account should zero out at the end of each month. However, on December 31, 2005, the

account had a balance of \$1,343 which was unidentified. This amount fluctuates from month to month because of receipts that were not deposited and the overall lack of reconciliations.

The Sheriff should adopt procedures to reconcile all receipts and deposits to amounts disbursed to ensure the bank account zeroes out each month, or if any receipts cannot be disbursed at the end of the month, these amounts should be identified and reconciled to the bank balances. Any unidentified amounts in the bank account should be investigated and resolved. Various statutory provisions, including Sections 447.500 through 447.595, RSMo, provide for the disposition of unclaimed monies.

- F. Some Sheriff's sale fees were not properly disbursed. The Sheriff deposited proceeds from a partition sale held in May 2004 into the Sheriff's fee account and withheld \$463 in accountable fees; however, this amount was not disbursed to the county's General Revenue Fund and remains in the Sheriff's bank account. The Sheriff also withheld fees from another partition sale held in March 2005; however, the amount disbursed to the county was \$89 more than the accountable fee of \$150. The \$89 had already been disbursed to a vendor for towing fees, causing a shortage in the account. These errors were apparently not discovered because of the lack of reconciliations noted in Part E above.

Attorney General's Opinion No. 108, 1970 to Holman, provides that commissions on partition sales are accountable fees and should be paid into the county's General Revenue Fund. The Sheriff should ensure that all accountable fees withheld from partition sale proceeds are properly disbursed to the county.

WE RECOMMEND the Sheriff:

- A. Follow up on this matter and reimburse his official account for any amounts remaining that could not be traced to a deposit.
- B. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- C. Require receipt slips be issued for all monies received, and ensure the method of payment is recorded on the receipt slips and receipts are reconciled to deposits.
- D. Deposit all monies intact on a timely basis.
- E. Ensure all receipts are disbursed and the balance of the bank account zeroes out at the end of each month. Any receipts that cannot be disbursed by the end of the month should be documented and reconciled to the bank balance. Amounts which cannot be identified should be investigated, and any monies remaining unclaimed should be disposed of in accordance with state law.

- F. Correct the errors noted above in the distribution of partition sale fees and ensure all fees from future sales are properly disbursed.

AUDITEE'S RESPONSE

- A. *A follow up done by the Office Manager appears to have located \$199 of the \$974. In addition, another \$323.65 appears to have been deposited that was not recorded, but some of this may represent checks received for serving papers that was not recorded and may not be part of the \$974. Additional follow up on this matter will be considered, and upon the conclusion of our work, we will make a determination on how to reimburse the account for the remaining difference.*
- B. *All accounting procedures will be checked and double checked by the Office Manager and then checked by me personally periodically. Accounts will also continue to be checked by the County Treasurer.*
- C. *Receipt slips will be issued for all monies received to ensure proper accounting. Receipts will be reconciled to deposits.*
- D. *Daily deposits will be made.*
- E. *The bank account will be zeroed out at the end of each month. Recently, a new bank account was opened and the old one closed to help ensure the account zeroes out. I will check this periodically.*
- F. *All fee monies collected as a result of Sheriff's sales will be disbursed according to state law.*

4. Prosecuting Attorney's Controls and Procedures
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Receipt slips are not issued for some monies received, monies are not always deposited timely, and the composition of receipts is not reconciled to deposits. Monthly listings of open items (liabilities) are not prepared, and partial payments received for bad check restitution could be distributed on a more timely basis. Some petty cash fund disbursements were not adequately supported.

The Prosecuting Attorney's office collects bad check and court-ordered restitution and fees which totaled approximately \$65,000 and \$63,000 for the years ended December 31, 2005 and 2004, respectively. Most bad check restitution and fees are transmitted directly to the victims and county, respectively, and court-ordered restitution and bad check restitution and fees made payable to the Prosecuting Attorney are deposited into the Prosecuting Attorney's official bank account.

- A. Receipt slips are not issued for some monies received. Receipt slips for court-ordered restitution are only issued for payments made in person. In addition, no sequential summary record (cash control ledger) of court-ordered restitution receipts

and disbursements is maintained. Money orders received are copied and filed in the applicable case file but are not otherwise recorded.

To adequately account for all receipts, pre-numbered receipt slips should be issued for all monies received and the numerical sequence accounted for properly. A cash control ledger, which lists each receipt slip in numerical order, would help account for all receipts slips issued and provide a summary of all receipts and disbursements.

- B. Monies received are not always deposited in a timely manner. For example, four receipts totaling \$223 received between October 18 and October 25, 2005 were not deposited until November 15, 2005. Additionally, the composition of receipts (cash and money orders) is not reconciled to deposits. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis. In addition, the composition of monies received should be reconciled to the composition of bank deposits.
- C. Monthly listings of open items (liabilities) are not prepared. The reconciled bank account balance at December 31, 2005, was \$6,321, and since that time, the Prosecuting Attorney's office has attempted to identify and dispose of this balance. As of June 30, 2006, approximately \$4,700 had been identified and disbursed. Most of this amount represented restitution partial payments which had not been disbursed to the victims, as it had been office policy to disburse no partial payments until full payment was received.

A complete and accurate listing of open items should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. In addition, the Prosecuting Attorney should continue to investigate and resolve the unidentified balance in the account and disburse all restitution partial payments on a more timely basis.

A similar condition was noted in a prior report.

- D. The Prosecuting Attorney maintains a \$200 petty cash fund which is used to make small purchases and to pay for postage. Petty cash disbursements were \$466 in 2005.

Receipts or vendor invoices are not always retained to support disbursements, and a ledger to summarize disbursements and replenishments of the petty cash fund is not maintained. All petty cash disbursements should be supported by receipts or vendor invoices to ensure their propriety. In addition, a ledger which summarizes all petty cash transactions is necessary to ensure all monies are accounted for properly and the fund is maintained on an imprest basis.

WE RECOMMEND the Prosecuting Attorney:

- A. Require pre-numbered receipt slips be issued for all monies received and the numerical sequence of those receipt slips be accounted for properly. In addition, a cash control ledger should be maintained to record all restitution receipts and disbursements.
- B. Deposit all monies intact on a timely basis, and reconcile the composition of receipts to the composition of bank deposits.
- C. Prepare monthly listings of open items and reconcile to the cash balance, and continue to investigate and resolve the unidentified account balance. In addition, restitution partial payments should be disbursed to the victims on a more timely basis.
- D. Ensure receipts or vendor invoices are maintained for all petty cash disbursements. In addition, a log or ledger of all petty cash fund transactions should be maintained to properly document the financial activity of the fund.

AUDITEE'S RESPONSE

- A. *We agree and will implement this recommendation. Receipts slips will be issued for all payments received by mail and in person.*
- B. *We agree and will attempt to make deposits at least 2-3 times per week.*
- C. *We agree and since December 2005, we have been working on reducing the balance of the account. Currently, the balance is down to about \$600. In the future, any amounts that are not disbursed by the end of the month will be identified on an open items list.*
- D. *We agree and will implement this recommendation. A log will be established to record withdrawals and replenishments to the petty cash fund.*

5. Associate Circuit and Probate Divisions' Controls and Procedures
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Receipts are not deposited in a timely manner, bank reconciliations are not performed in a timely manner, old outstanding checks need to be resolved, and an old bank account should be closed.

The Associate and Probate Divisions are responsible for processing receipts for criminal and civil cases, traffic tickets, bonds, and probate fees, which totaled approximately \$447,000 and \$425,000 for the years ended December 31, 2005 and 2004, respectively.

- A. Receipts are not always deposited on a timely basis. Monies are normally collected each business day. During the month of September 2005, deposits were generally made once a week and averaged approximately \$3,900 per deposit. A cash count performed on April 6, 2006, totaled \$4,141 including \$125 cash received on April 3, 2006, and \$467 cash received on April 5, 2006.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected.

- B. Bank reconciliations are not always prepared on a timely basis. The December 2005 through February 2006 bank reconciliations were completed in March 2006. Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement and to detect and correct errors timely.
- C. Procedures have not been established to routinely follow up on outstanding checks. At December 31, 2005, the Associate and Probate Divisions had 22 outstanding checks over one year old, totaling \$1,424. These old outstanding checks create additional and unnecessary record keeping responsibilities.

Procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, amounts remaining unclaimed should be disposed of in accordance with state law.

- D. The Associate Circuit Division has one old bank account that is no longer active. At December 31, 2005, the account balance included 36 checks totaling \$870 which had been outstanding for over five years, accumulated interest totaling \$227, and unidentified monies totaling \$116.

The court should attempt to dispose of the monies which have remained unclaimed or unidentified and close the account. Various statutory provisions, including Sections 447.500 through 447.595, RSMo, provide for the disposition of unclaimed monies.

Conditions similar to Parts A-C were noted in a prior report.

WE RECOMMEND the Associate Circuit Judge ensure:

- A. All monies are deposited intact on a timely basis.
- B. Bank reconciliations are prepared on a monthly basis.
- C. All old outstanding checks are resolved and procedures are established to periodically investigate checks outstanding for a considerable time.

- D. The monies held in the old bank account are identified and disbursed so the account can be closed. Amounts which cannot be identified and remain unclaimed should be disposed of as provided by state law.

AUDITEE'S RESPONSE

My chief clerk advises me that the recommendations to terminate outstanding checks and/or accounts have been fully complied with. We shall do our reasonable best to meet the other recommendations on deposits and reconciliations, keeping in mind the many time standards thrown upon us today (to include having to report traffic dispositions within a few days no matter how heavy the docket might be).

6. Ex Officio Recorder of Deeds' Controls and Procedures

Some receipts are not recorded or deposited on a timely basis, and some checks and money orders are not endorsed immediately upon receipt. The Ex Officio Recorder of Deeds collects various fees for recording documents, such as deeds and marriage licenses, which totaled approximately \$192,000 for each of the years ended December 31, 2005 and 2004.

- A. Monies received are not always recorded in a timely manner. The Ex Officio Recorder of Deeds uses a computer system for recording payments and indexing recorded documents, and it is her policy to hold partial payments and not record the fees on the system until paid in full. In addition, checks and money orders for partial payments are not restrictively endorsed until the fees are paid in full and entered into the system.

Receipts should be recorded on the computer system or on pre-numbered receipt slips, and checks and money orders should be restrictively endorsed immediately upon receipt. An immediate record of receipts is necessary to properly document and account for all monies received.

- B. Receipts are not always deposited on a timely basis. Monies are normally collected each business day. Our review of deposits made during July and August 2005, indicated deposits are made approximately twice a week and averaged more than \$2,000 per deposit. A cash count performed on May 9, 2006, totaled \$1,760, which included \$1,735 in checks and \$25 in cash received on May 4 and 5, 2006.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected.

WE RECOMMEND the Ex Officio Recorder of Deeds:

- A. Ensure all receipts are promptly recorded and posted to the computer system, and all checks and money orders are restrictively endorsed immediately upon receipt.
- B. Deposit all monies intact and on a timely basis.

AUDITEE'S RESPONSE

- A. *We cannot record any document without payment in full. Our choices would be to return all documents that do not have enough money, causing unnecessary delays in recording documents that are time sensitive, or to call the party who mailed it to us (if we have a phone number), and ask them to send the additional money. Often times we only need \$1-3 more to pay in full. Sometimes we receive these documents by overnight mail, which is costly, and we will not spend county money to return them unrecorded by overnight mail. I feel that there is a greater risk of documents and money getting lost in the mail, than being lost in this office. When we have all the money with the document, we will then receipt and record same.*

I will restrictively endorse all checks and money orders immediately upon receipt.

- B. *We will make a concerted effort to make more timely deposits.*

AUDITOR'S COMMENT

- A. Even if documents cannot be recorded until full payment is received, partial payments should be recorded and properly safeguarded immediately upon receipt.

7. 911 Board's Controls and Procedures

Improvements are needed in the controls and procedures over the 911 Board's expenditures and payroll. Records of capital assets are not maintained, actual disbursements exceeded the budgeted amount, and annual financial statements are not published. Reasons and votes taken to close board meetings are not documented in the regular board minutes.

- A. The following concerns are related to the 911 Board's expenditures:
 - 1. The board's approval of invoices for payment is not adequately documented. The 911 Board President and Treasurer review the invoices and prepare the checks, and the 911 Treasurer submits monthly revenue and expense reports to the board; however, detailed listings of bills are not provided to the entire board for their review and approval. To adequately document the board's review and approval of all disbursements and to help ensure all disbursements represent valid operating costs, a complete and detailed listing

of bills should be prepared and approved by the board and retained with the official minutes.

2. Supporting documentation, such as receipts or vendor-provided invoices, was not retained for some disbursements. Supporting documentation was not available for 5 of 25 expenditures reviewed, as follows:

Description	Amount
Emergency system equipment	\$ 30,000
Power generators	5,400
Severe weather monitoring service	2,448
Equipment rental	250
Custodial supplies	155

All disbursements should be supported by paid receipts or vendor invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds.

3. The board does not require acknowledgment of receipt of goods or services to be noted on the invoices. Indication of receipt of goods or services is necessary to ensure that amounts presented for payment represent legitimate operating costs.

B. The following concerns are related to the 911 Board's payroll procedures:

1. Timesheets do not always include documentation of supervisory approval. The 911 Administrator indicated that timesheets are reviewed and approved, but this is not always documented. Supervisory approval is necessary to ensure time reported was actually worked.
2. The board has not adopted formal policies for overtime and compensatory time. The board's written policies should be expanded to address situations in which overtime may be necessary, document how overtime or compensatory time will be awarded, and ensure compliance with the Fair Labor Standards Act. Complete and detailed written policies are necessary to provide guidance to employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.

C. Records of capital assets are not maintained, and physical inventories of 911 property are not performed. Records of capital assets should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur. The records should include a detailed description of the assets including the name, make and model numbers, and asset identification number, the physical location of the assets, and the date and method of disposition.

Complete and accurate capital asset records are necessary to ensure better internal control over board assets and provide a basis for determining proper insurance coverage. Physical inventories are necessary to ensure the property records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Pre-numbered tags when affixed to general fixed assets, allow for identification of the items in the records, and limit the potential for personal use of board assets.

- D. Actual disbursements exceeded the budgeted amount by \$77,373 for the year ended December 31, 2005. The overspending occurred mainly due to a purchase of equipment for \$60,000 which was not budgeted. While the board receives monthly comparisons of budget and actual disbursements, the board did not prepare budget amendments when it was apparent that the actual disbursements would exceed the budgeted amounts.

Case law provides strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. To improve the effectiveness of the budgets as a planning tool and ensure compliance with state law, budget to actual comparison reports need to be reviewed and used when making spending decisions throughout the year.

- E. The 911 Board does not publish annual financial statements.

Section 50.800, RSMo, provides details regarding the various information required to be provided in the annual published financial statements, and requires that receipts, disbursements, and beginning and ending balance information be presented for all county funds.

Complete published financial statements are needed to adequately inform the citizens of the board's financial activities and show compliance with statutory requirements.

- F. The board holds closed meetings. The open meeting minutes typically will indicate the meeting is being closed, but the specific reasons and votes to close the meetings are not always documented.

The Sunshine Law, Chapter 610, RSMo, states the question of holding a closed meeting and the reason for the closed meeting shall be voted on at an open session and requires minutes be kept for all closed meetings. In addition, the Sunshine Law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made.

WE RECOMMEND the 911 Board:

- A.1. Review and approve all disbursements, and the approval of disbursements should be adequately documented by including a listing of all approved disbursements in the board minutes.
- 2. Ensure adequate supporting documentation is maintained for all disbursements.
- 3. Ensure all invoices contain indication of receipt of goods or services.
- B.1. Require supervisory approval be documented on all employee timesheets.
- 2. Establish written policies for employee overtime and compensatory time.
- C. Establish property records for all capital assets and require annual physical inventories be performed. In addition, pre-numbered inventory tags should be attached to board property and equipment.
- D. Refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's Office.
- E. Publish annual financial statements of the 911 Board Fund in accordance with state law.
- F. Ensure the vote to close a meeting is documented in open meeting minutes, along with the reasons for closing the session.

AUDITEE'S RESPONSE

We have already implemented recommendations A, B, C, and F. Regarding the budgets, we will file budget amendments as necessary. Regarding published financial statements, our legal counsel does not believe this is required by statute for the 911 Board, but we will consider publishing some type of financial information.

Follow-Up on Prior Audit Findings

GASCONADE 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 Gasconade County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 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. County Procedures

- A. Approved budget documents for the General Revenue and the Special Road and Bridge Funds did not adequately project the anticipated financial condition for the two years ended December 31, 2001, mainly due to overestimates for disbursements.
- B. Assessment reimbursement claims were not reconciled to actual expenditures by the County Clerk, and therefore, the state reimbursed \$7,132 more than what the county was entitled.
- C. Salary increases of \$20,506 were given to each of the Associate County Commissioners in 1999 and 2000, which were determined to be unconstitutional.
- D. Mileage records were not kept by the two road and bridge employees that were allowed to use county vehicles to commute to and from work, and there was no written policy on the use of county vehicles. It appeared that the commuting mileage for the road and bridge employees should have been reported as a fringe benefit.

Recommendation:

The County Commission:

- A. Prepare reasonable estimates of receipts and disbursements so that projected reserves are more properly presented in the annual budgets. If the County Commission desires to build up reserves for future specific needs, this information should be communicated through the budget message.
- B. Contact the State Tax Commission regarding this situations and take appropriate action to correct this overpayment. In addition, the County Commission should ensure assessment reimbursement claims are reconciled to the expenditure records.
- C. Review the impact of the Supreme Court decision and develop a plan for obtaining repayment of the salary overpayments.

- D. Comply with IRS guidelines for reporting fringe benefits related to commuting in county owned vehicles. In addition, the county should establish a written policy for road and bridge employees regarding the appropriate use of county vehicles for commuting purposes and ensure records are kept which distinguish commuting and business mileage.

Status:

- A. Partially implemented. The county's budget estimates improved for 2004 and 2005; however, the projected ending balances of the General Revenue Fund and the Special Road and Bridge Fund were underestimated ranging from \$220,348 to \$386,839 during 2004 and 2005. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented. This amount was deducted from the county's reimbursement for the fourth quarter of 2002. We noted no concerns with the reimbursement claims for 2004 and 2005.
- C. Not implemented. The county's records were reviewed and no salaries had been repaid. The County Commission has taken no action on this matter. Although not repeated in the current MAR, our recommendation remains as stated above.
- D. Partially implemented. The county has established a written policy for the road and bridge employees regarding the use of the vehicles. However, the county has not complied with the IRS guidelines for reporting fringe benefits relating to commuting, and records are not kept which distinguish commuting and business mileage. See MAR finding number 1.

2. Circuit Clerk's Accrued Costs

The Circuit Clerk did not maintain a list of accrued costs or pursue collection of amounts due. In addition, the Circuit Clerk did not adequately monitor or write off amounts deemed uncollectible.

Recommendation:

The Circuit Clerk maintain a listing of accrued costs and pursue timely collection utilizing all available options. In addition, old inactive case balances should be written off in a more timely manner.

Status:

Implemented.

3. Associate Circuit / Probate Division's Controls and Procedures

- A. Accounting and bookkeeping duties were not adequately segregated.
- B. Bank reconciliations for the Banner account were not prepared on a regular basis.
- C. Receipts were deposited approximately once per week.
- D. Fees collected were not disbursed to the state or County Treasurer on a timely basis.

Recommendation:

The Associate Circuit Judge:

- A. Segregate accounting and bookkeeping duties to the extent possible. At a minimum, there should be documented supervisory reviews of the accounting records.
- B. Prepare bank reconciliations for all accounts on a monthly basis.
- C. Ensure that deposits are made intact daily or when accumulated receipts exceed \$100.
- D. Remit fees on a monthly basis.

Status:

A&D. Implemented.

B&C. Not implemented. See MAR finding number 5.

4. Prosecuting Attorney's Controls and Procedures

- A. Partial payments were recorded on a manual receipt log but not entered into the computerized accounting system until full payment was received.
- B. All receipt slips indicated money orders were received even when cash was received.
- C. Open items listings were not prepared, and open items were not reconciled to cash balances.

Recommendation:

The Prosecuting Attorney:

- A. Ensure all receipts are entered into the computerized system when received.

- B. Ensure that the proper mode of payment is recorded on all receipt slips and that the composition of the receipts slips is reconciled to the composition of the bank deposits and other transmittals.
- C. Prepare complete and accurate listings of open items and reconcile the listings to the cash balance monthly.

Status:

- A. Implemented.
- B. Partially implemented. The proper mode of payment is recorded on receipt slips; however, the composition of the receipt slips is not reconciled to the composition of the bank deposits and other transmittals. See MAR finding number 4.
- C. Not implemented. See MAR finding number 4.

5. Sheriff's Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B. Pre-numbered or sequentially numbered bond forms were not used, and pre-numbered receipt slips were not issued for bond monies received. A log listing the bond receipts and their disposition was not maintained.

Recommendation:

The Sheriff:

- A. Segregate accounting duties to the extent possible or ensure periodic independent or supervisory reviews of the accounting records are performed and documented.
- B. Require the use of pre-numbered bond forms and/or pre-numbered receipt slips, and establish a log of bonds received, including disposition information. In addition, cash bonds received should be reconciled to the Sheriff's receipt ledger, and the receipt ledger should be reconciled to subsequent deposits to ensure that all monies have been accounted for properly.

Status:

- A. Not implemented. See MAR finding number 3.
- B. Partially implemented. The Sheriff's office issues prenumbered receipt slips for bonds received. The manual bond receipt book is reconciled to the receipts ledger; however, the receipts ledger is not reconciled to bank deposits. See MAR finding number 3.

6. Health Center

- A. Accounting duties were not adequately segregated.
- B.1. Some fixed assets purchases were not recorded, and the results of physical inventories were not used to update the property control records.
 - 2. Expenditures for fixed assets were not periodically reconciled to the property control records.
 - 3. Written authorization was not obtained prior to the disposition of fixed assets.

Recommendation:

The Health Center:

- A. Segregate accounting duties to the extent possible. At a minimum, someone independent should periodically review and compare Health Center records of monies received with documentation of transmittal to the County Treasurer, as well as ensuring recorded transactions appear proper.
- B.1. Update the property control record to include all fixed asset items currently on hand and record purchases of fixed assets in the control record at the time of purchase.
 - 2. Conduct periodic reconciliations of expenditures for fixed assets to the additions to the property control record.
 - 3. Obtain written authorization prior to the disposition of fixed assets.

Status:

A&B. Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

GASCONADE COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1820, the county of Gasconade was named after Gasconade River. Gasconade County is a county-organized, third-class county and is part of the Twentieth Judicial Circuit. The county seat is Hermann.

Gasconade 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 485 miles of county roads and 68 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 13,181 in 1980 and 15,342 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2005	2004	2003	2002	1985*	1980**
		(in millions)					
Real estate	\$	116.3	104.7	102.8	96.3	44.3	28.7
Personal property		45.3	43.7	46.7	43.3	13.1	7.0
Railroad and utilities		20.2	20.3	18.9	20.7	12.7	6.6
Total	\$	181.8	168.7	168.4	160.3	70.1	42.3

* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2005	2004	2003	2002
General Revenue Fund	\$.1597	.1591	.1618	.1603
Special Road and Bridge Fund *		.2684	.2741	.2729	.2750
Health Center Fund		.0975	.0995	.0992	.1000
Community Mental Health Fund		.0975	.0995	.0992	.1000
Senate Bill 40 Board Fund		.0975	.0995	.0992	.1000

* The county retains all tax proceeds from areas not within road districts. The county has one road district that receives four-fifths of the tax collections from property within this district, and the Special Road and Bridge Fund retains one-fifth.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2006	2005	2004	2003
State of Missouri	\$ 54,752	50,856	50,522	47,897
General Revenue Fund	326,642	299,888	328,887	285,818
Special Road and Bridge Fund	486,472	460,455	457,038	435,923
Assessment Fund	123,667	116,722	92,782	88,009
Health Center Fund	175,982	166,569	165,474	158,031
Senate Bill 40 Board Fund	175,982	166,569	165,474	158,031
Community Mental Health Fund	173,772	164,546	163,485	156,147
School districts	6,778,450	6,266,079	6,256,092	5,871,402
Library district	175,980	166,561	165,319	158,031
Ambulance districts	546,264	515,748	511,221	486,535
Fire protection districts	77,739	72,649	70,308	62,988
Hospital district	519,210	481,388	479,149	454,411
Junior college	1,816	1,644	1,621	1,159
Tax Increment Financing District	49,057	45,936	45,992	45,443
Morrison Levee District	486	471	531	600
Tri-County Levee/Bond	7,249	7,249	7,301	7,249
A-1 Levee District	652	714	739	956
Cities	76,460	65,524	35,608	36,381
County Employees' Retirement	64,874	64,623	57,174	60,307
Tax Maintenance	19,004	18,240	18,168	8,792
Commissions and fees:				
General Revenue Fund	141,666	134,653	132,570	125,331
City Collection Fee	1,372	1,066	0	0
Total	\$ 9,977,547	9,268,149	9,205,456	8,649,439

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2006	2005	2004	2003	
Real estate	95	94	95	94	%
Personal property	91	91	90	91	
Railroad and utilities	100	100	100	98	

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

	Rate	Expiration Date	Required Property Tax Reduction	
General	\$.00500	None	50	%
General (1/4 general, 3/4 roads)	.00500	None	None	
Emergency 911 (approved in April 2005)	.00375	None	None	

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

Officeholder	2006	2005	2004	2003	2002
County-Paid Officials:	\$				
Ron Jost, Presiding Commissioner		29,060	29,060	28,400	
Charles Schlottach, Presiding Commissioner					28,400
Jerry D. Lairmore, Associate Commissioner		27,060	27,060	26,400	26,400
Max G. Aubuchon, Associate Commissioner		27,060	27,060	26,400	26,400
Lesa Lietzow, County Clerk		41,000	41,000	40,000	
Roger A. Prior, County Clerk					40,000
Ada Brehe-Krueger, Prosecuting Attorney		49,000	49,000	47,000	47,000
Randy Esphorst, Sheriff		45,000			
Glenn O. Ebker, Sheriff			45,000	44,000	44,000
Ralph Grannemann Jr., County Treasurer		30,340	30,340	29,600	29,600
Benjamin D. Grosse, County Coroner		13,000			
Landon Grosse, County Coroner			13,000	12,000	12,000
Fay Owsley, Public Administrator		25,000	22,000	22,000	22,000
Kathy Meyer, Public Administrator (1)					5,300
Shawn Schlottach, County Collector, year ended February 28 (29),	41,000	41,000	40,000	40,000	
Joseph M. Mundwiller, County Assessor (2), year ended August 31,		41,688	40,765	40,900	40,900
Paul Dopuch, County Surveyor (3)		900	900	900	900

(1) Includes fees received from probate cases.

(2) Includes \$688, \$765, \$900, and \$900 annual compensation received from the state for years ended August 31, 2005, 2004, 2003, and 2002, respectively.

(3) Compensation on a fee basis.

State-Paid Officials:

Judith A. Schulte, Circuit Clerk and Ex Officio Recorder of Deeds	48,500	47,850	47,300	47,300
John B. Berkemeyer, Associate Circuit Judge	96,000	96,000	96,000	96,000