



# Susan Montee, JD, CPA

Missouri State Auditor

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## Lincoln County



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**Susan Montee, JD, CPA**  
Missouri State Auditor

## YELLOW SHEET

### Findings in the audit of Lincoln County

Financial Condition	The financial condition of the General Revenue Fund and Law Enforcement Trust Fund is deteriorating and is not expected to improve significantly during the year ended December 31, 2010. Actual disbursements have exceeded both actual receipts and budgeted disbursements in the General Revenue Fund during the last 3 years. In addition, budgeted disbursements are expected to exceed budgeted receipts in 2010. Actual disbursements of the Law Enforcement Trust Fund have exceeded actual receipts (excluding transfers from the General Revenue Fund) the last 3 years.
Budgets	The county does not adequately monitor budgets to prevent overspending of funds. As a result, actual disbursements exceeded budgeted amounts for several funds. While budget to actual data is provided to some county officials and commissioners, the county's procedures and reports have not resulted in effective monitoring of various budgets.
County Collector	The County Collector did not complete and file annual settlements in a timely manner, which has resulted in non-compliance with state law. The method of payment is not recorded on the monthly checkbook, which lists each partial payment received. As a result, the composition of the checkbook cannot be reconciled to deposits.
Sheriff	Although Sheriff's office personnel post checks and deposits that clear the bank to the electronic system, complete bank reconciliations for the Inmate and Commissary accounts are not performed. As a result, there is no assurance all transactions have been recorded properly and book balances are accurate. Sheriff's office personnel do not generate a list of liabilities (inmate balances) periodically and, as a result, they cannot ensure monies in the account are adequate to cover amounts due to inmates. The Sheriff's office retains commissions on commissary sales in the Commissary Account and uses these monies to purchase items for inmates who cannot afford them and for the jail. State law requires these monies to be paid to the county treasury. The Sheriff's office currently collects a \$10 bond processing fee; however, state law does not include provisions to collect such a fee. The Sheriff's office does not bill and monitor contracted costs for school resource officers provided to local schools.
County Vehicles	The personal commuting use of county trucks by the Road and Bridge Department Supervisor and Assistant Supervisor are not reported to the IRS as required. The county did not fully calculate and reimburse fuel costs of the Sheriff's office to the Road and Bridge Fund for fuel used in 2009 and 2008. As a result, restricted revenues from the Special Road and Bridge Fund were used to fund other county operations. In addition, fuel costs for the Sheriff's office were understated and Road and Bridge Department fuel costs were overstated on the county's budget.



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## Prosecuting Attorney

The Prosecuting Attorney's clerk collects monies, records transactions, and reconciles bank accounts. Although the Prosecuting Attorney indicated he reviews the bank reconciliation, his review is not documented. A receipt log is not maintained nor are prenumbered receipt slips issued for some payments received. Also, the numerical sequence of receipt slips is not accounted for properly. As a result, the composition of receipts cannot be reconciled to deposits and there is no assurance all monies are accounted for and deposited properly.

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## Closed Meetings

The county is not in compliance with the Sunshine Law. The closed minutes were not sufficient to demonstrate issues discussed were allowable under the Sunshine Law. In addition, the minutes for open meetings do not always document the specific reasons for closing the meeting.

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## **SUSAN MONTEE, JD, CPA**

### **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Lincoln County

We have audited certain operations of Lincoln County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Lincoln County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. 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. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Lincoln County.



Susan Montee, JD, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Steven Re, CPA
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# Lincoln County Management Advisory Report State Auditor's Findings

## 1. Financial Condition

The financial condition of the General Revenue Fund and Law Enforcement Trust Fund is deteriorating and is not expected to improve significantly during the year ended December 31, 2010.

The following table reflects the ending cash balances of these funds over the last 3 years and the current budget year as reported in the budget documents:

Fund	Year Ended December 31,			
	2010 Budgeted	2009 Actual	2008 Actual	2007 Actual
General Revenue	\$ 1,073,525	1,951,684	2,670,962	3,342,149
Law Enforcement Trust	10,640	10,650	(402,717)	74,333

Actual disbursements have exceeded both actual receipts and budgeted disbursements in the General Revenue Fund during the last 3 years. In addition, budgeted disbursements are expected to exceed budgeted receipts in 2010. Actual disbursements of the Law Enforcement Trust Fund have exceeded actual receipts (excluding transfers from the General Revenue Fund) during the last 3 years. The county has reduced disbursements, however, not enough to offset declining receipts. The Law Enforcement Trust Fund has experienced significant decreases in receipts generated from the housing of federal prisoners since 2007. As a result of decreased receipts, a total of \$1,088,875, \$411,532, and \$289,000 was transferred from the General Revenue Fund to the Law Enforcement Trust Fund to cover operational costs for 2009, 2008, and 2007, respectively. The actual amounts transferred exceeded the amounts budgeted for transfers by \$688,875 and \$200,000 in 2009 and 2008, respectively. Without the large transfer, the Law Enforcement Trust Fund would have ended 2009 with a negative cash balance of \$678,225.

The General Revenue Fund cannot afford to continue to subsidize the Law Enforcement Trust Fund beyond amounts budgeted. Consideration should be given to finding ways to increase receipts and decrease disbursements to improve the financial condition of these funds, utilize other funds maintained by other officials for similar purposes, and limit officials to amounts budgeted and monies received.

The County Commission indicated it is aware of this concern and is continually trying to reduce disbursements to offset lower receipts. In 2009, when it was determined monies received were significantly less than budgeted, the County Commission attempted to reduce budgeted disbursements for some funds, including the Law Enforcement Trust Fund.

The County Commission requested the officials to reduce their budgets, and requested the Sheriff consider use of other law enforcement funds to pay some expenses. The Sheriff filed suit against the County Commission to



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block these actions. In the case of "State of Missouri, Michael Krigbaum vs County Commission of Lincoln County", the judge ruled budgeted amounts cannot be reduced after they have been originally approved and officials cannot be forced to use monies from other funds. As a result, the County Commission was unable to reduce the Sheriff's budget and was required to approve and pay all expenses. Although the Sheriff reduced disbursements by approximately 3 percent, actual receipts were approximately 15 percent less than budgeted.

It is essential the County Commission and Sheriff address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission and Sheriff should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

## Recommendation

The County Commission and Sheriff continue to closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue and Law Enforcement Trust Funds. The County Commission and Sheriff should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

## Auditee's Response

*The County Commission provided the following response:*

*We are aware of the financial condition of the county and will continue to reduce disbursements and monitor the situation. We reduced disbursements budgeted for 2010.*

*The Sheriff provided the following written response:*

*The Sheriff's office has closely monitored the budget for 2010 and in fact was able to get it operating in the black by June. As Sheriff I asked that the county and all its Offices and entity's take a 5% across the board reduction in their 2010 budgets. Instead the Sheriff's Office has taken most of the burden to help improve the financial condition of the county, when we were forced to take a reduction in our Budget of 16% totaling \$900,000 in 2010.*

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## 2. Budgets

The county does not adequately monitor budgets to prevent overspending of funds. As a result, actual disbursements exceeded budgeted amounts for several funds. For funds in the county treasury, monthly reports comparing budgeted and actual receipts and disbursements are available. The County Clerk indicated funds held outside the county treasury are controlled by the various officials; thus, she cannot monitor budget overspending or generate budget to actual reports. While budget to actual data is provided to some



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county officials and commissioners, the county's procedures and reports have not resulted in effective monitoring of various budgets.

Budget documents are an essential tool for the efficient management of county resources. Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable.

## Recommendation

The County Commission and other county officials review budget to actual reports carefully and refrain from approving disbursements that exceed budgeted amounts.

## Auditee's Response

*The County Commission provided the following response:*

*Most of the budget overruns were due to unusual circumstances and we do not authorize expenditures for several of the funds. The County Treasurer has instituted a purchase order system to better monitor the budget and avoid approval of disbursements in excess of budgeted funds for the funds she holds which are controlled by other officials.*

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## 3. County Collector

The County Collector did not complete and file annual settlements as required. In addition, receipt records for partial payments collected need improvement. The County Collector receives approximately \$37 million in property taxes annually.

### 3.1 Annual settlements

The County Collector does not complete and file annual settlements in a timely manner, which has resulted in non-compliance with state law. As of June 30, 2010, the County Collector has not prepared an annual settlement for the year ended February 28, 2010. Although the County Collector prepared annual settlements for the years ended February 28(29), 2009 and 2008, the settlements have not been filed with the County Commission and the Department of Revenue as required by state law. The County Collector indicated the annual settlements for the years ended February, 28(29), 2009 and 2008, were not filed because total collections exceeded total disbursements by \$3,370 and \$3,107, respectively. The Deputy County Collector indicated she attempted to resolve the differences, but was not successful.

Section 139.160, RSMo, requires settlements be filed annually with the County Commission by the first Monday in March. Timely completion of the settlement is necessary to permit the prompt review and verification of the tax book charges and credits by the County Commission and County Clerk.

### 3.2 Partial payments

The method of payment is not recorded on the monthly checkbook, which lists each partial payment received. As a result, the composition of the



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checkbook cannot be reconciled to deposits. The County Collector accepts partial payments from taxpayers for both real and personal property taxes; however, receipt slips are only issued when cash is received. The County Collector received \$72,776 and \$69,625 in partial payments during the years ended February 28, 2010 and 2009, respectively.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, the method of payment should be recorded on the monthly checkbook for all partial payments received, and the composition of receipts should be reconciled to the composition of deposits.

## Recommendations

The County Collector:

- 3.1 Ensure annual settlements are completed and filed in a timely manner. In addition, the County Collector should continue to investigate the differences reported on the annual settlements.
- 3.2 Ensure the method of payment is recorded on the monthly checkbook for all partial payments received and the composition of receipts is reconciled to the composition of deposits.

## Auditee's Response

*The County Collector provided the following written responses:*

- 3.1 *We are still investigating the prior annuals and will report our findings. We are also, working on programs in Excel to make our monthly report and annual settlements easier to complete, so we can file our report in a more timely manner.*
- 3.2 *On our partial payment monthly log, we will notate where we receive cash or check. We are taking a copy of any check we receive and documenting which account it is to be applied to. Also, we will attach a copy of each receipt to each deposit slip.*

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## 4. Sheriff

The Sheriff's procedures related to inmate and commissary monies and school resource officer billings are in need of improvement. In addition, the Sheriff's office currently collects a bond processing fee; however, state law does not include provisions to collect such a fee. Fines, prisoner boarding, fees, and inmate receipts total approximately \$1.6 million annually.

The Sheriff's office uses an electronic system to maintain records of inmate monies received, commissary purchases by the inmates, and available inmate balances. Any remaining personal monies are due to the inmate upon release. Monies spent by the inmates for commissary items are transferred from the Inmate Account to the Commissary Account, which is used to pay vendor invoices for commissary items and phone cards. In addition, the



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county's commission on the sale of commissary items remain in the Commissary Account and are used to purchase items for the jail.

#### 4.1 Bank reconciliations

Although Sheriff's office personnel post checks and deposits that clear the bank to the electronic system, complete bank reconciliations for the Inmate and Commissary accounts are not performed. As a result, there is no assurance all transactions have been recorded properly and book balances are accurate. The Sheriff's office maintains electronic records for the accounts and manual checkbooks. The reconciled bank balances were not agreed to the balances in the checkbooks. In addition, no follow up was done on reconciling items shown on the electronic reconciliation, nor were the large balances on the electronic system investigated.

At our request, the Sheriff's office personnel prepared bank reconciliations for the Inmate and Commissary accounts as of May 31, 2010. The following balances were noted:

Balance per:	Commissary Account	Inmate Account
Reconciled bank	\$ 44,448	42,557
Checkbook	21,606	10,886
Electronic system	197,217	(416,853)

Upon further review, Sheriff's office personnel located several deposits, totaling \$22,821, which had not been recorded in the Commissary Account checkbook. When these deposits were added to the checkbook balance, it materially agreed to the reconciled bank balance. Sheriff's office personnel were unable to identify any unrecorded transactions in the Inmate Account.

Information recorded in the electronic system included several duplicate deposit and check transactions, shown as both cleared and uncleared. As a result, the electronic book balances were significantly different from checkbook balances and reconciled bank balances.

Preparation of monthly bank reconciliations and adequate follow up of reconciling items and unusual differences are necessary to ensure bank activity and accounting records are in agreement, to detect and correct errors timely, and to ensure all monies are recorded and/or refunded.

#### 4.2 Inmate monies

Sheriff's office personnel do not generate a list of liabilities (inmate balances) periodically and, as a result, cannot ensure monies in the account are adequate to cover amounts due to inmates. At our request, the



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Sheriff's office personnel generated an Inmate Account Balance Status Report as of May 31, 2010, which did not agree to the reconciled book balance as shown in the following table.

Inmate Account	Amount
Reconciled bank balance	\$ 42,557
Less: Liabilities	(9,998)
Commissions as of 10/31/06	(20,157)
Unidentified difference	<u>\$ 12,402</u>

Sheriff's office personnel indicated the unidentified difference represents commission monies earned in prior years that were not transferred to the Commissary Account when it was established in November 2006, as shown on the October 2006 bank reconciliation. However, the October 2006 bank reconciliation shows commissions earned of only \$20,157, resulting in an unidentified difference of \$12,402.

A complete and accurate list of liabilities should be prepared monthly and reconciled to the Inmate Account to ensure records are in balance and sufficient funds are available for the payment of all liabilities. The Sheriff's office personnel should investigate any differences noted and take appropriate action.

This condition was noted in our prior report.

#### 4.3 Commissary Account

The Sheriff's office retains commissions on commissary sales in the Commissary Account and uses these monies to purchase items for inmates who cannot afford them and for the jail. The Sheriff's commissions from commissary sales should be deposited into the county treasury, and the County Commission should authorize the use of these funds. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the county treasury.

This condition was noted in our prior report.

#### 4.4 Bond fees

The Sheriff's office currently collects a \$10 bond processing fee; however, state law does not include provisions to collect such a fee. The Sheriff's office personnel indicated the bond processing fee is the amount they believe covers the costs of the bond transaction; however, no documentation could be provided. Bond processing fees of approximately \$25,980, collected during the 2 years ended December 31, 2009, were deposited into the Sheriff Civil Fund. Section 57.280, RSMo, does not contain a provision to collect bond processing fees. The Sheriff does not have authority to continue to collect this fee and should refrain from collecting it.



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#### 4.5 School resource officer billing procedures

The Sheriff's office does not bill and monitor contracted costs for school resource officers provided to local schools. As a result, there is no assurance the Sheriff is properly charging and collecting costs incurred for providing services to the schools. In 2008, the Sheriff's office did not prepare bills for the four contracted schools and billed only one of the four schools for a partial year in 2009. Although the Sheriff's office is to prepare the annual billings, the County Commission requested the Prosecuting Attorney's office prepare these billings for school years 2009 and 2008, after becoming aware of this oversight. The Prosecuting Attorney's office billed the school districts \$39,000 on March 24, 2010, and followed up on the outstanding bill prepared by the Sheriff for \$5,000. All of the amounts have now been remitted by the school districts.

In addition, contracts, establishing fees charged, have not been updated since 2007 for three of the four schools, which could result in charging insufficient fees to cover the costs of providing the service. The contracts automatically renew annually, unless terminated by either party. No formal cost study has been conducted to ensure fees currently charged to all participating schools are sufficient to cover the costs for this program.

By not billing timely and adequately monitoring the collection of the contract bills, revenues could remain uncollected and lost to the county. To ensure revenue is maximized, the schools should be billed in a timely manner and procedures implemented to pursue amounts remaining unpaid. In addition, it is good business practice to evaluate fees charged to ensure all costs are recouped.

## Recommendations

The Sheriff:

- 4.1 Ensure complete monthly bank reconciliations are performed for all accounts and differences/reconciling items are adequately investigated. In addition the Sheriff's office should attempt to identify the differences and make necessary adjustments to bring the books into balance.
- 4.2 Ensure individual inmate account balances and various liabilities are compared to the reconciled bank account balance monthly and any discrepancies are investigated.
- 4.3 Discontinue the practice of maintaining commissary commissions outside the county treasury. These monies should be turned over to the county treasury on a periodic basis.
- 4.4 Discontinue collecting the bond fee.



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- 4.5. Routinely bill and pursue collection of school resource contracts. Also, the Sheriff should perform a formal cost study to ensure fees charged for school resource officers are adequate.

## Auditee's Response

*The Sheriff provided the following written responses:*

4.1&

4.2 *As a result of this audit an outside consultant has already started working with us and is in the process of helping us correct mistakes and software errors. We are in hopes of having a balanced reconciliation by the end of September. The inmate monies are reconciled daily with our system however, they need to be reconciled back to the bank statement monthly.*

4.3 *We run our Commissary in the same manner as the state does and use the commissary profits only for the benefit of the prisoners. I plan to continue to maintain this fund through the Sheriff's office.*

4.4 *As a result of this audit we have immediately stopped the bond processing fee.*

4.5 *Since the outcome of the court case referred to in this audit, I have only signed contracts and sent invoices for the fiscal year which is covered by my budget. In 2009, I did invoice for any School Resource Contract that I signed.*

*I have completed a cost study and realize the fees for the School Resource Officer only covers half of their salary. However I am now charging five times more than the previous Sheriff's and commissioners charged for the same service.*

## 5. County Vehicles

Personal commuting miles are not reported to the Internal Revenue Service (IRS) and some law enforcement fuel costs were not properly reimbursed to the Special Road and Bridge Fund.

### 5.1 Commuting mileage

The personal commuting use of county trucks by the Road and Bridge Department Supervisor and Assistant Supervisor are not reported to the IRS. According to county officials, these employees are allowed to commute with a county vehicle because they are on 24-hour call for emergency situations. Neither of the employees is required to maintain a mileage log indicating business and personal use.

The IRS reporting guidelines indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal usage. Because procedures have



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not been established to ensure the IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

## 5.2 Fuel expense allocation

The county did not fully calculate and reimburse fuel costs of the Sheriff's office to the Road and Bridge Fund for fuel used in 2009 and 2008. As a result, restricted revenues from the Special Road and Bridge Fund were used to fund other county operations. In addition, fuel costs for the Sheriff's office were understated and Road and Bridge Department fuel costs were overstated on the county's budget. Per the budgets, the Sheriff's office spent \$44,563 and \$99,457 for fuel in 2009 and 2008, respectively; however, these amounts do not reflect actual fuel used by his office.

Sheriff's office personnel obtain fuel from tanks located at the Road and Bridge Department maintenance depot. Each month the Road and Bridge Department sends the Sheriff's office a fuel usage report that includes the date, car identification number, gallons pumped, price per gallon, and total cost for each vehicle fueled. The Sheriff reviews and approves the allocated fuel cost and forwards the report to the County Clerk's office. The approved fuel cost amount is then transferred from the Special Road and Bridge Fund to the Law Enforcement Fund. During a review of the Sheriff's office fuel costs, we noted several months in 2009, and one month in 2008, had not been calculated and transferred to the Sheriff's office expenses. The Road and Bridge Department could not locate or regenerate the fuel usage reports for the missing months. The Sheriff indicated he had forwarded the reports to the County Clerk; however, the County Clerk indicated she had not received them.

The Special Road and Bridge Fund is restricted for road and bridge related disbursements and cannot be used for other county purposes. In addition, properly allocating fuel cost is essential to ensure expenses are correctly reflected in the county's budget. Also, the county should estimate the amount that should have been transferred during the months missed and transfer the monies from the Special Road and Bridge Fund to the Law Enforcement Fund.

## Recommendations

The County Commission:

- 5.1 Comply with IRS guidelines for reporting fringe benefits related to commuting in county-owned vehicles. In addition, the County Commission should ensure mileage logs are maintained when vehicles are used for commuting.
- 5.2 Ensure restricted funds are used for their intended purpose. In addition, the County Commission should reimburse the Special Road and Bridge Fund for the months missed by estimating usage



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and ensure future fuel costs are properly allocated to the Sheriff's budget and reimbursed to the Special Road and Bridge Fund.

## Auditee's Response

*The County Commission provided the following responses:*

5.1 *We will review IRS guidelines and report commuting mileage as a benefit on employee W2's when applicable.*

5.2 *We will review this situation.*

## 6. Prosecuting Attorney

Procedures related to receipts and deposits are in need of improvement. Bad check fees, restitution, and delinquent taxes collected by the Prosecuting Attorney totaled \$84,279 and \$106,329 for 2009 and 2008, respectively.

### 6.1 Segregation of duties

The Prosecuting Attorney's clerk collects monies, records transactions, and reconciles bank accounts. Although the Prosecuting Attorney indicated he reviews the bank reconciliation, his review is not documented.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Prosecuting Attorney.

### 6.2 Receipt procedures

A receipt log is not maintained nor are prenumbered receipt slips issued for some payments received. Also, the numerical sequence of receipt slips is not accounted for properly. As a result, the composition of receipts cannot be reconciled to deposits and there is no assurance all monies are accounted for and deposited properly. During our review of several deposits we noted checks and money orders totaling \$5,637 for which no receipt slips had been issued.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, a receipt log or prenumbered receipts slips should be maintained/issued for all monies immediately upon receipt, the numerical sequence of receipt slips should be accounted for properly, and the composition of receipts should be reconciled to the composition of deposits. In addition, receipt logs or receipt slips should contain adequate documentation indicating the date, amount, and composition of payment.

## Recommendations

The Prosecuting Attorney:

6.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.



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- 6.2 Ensure receipt slips are issued or a receipt log is maintained for all monies received, the method of payment is recorded, the numerical sequence of receipt slips issued is accounted for properly, and the composition of receipts is reconciled to the composition of deposits.

## Auditee's Response

*The Prosecuting Attorney provided the following responses:*

- 6.1 *This recommendation will be implemented.*
- 6.2 *This recommendation will be implemented. We will create a receipt log or issue receipt slips.*

## 7. Closed Meetings

The county is not in compliance with the Sunshine Law. The following weaknesses were noted regarding closed meetings:

- The closed minutes were not sufficient to demonstrate issues discussed were allowable under Chapter 610, the Sunshine Law. Some of these issues included a discussion of the county budget and transferring funds from the General Revenue Fund to the Law Enforcement Trust Fund.
- The minutes for open meetings do not always document the specific reasons for closing the meeting. For example, the open meeting minutes on December 4, 2009, and January 19, 2010, did not state the reason for the closed meetings.

Chapter 610, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on at an open meeting and requires minutes be prepared for all closed meetings. The law also 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, and limits the topics that can be discussed in closed meetings.

## Recommendation

The County Commission ensure documentation is maintained to show items discussed in closed meetings comply with the Sunshine Law and limit discussions in closed sessions to the reasons cited for closing the meeting. The County Commission should also ensure open meeting minutes document the reason for entering closed session.

## Auditee's Response

*The County Commission provided the following response:*

*We will ensure our reasons for entering closed sessions and how those reasons qualify under the Sunshine Law are clearly documented.*

# Lincoln County

## Organization and Statistical Information

Lincoln County became a second-class county in January 2010 and is part of the Forty-Fifth Judicial Circuit. The county seat is Troy.

Lincoln County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

### Elected Officials and Their Compensation Paid

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

Officeholder	2010	2009
Sean O'Brien, Presiding Commissioner	\$	35,643
Jim Mayes, Associate Commissioner		32,454
Matt Bass, Associate Commissioner		32,229
Dottie Crenshaw, Recorder of Deeds		50,923
Elaine Luck, County Clerk (1)		63,155
G. John Richards, Prosecuting Attorney		109,468
Mike Krigbaum, Sheriff		54,257
Betsy Calvin, County Treasurer		50,923
Robert L. Shramek, Sr., County Coroner		17,484
Betty Cox, Public Administrator		45,000
Jerry Fox, County Collector (2), year ended February 28,	65,649	
Kevin Bishop, County Assessor (3), year ended August 31,		62,288
Donald Parr, County Surveyor (4)		

- (1) Includes \$12,231 of commissions earned for extending city property tax books.
- (2) Includes \$12,506 and \$2,219 of commissions earned for collecting city and drainage district property taxes, respectively.
- (3) Includes \$13,115 of commissions earned for preparing the city property tax books.
- (4) Compensation on a fee basis.

### Financing Arrangements

The county has entered into several lease purchase agreements for Sheriff and Road and Bridge vehicles and equipment. The total remaining principal due on the leases at December 31, 2009, was \$611,660. Principal and interest payments are made from the Law Enforcement Trust Fund and Road and Bridge Fund.



## Lincoln County Organization and Statistical Information

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The county has established seven neighborhood improvement districts. The county issued general obligation bonds to finance the projects and levied special assessments on the property located in the districts to pay the debt principal and interest. The remaining principal due at December 31, 2009, was \$521,723.