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Missouri State Auditor

PUBLIC SAFETY

Office of Adjutant General

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auditor.mo.gov



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YELLOW SHEET

Findings in the audit of the Office of Adjutant General

National Guard Educational Assistance Program	Multiple concerns were noted during our review of the state National Guard Educational Assistance Program (program). The Office of Adjutant General (OAG) has not evaluated the effectiveness of the program since its inception to determine the impact on the recruitment and retention of Missouri National Guardsmen. The OAG also consistently failed to follow established guidelines of the program. Program personnel did not always ensure federal educational assistance was paid before state resources were used, assistance payments were not restricted to the maximum number of credit hours allowed, and applications were accepted outside established timeframes. In addition, the program's payment and accounts receivable tracking spreadsheets were not accurate and were not reconciled to the Statewide Advantage System for Missouri (SAMII), accounts receivable duties over the program were not adequately segregated, and receipts were not always remitted timely for deposit. Also, meeting minutes were not prepared or retained for some committee meetings held.
Capital Assets	The OAG did not maintain proper records of capital assets or adequately perform periodic inventories and reconciliations to ensure assets were accounted for properly. In addition, the OAG did not comply with policies and procedures to ensure vehicles were used efficiently and effectively, and to document vehicle usage was for official use only.
Readiness Centers	The OAG has not conducted a feasibility study in recent years to ensure the efficient use of its readiness centers statewide. The last feasibility study was performed in 2003 as a result of a prior audit finding. The OAG currently operates 63 individual readiness centers located in various cities and towns statewide. Currently, 18 of the readiness centers are rated in poor condition based on condition rating assessments performed by the Office of Administration (OA).
General Revenue Fund Subsidy	The OAG does not reimburse the state General Revenue Fund for appropriations used for some costs of operating the cafeteria located at the Ike Skelton Training Site (ISTS), and such costs are not included when determining food prices. As a result, the state General Revenue Fund is subsidizing the operation of the OAG cafeteria.
Federal Fund Balance	The OAG has not developed plans to account for a shortage in its federal fund resulting from OA allocations for statewide leasing services performed on behalf of the OAG. For the 3 years ended June 30, 2009, the OA had allocated \$92,494 in statewide leasing costs to the OAG federal fund; however, these costs are not allowable for the federal National Guard Military Operations and Maintenance Projects program, which is administered through the OAG federal fund.



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Cafeteria Inventory Records

A perpetual inventory of cafeteria items purchased, sold, or consumed, and inventory balances is not maintained. In addition, while OAG personnel perform a physical inventory count at the end of each fiscal year for financial statement purposes, the inventory count is not documented.

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Office of Adjutant General

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Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Britt, Director
Department of Public Safety
and
Stephen L. Danner, Adjutant General
Office of Adjutant General
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Office of Adjutant General in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office'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 office; 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. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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 office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Adjutant General.



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Office of Adjutant General

Management Advisory Report

State Auditor's Findings

1. National Guard Educational Assistance Program

Multiple concerns were noted during our review of the state National Guard Educational Assistance Program (program). The effectiveness of the program has not been evaluated since inception of the program, and the program policies and procedures have not been formalized and are not always in compliance with state regulations. In addition, controls over the program are in need of improvement, receipts were not always deposited in a timely manner, and minutes were not always maintained by the Educational Assistance Program Committee (committee). The Office of Adjutant General (OAG) should take immediate action to determine effectiveness, correct deficiencies, and improve the administration of the program.

The program was created in 1994 by Senate Bill No. 583, Second Regular Session, 87th General Assembly, as an incentive to assist the National Guard in meeting and sustaining manpower requirements and stabilizing the National Guard through longer service commitment. Section 173.239, RSMo, established the program and criteria for eligibility, student performance, funding limitations, and default and repayment of assistance. Active members of the Missouri National Guard who are in good standing and satisfactorily participating in all required training can receive state educational assistance while attending an approved public or private institution. State funding will pay 100 percent of educational assistance for eligible guardsmen with 10 or less years of service, and 50 percent of educational assistance for those with 10 to 17 years of service. Guardsmen with over 17 years of service are not eligible to receive state educational assistance. Criteria of the program is further defined in 11 Code of State Regulation (CSR) 10-3.015. The committee, appointed by the Adjutant General, oversees the program, establishes policies for the operation of the program, and establishes rules, regulations, and standard operating procedures for determining eligibility. Expenditures for state educational assistance totaled approximately \$2.7 million and \$3 million in state fiscal years 2009 and 2008, respectively.

1.1 Program effectiveness

The OAG has not evaluated the effectiveness of the program since its inception to determine the impact on the recruitment and retention of Missouri National Guardsmen (guardsmen), which is the overall intent of the program. In addition, the OAG has not tracked or compiled various information for guardsmen participating in the program such as graduation rates, enrollment statistics, or re-enlistment data. Also, the OAG has not determined the impact of significant program changes on the program's effectiveness, such as the statutory change in August 2006 requiring a guardsman to remain a member of the National Guard through the most recent academic semester or term for which the guardsman received assistance. Prior to this change, guardsmen were required to remain for 3 years following the last semester for which state educational assistance was



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received. Since state fiscal year 2000, approximately \$19 million has been spent on the program.

Recruiting division management indicated the recruiting system provides trend analysis of the effectiveness of all incentives provided to guardsmen, which is routinely reviewed. However, the system is not capable of attributing trends to individual incentives, such as the Educational Assistance Program. Management stated it is difficult to determine whether any one incentive has more impact on recruitment and retention because the reasons vary by soldier; however, this program could be a key factor for soldiers interested in attending college when choosing between the Missouri National Guard and other military branches which only provide federal educational assistance.

Without evaluating the effectiveness and results of this specific program, the OAG cannot determine the extent that the program helps to recruit and retain guardsmen or support the need for continued or increased program funding.

1.2 Regulations, policies, and procedures

Program personnel consistently failed to follow established guidelines of the program as stated in the CSRs. The program also lacks formal written policies and procedures, and/or adequate policies and procedures have not been developed. As a result, the OAG is unable to ensure compliance with various requirements of state laws or adequately track the status of assistance and accounts receivable.

Eligibility requirements, assistance payment methods and amounts, and application procedures, including supporting documentation requirements and deadlines regarding application submission are established by 11 CSR 10-3.015. In addition to these procedures, the regulations also establish criteria for recoupment actions. We noted the following examples of non-compliance with state regulations during our review.

State resources used

Program personnel did not always ensure federal educational assistance was paid before state resources were used. As a result, state expenses for the program were higher than necessary. Expenditures for educational assistance totaled approximately \$2.7 million and \$3 million in state fiscal years 2009 and 2008, respectively. During those fiscal years, over 3,000 applications for assistance were received. We reviewed state and federal educational assistance paid to ten guardsmen, relating to 37 applications during federal fiscal years 2008 and 2009 totaling approximately \$105,000, of which \$67,000 was paid by the state. Our review found that program personnel did not ensure nine of the ten guardsmen (90 percent) applied for federal assistance. This resulted in state educational assistance of approximately \$28,000 which may not have been required if the guardsmen had applied for federal assistance. According to program personnel, prior to



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November 2008, applying state assistance first was common practice. As a result, it is likely additional state resources were used for educational assistance even though federal assistance was available. Since November 2008, it appears program personnel have begun consistently applying federal assistance first.

According to 11 CSR 10-3.015(3)(A), all available federal Department of Defense educational assistance funds are to be expended prior to the application of state educational assistance. Without procedures to ensure program personnel apply available federal assistance first, the OAG could not demonstrate compliance with state regulations and state funds were used unnecessarily.

Credit hours paid and
applications accepted

Program personnel did not always restrict payment of state educational assistance to the maximum number of credit hours allowed, and applications were accepted even though the applications were not submitted within established timeframes. We reviewed state educational assistance payments received by five guardsmen during state fiscal years 2008 and 2009 for compliance with state laws and regulations. Our review noted the following issues:

- One guardsmen received state educational assistance for 45 credit hours during state fiscal year 2008. However, according to 11 CSR 10-3.015(3)(D)4, the maximum number of credit hours eligible for educational assistance is 15 hours for fall and spring semesters and 9 hours for the summer semester (a total of 39 credit hours per state fiscal year).
- Fourteen of the 26 applications (54 percent) for state educational assistance were not submitted by the five guardsmen within established time frames. According to 11 CSR 10-3.015(4)(C), initial applications are accepted any time during the first year of membership in the National Guard, while renewal applications are accepted during specific periods based on the semester for which the guardsman is requesting assistance. Pursuant to 11 CSR 10-3.015(4)(F), applications received prior to or mailed after the deadline dates are to be returned without action.

Program personnel informed us the deadline for application submittal was changed by the committee to be within 30 days of the start date of classes for all semesters; however, there was no documentation of the committee approving this change. In addition, our review of applications utilizing the 30 day deadline noted 3 of the 26 applications (12 percent) were still not submitted timely. All applications noted as errors were ultimately awarded state educational assistance.



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File retention requirements	<p>Program personnel were unable to locate one of six payment files (16 percent) and one of the ten accounts receivable files (10 percent) requested for review, and thus could not provide assurance that the payments and accounts receivable were handled appropriately. A file is required to be maintained for each program recipient, to include all required application information, payment notifications, and correspondence pursuant to 11 CSR 10-3.015(3)(L)2. In addition, 11 CSR 10-3.015(3)(L)3 requires all program records to be maintained the latter of 3 years from the date the last semester ended that a recipient received state educational assistance and/or through the completion of a state audit.</p>
Verification and documentation of entry date	<p>Verification and review of entry dates into the National Guard are not always performed and documented. As a result, program personnel could not demonstrate compliance with state regulations and internal guidelines. OAG guidelines provide that state funding will pay 100 percent assistance for eligible guardsmen with 10 or less years of service, and 50 percent assistance for eligible guardsmen with 10 to 17 years of service. Guardsmen with over 17 years of service are not eligible to receive state educational assistance. To determine state educational assistance funding levels, each guardsman is required to record their entry date on the application. Program personnel stated they verify the entry date for Army National Guard members, but do not document this procedure. In addition, program personnel indicated they do not verify the entry date for Air National Guard members because they do not have access to the database with this information.</p>
	<p>Failure to properly verify entry dates for guardsmen receiving assistance results in less assurance the amount of assistance paid to guardsmen has been accurately calculated and complies with state regulations.</p>
Accounts receivable files	<p>Our review of nine accounts receivable files noted two instances (22 percent) where the files lacked evidence of compliance with state regulations. One file did not include the demand for payment letter sent to the guardsman or documentation of which semesters resulted in the accounts receivable. The other file did not include documentation that the accounts receivable had been forwarded to the Attorney General's Office (AGO) for continued debt collection procedures. As of March 2010, the former guardsman had not repaid any of the \$2,644 owed. An accounts receivable occurs when a guardsman is required to repay state educational assistance for various reasons such as dropping a class or leaving the National Guard.</p>
	<p>According to 11 CSR 10-3.015(3)(I)2, the program administrator will notify all recipients of state educational assistance who are required to reimburse the state of Missouri. In addition 11 CSR 10-3.015(3)(K) provides for recoupment action to be taken against all recipients not reimbursing the state</p>



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of Missouri within 45 days of notification. After 45 days, program staff forward the accounts receivable to the AGO to continue debt collection procedures. Without documentation of amounts owed and recoupment efforts, there is less assurance the accounts receivable amount owed to the state of Missouri is accurate and actively pursued in compliance with state regulations.

1.3 Tracking systems and reconciliation to statewide records

The program's payment and accounts receivable tracking spreadsheets are not accurate and are not reconciled to the Statewide Advantage System for Missouri (SAMII). The program maintains two tracking spreadsheets; one for assistance payments made and one for accounts receivable. The spreadsheets are used to monitor compliance with various aspects of state laws and regulations and to account for monies paid and in default.

Payment tracking system

Our review of state educational assistance relating to five guardsmen noted 21 of 26 semesters (81 percent) for which assistance was provided but not accurately recorded on the payment tracking spreadsheet. In two instances, the errors occurred because the semesters and hours corresponding to assistance paid were never posted to the spreadsheet. The remaining errors occurred when previous semesters and credit hours were inaccurately entered in subsequent semester spreadsheets.

Assistance is limited to ten semesters, or the equivalent, per guardsman, pursuant to 11 CSR 10-3.015(2)(B)8. According to program personnel, the equivalent of 10 semesters is 150 credit hours. Accurate tracking of the number of semesters and credit hours for which assistance is paid is necessary to ensure state educational assistance payments comply with state regulations.

Accounts receivable tracking system

The spreadsheet maintained by program personnel to track accounts receivable is inaccurate and incomplete. As a result, program personnel cannot adequately monitor compliance with state laws and regulations or track amounts owed. According to the OAG spreadsheet, there were 140 receivable accounts totaling approximately \$237,000 as of June 30, 2009. An accounts receivable occurs when a guardsman is required to repay state educational assistance received for various reasons such as dropping a class or leaving the National Guard. The accounts receivable spreadsheet was created to track balances and subsequent payments.

Of nine accounts reviewed, six (67 percent) were inaccurately recorded on the accounts receivable tracking spreadsheet, resulting in an understatement of receivables totaling \$2,063. The errors occurred because the spreadsheet was not updated for payments due totaling \$1,443 or for interest accrued on a case forwarded to the AGO for collection. In addition, during our review of assistance payments, we noted an instance where a guardsman had dropped classes for semesters in which she received assistance from the



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state; however, there was no documentation available to indicate the state had initiated recoupment procedures and no receivable was listed on the accounts receivable tracking spreadsheet. Therefore, the accounts receivable tracking spreadsheet is further understated by \$683.

Prior to August 28, 2006, state law required a guardsman to remain a member of the National Guard for 3 years following the last semester for which state educational assistance was provided or repay the total amount of educational assistance. Effective August 28, 2006, Section 173.239.5, RSMo, was amended and now requires a guardsman to remain a member of the National Guard through the most recent academic semester or term for which the guardsman received assistance or repay the amount awarded for that academic semester or term. In addition, 11 CSR 10-3.015(3)(J) requires a recipient who drops or fails to complete a course for which state educational assistance was provided to repay the applicable credit hour costs.

An accurate and complete accounts receivable tracking spreadsheet is necessary to monitor compliance with various aspects of state law and to account for amounts owed.

Reconciliation procedures

Program personnel do not reconcile accounts receivable and payment tracking spreadsheets to SAMII receipts and disbursements. In addition, the spreadsheets are not maintained in a manner that is conducive to reconciliation. State Resources Office personnel provide program personnel with monthly reports of receipts and disbursements posted to the SAMII system; however, these reports are not used by program personnel to verify the accuracy of receipts posted to the accounts receivable tracking spreadsheet or disbursements posted to the payment tracking spreadsheet. Had such reconciliations been performed on a monthly basis, the posting errors previously noted would have been identified.

Monthly reconciliation to SAMII data is necessary to ensure the accuracy of spreadsheets used to monitor program compliance and track amounts paid and owed.

1.4 Segregation of accounts receivable duties

Accounts receivable duties over the program are not adequately segregated and there is no supervisory review performed to monitor accounts receivable procedures and balances. As a result, numerous posting errors went undetected. The same individual receives payments, maintains accounting records, and transmits payments to the State Resources Office for deposit. In addition, management does not perform regular reviews of the accounts to ensure they are properly maintained.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be



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improved by segregating accounting duties among available employees or if proper segregation of duties cannot be achieved, at a minimum, periodic documented supervisory reviews of the records should be performed.

1.5 Deposits

Program personnel did not always remit receipts timely to the State Resources Office for deposit. Our review of state educational assistance receipts deposited in fiscal years 2008 and 2009 noted no deposits made between December 4, 2008, and March 18, 2009. Approximately \$5,400 was received between those dates and deposited on March 19, 2009. This amount included \$1,399 in receipts collected by the AGO on three accounts and forwarded to the program for deposit between December 2008 and February 2009.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be remitted for deposit on a timely basis.

1.6 Meeting minutes

Meeting minutes were not prepared or retained for committee meetings held between November 2004 and December 2009. According to program personnel, important policy decisions, such as changes to deadline submission acceptance dates, were discussed and approved during this time frame; however, the decisions were not documented.

Complete and detailed meeting minutes provide an official record of committee actions and are needed to clearly document discussions and reasons supporting committee decisions. In addition, the Sunshine Law, Chapter 610, RSMo, requires minutes be maintained for all meetings.

Recommendations

The OAG:

- 1.1 Develop procedures to periodically review the effectiveness of the state's Educational Assistance Program.
- 1.2 Establish procedures to ensure outside resources are utilized before state assistance is paid. The OAG should adhere to regulations established by the state or pursue necessary changes based on current policy practices. In addition, formal written policies and procedures should be developed regarding monitoring compliance with various aspects of state laws and regulations and to account for assistance paid on behalf of guardsmen and accounts in default. The OAG should also ensure reviews for compliance are documented and maintained in the account files.
- 1.3 Take the steps necessary to accurately maintain and properly update the state educational assistance payment and accounts receivable tracking spreadsheets to ensure compliance with various aspects of state laws and regulations and account for amounts owed. In



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addition, the OAG should perform and document monthly reconciliations of the tracking spreadsheets to SAMII information.

- 1.4 Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- 1.5 Ensure receipts are transmitted to the State Resources Office for deposit in a timely manner.
- 1.6 Ensure minutes are prepared and retained for all committee meetings.

Auditee's Response

- 1.1 *It would not be feasible to implement the audit recommendation because there are many variables that lead a person to accessing into the Missouri National Guard. State Educational Assistance is one of several key elements that separates us from our competitors, Active Duty and the Army Reserves, and the only educational assistance offered for the Missouri Air National Guard. It would be impossible to pinpoint the exact number of Soldiers/Airmen that joined solely for State Educational Assistance, as it is part of a "package" of benefits upon enlistment. The tell tale sign of this program's effectiveness lies in our ability to maintain an acceptable level of strength, 90% or greater, within our force. This percentage is affected by both our recruiting and retention efforts, of which the State Educational Assistance Program supports.*
- 1.2 *Procedures were established in November 2008 to ensure outside resources are utilized before state funds. These policies are MONGR 621/MONGI 36-2306 and NGMO-PER-INC. All of these are on file in the Education Services Office.*
- 1.3 *Effective April 2009 a check register was created and is maintained by the State Education Assistance Manager to track the personnel who are required to repay. The register tracks how much they have paid and how much they have left to pay. Monthly reconciliations will be performed between internal records and SAMII.*
- 1.4 *All check transactions and maintaining of the payment register is now completed by the State Education Assistance Manager who has limited State Education Assistance duties beyond this task. The Education Assistance Supervisor will conduct quarterly reviews of the check register and repayment register against the applicant files.*
- 1.5 *The State Education Assistance Manager now processes all checks within 24 hours upon receipt. A check log register was created to*



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show the date received and the date the check was sent to State Resources for deposit.

1.6 *As of December 2009, all minutes have been prepared and retained for all committee meetings. The Educational Services Office (ESO) will ensure minutes, policies and procedures are transferred to future ESO's during the transition period.*

2. Capital Assets

The OAG did not maintain proper records of capital assets or adequately perform periodic inventories and reconciliations to ensure assets were accounted for properly. During fiscal years ended June 30, 2009 and 2008, approximately \$798,000 and \$848,000 (excluding land and improvements) were expended on capital assets, respectively. In addition, the OAG does not always comply with state owned vehicle policies and procedures and has not performed a formal evaluation of vehicle usage to ensure vehicles are used as efficiently as possible.

2.1 Accounting of capital assets

Some assets purchased during state fiscal years 2009 and 2008 have not been accounted for properly in the OAG internal capital asset tracking system or the SAMII capital asset tracking system, and some assets have not been assigned a property tag and asset number. OAG personnel indicated the staff position assigned responsibility for tracking capital assets was not able to keep up with the high workload, resulting in a backlog of assets not tagged or entered into the internal or SAMII capital asset tracking systems. Our review of 32 capital asset purchases made during state fiscal years 2009 and 2008, totaling approximately \$384,000, noted 7 assets, valued at about \$18,900, had not been entered into the internal capital asset tracking system or assigned property tags and asset numbers; and 6 assets, valued at about \$29,500, had not been entered into the SAMII capital asset tracking system. In addition, the OAG had not performed physical inventories during state fiscal year 2009 at any of the offsite locations housing the assets.

In July 2009, a new property manager took over capital asset responsibilities and revised capital assets procedures were developed and in effect in August 2009. OAG personnel indicated that since this change occurred, new property purchased has been tagged and entered into both the OAG and SAMII capital asset tracking systems and progress has been made on the backlog of untagged capital assets purchased prior to July 2009. Additionally, annual physical inventories have resumed.

To ensure capital assets are accounted for properly, the OAG should continue to follow its current capital asset procedures, ensuring all newly purchased assets are assigned property tags and entered into both the internal and SAMII capital asset tracking systems in a timely manner, and physical inventories are performed annually. In addition, to ensure the



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capital asset records are complete and accurate, the OAG should continue to investigate the backlog of untagged capital assets.

A similar finding was noted in audit report No. 2010-30, *State of Missouri Single Audit*, issued March 2010.

2.2 Reconciliation of capital asset records

OAG personnel have not completed a reconciliation between the expenditure and capital asset records in the SAMII system. This reconciliation ensures all acquisitions of capital assets have been identified and properly recorded. While a reconciliation is in progress, as of March 2010, approximately \$281,000 of the \$129 million in capital asset expenditures from fiscal year 2001 through fiscal year 2010 have not been reconciled. Completing this reconciliation would provide the OAG more assurance all capital assets are included in the capital asset records.

A similar finding was noted in audit report No. 2010-30, *State of Missouri Single Audit*, issued March 2010.

2.3 Vehicle use

Some OAG vehicles may not be used efficiently and effectively. The OAG does not perform an evaluation of the cost per mile to operate its vehicles to determine the optimum replacement point as required by the OAG Administrative Policy on state vehicles. The policy requires acquisition costs, average surplus value, and operating costs such as fuel, maintenance, and other administrative charges to be taken into account when determining cost per mile.

The OAG maintains 39 state owned vehicles. Nine of the vehicles are assigned to the military funeral honors program for use by any of the program employees, and four are pool vehicles available for OAG employees to use for general travel needs. The remaining vehicles are assigned to certain departments or locations for specific purposes, and one is assigned to the Adjutant General. Our review of annual mileage driven for each vehicle noted five of the nine vehicles (56 percent) assigned to the military funeral honors program were driven less than 9,000 miles annually in both fiscal years 2009 and 2008. Total miles driven per year for these vehicles ranged from 2,159 to 8,715 miles. In addition, three of the four pool vehicles (75 percent) and two of the four pool vehicles (50 percent) in fiscal years 2009 and 2008, respectively, were driven less than 4,000 miles annually. The OAG and State of Missouri Administrative Policies on state vehicles both indicate that pool vehicles should average at least 15,000 miles per year. In addition, other means of travel are available for state employees, such as use of a rental vehicle or reimbursement for the use of personal vehicles.

In an effort to reduce costs and ensure the efficient use of state owned vehicles and compliance with OAG and statewide policies and procedures,



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the costs to operate and the need for all OAG state vehicles should be periodically reviewed to ensure they are necessary and justified.

2.4 Vehicle usage logs

The OAG did not retain vehicle usage logs as required by its internal written policy. As a result, we were unable to ensure vehicle usage was adequately documented and for official use only. OAG personnel indicated they maintain vehicle usage logs for all state owned vehicles; however, the logs are not retained once the mileage and expense data has been input into the State of Missouri's Fleet Management System. Pursuant to the State of Missouri and OAG Administrative Policies on state vehicles, vehicle usage logs must be maintained for each state vehicle and include the following information: name of driver, date(s) used, beginning and ending odometer readings, destination, and purpose of use. In addition, the OAG Administrative State Vehicle Policy indicates a state vehicle usage log should be maintained in a vehicle file for future reference, while a copy of the form is to be submitted to the State Resources Section at the end of each month. The policy further states the log is to be maintained in the logbook until the end of the calendar year, at which time it will be filed and retained until the State Resources Section authorizes disposal of the logs. According to OAG personnel, the State Resources Section did not authorize disposal of the logs. In addition, the state Agency Records Disposition Schedule outlines retention requirements for state agency records, including vehicle usage records, and indicates such records must be retained for 3 years, with some limited exceptions.

To ensure compliance with state and internal policies and procedures and to ensure vehicle use is for official business, vehicle usage logs should be retained.

Recommendations

The OAG:

- 2.1 Ensure all equipment is properly assigned a property tag number and entered into both the internal and SAMII capital asset tracking systems. In addition, the OAG should ensure annual physical inventories are performed and continue to investigate the backlog of untagged capital assets.
- 2.2 Ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.
- 2.3 Perform a cost analysis of state owned vehicles and review vehicle usage periodically to ensure the number of OAG vehicles are necessary and justified.
- 2.4 Comply with OAG vehicle policies and procedures regarding the retention of vehicle usage logs.



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Auditee's Response

2.1 *The following new procedures were adopted and will be implemented:*

1. *Individuals that purchase equipment will complete an AGMO Form 250 by entering the required information (purchase order number, description, model, serial number, and location), and attach the invoice and forward through appropriate channels to State Resources for approval of payment.*
2. *Payment is approved in State Resources. The AGMO 250 form and invoice are forwarded to the State Resources Property Manager who assigns a fixed asset number and enters the number into the internal database. The State Resource Property Manager makes copies of the invoice and the form. A packet containing a copy of the invoice, form, and property tags is returned to the purchaser. The purchaser signs the form verifying the property tag has been received and returns the form to State Resource Property Manager.*
3. *Fixed assets valued over \$1,000 are entered into SAMII by the State Resource Procurement Manager. Fixed assets valued less than \$1,000 are sent directly to the State Resource Property Manager to be entered into the internal database. All fixed assets that are assigned a property tag number are entered into the internal database.*
4. *A schedule to perform yearly physical inventories on 10% of OAG state property books, including federal/state agreements will be established and monitored by the State Resources Logistics Manager.*

2.2 *The State Resource Logistics Manager will ensure the capital asset reconciliation is completed monthly to identify all capital assets and ensure the capital asset records are accurate.*

2.3 *This has already been implemented and an effort is being made to relocate the existing fleet when need arises rather than procure additional vehicles.*

2.4 *Compliance was implemented immediately upon becoming aware of this finding.*

3. Readiness Centers

The OAG has not conducted a feasibility study in recent years to ensure the efficient use of its readiness centers statewide. The last feasibility study was performed in 2003 as a result of a prior audit finding (see report No. 2003-



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22, *Department of Public Safety Office of the Adjutant General*, issued March 2003).

The OAG currently operates 63 individual readiness centers located in various cities and towns statewide. The costs to operate, maintain, and sustain these readiness centers are paid from federal and state funds depending on the level of support authorized by the federal government for each facility. Costs of 58 readiness centers are funded 50 percent by the federal government and 50 percent by the state. Cost of the additional five readiness centers are funded 75 percent by the federal government and 25 percent by the state. The federal government provides funding to the state for costs related to leases, utilities, sustainment, restoration and modernization projects, operations and maintenance, minor construction projects, salaries, supplies, equipment, and services of authorized facilities.

Readiness centers are costly to maintain and often require frequent repair, maintenance, and capital improvements. This may be due in part to the existence of several older facilities. The average age of the readiness centers is 44 years, with 26 of the facilities being 50 years or older. The Office of Administration (OA) performs condition rating assessments of all state owned buildings, including the OAG readiness centers. Currently, 18 of the readiness centers are rated in poor condition. All 18 of these facilities are funded 50 percent by the federal government and 50 percent by the state. Given the current condition of the state of Missouri's budget, the state may not be able to provide adequate funding to ensure all readiness centers remain operational.

According to OAG personnel, there are other factors that must be considered when determining whether readiness centers can be closed, including proximity of readiness centers to each other and troop strength. By determining the feasibility of reducing the number of readiness centers operating within the state, the OAG may identify opportunities to realize cost savings and increased economy and efficiency.

Recommendations

The OAG conduct a feasibility study to determine whether any readiness centers should be closed.

Auditee's Response

The Missouri National Guard continually evaluates the necessity for existing facilities. There was a reduction in the number of readiness centers in FY11 because of a reduction in General Revenue Fund dollars allocated to the OAG.

4. General Revenue Fund Subsidy

The OAG does not reimburse the state General Revenue Fund for appropriations used for some costs of operating the cafeteria located at the Ike Skelton Training Site (ISTS), and such costs are not included when determining food prices. As a result, the state General Revenue Fund is



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subsidizing the operation of the OAG cafeteria. Total receipts for cafeteria operations from the Missouri National Guard Training Site Fund (MNGTSF) were approximately \$325,000 and \$313,000 in fiscal years 2009 and 2008, respectively.

Salary and fringe benefit costs of civilian employees working in the OAG cafeteria are paid from General Revenue Fund appropriations, and the OAG does not reimburse the fund for these costs. In addition, other expenses, such as utilities and building space (rent) for the cafeteria location, are not considered in the cost of operating the cafeteria and may also be subsidized by the General Revenue Fund. These salaries and other expenses are also not taken into account when determining the price of food items sold, which is generally less than a typical cafeteria. For example, a cheeseburger and fries with tax costs \$3.25 from the OAG cafeteria, whereas the same items would cost \$4.72 in the Truman Building cafeteria, an independently run operation. According to OAG management, salary and benefit costs of the cafeteria employees and manager paid from the General Revenue Fund totaled approximately \$228,000 and \$222,000 in fiscal years 2009 and 2008, respectively.

According to OAG management, recent budget reductions have forced significant changes to the cafeteria's operation. For instance, effective June 16, 2010, with the exception of the cafeteria manager, all cafeteria staff have been reduced from full-time to part-time employees. In addition, the cafeteria no longer serves a breakfast meal, only lunch. While the same method is used to pay for salaries and fringe benefits of cafeteria employees, the amount the General Revenue Fund subsidizes the OAG cafeteria operation will be less because of the reductions.

According to OAG management, due to the remote location of the ISTS, cafeteria operations are necessary for the full-time workforce of the Missouri National Guard, as well as for the students and other government agencies attending courses and training at the site. The cafeteria operation is considered an integral part of the ISTS.

A similar finding questioning the legal basis for subsidizing cafeteria operations was noted in prior audit report No. 2003-22, *Department of Public Safety, Office of the Adjutant General*, issued March 2003. Following the issuance of that report, the OAG recalculated the prices of food items sold to include the cost of cafeteria employees, and determined the amount owed to the General Revenue Fund for cafeteria employee costs. This resulted in a substantial price increase implemented in January 2003, and a transfer of \$109,995 to the General Revenue Fund in July 2004. In September 2004, the OAG obtained legal advice indicating the subsidy was not illegal. Based on the legal advice, the OAG ceased further transfers from the MNGTSF to the General Revenue Fund for the purpose of reimbursing



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cafeteria employee salary costs. The OAG no longer takes cafeteria employee salaries and benefits into consideration when establishing food prices.

The subsidy provided results in employees and other military personnel receiving meals at less than cost. Considering the current financial condition of the General Revenue Fund, the OAG should determine whether the continuation of the subsidy is justified.

Recommendation

The OAG reevaluate the practice of subsidizing cafeteria operations with General Revenue Fund appropriations.

Auditee's Response

Because of a reduction in general revenue funding, the dining facility operates half time, only serving a noon meal. A comparative analysis between food costs and customer costs will be conducted in FY11. Contact has been made with the Bureau of the Blind and the vendor who operates the dining facility in the Truman Building; however, both have declined the offer to operate out of the ISTS because of negative revenue projections.

5. Federal Fund Balance

The OAG has not developed plans to account for a shortage in its federal fund resulting from OA allocations for statewide leasing services performed on behalf of the OAG. For the 3 years ended June 30, 2009, the OA allocated \$92,494 in statewide leasing costs to the OAG federal fund; however, these costs are not allowable for the federal National Guard Military Operations and Maintenance Projects program (federal program), which is administered through the OAG federal fund. As a result, there is a shortage of funds available to the OAG to pay federally approved obligations.

The OAG federal fund accounts for the receipts and disbursements of the federal program and is administered through a master cooperative agreement in which the awarding federal agency has ongoing direct involvement. The cooperative agreement does not change from year to year; however, new appendixes to this agreement are approved each year for various operations and maintenance projects throughout the state. Expenses are obligated by the OAG and funding requests are submitted to the National Guard Bureau, United States Property and Fiscal Office (NGB USPFO) for approval and release of federal funds to pay obligated expenses relating to the appendixes.

The OA is responsible for leasing services for the state of Missouri and the related costs for these services are allocated to applicable funds for the leases managed on behalf of state agencies. The OA manages leases for some of the OAG readiness centers and as a result, allocates costs to the federal fund for these services. In accordance with National Guard Regulations regarding the management of grants and cooperative



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agreements, a Centralized Personnel Plan (CPP) must be negotiated annually between the OAG and the NGB USPFO. While the CPP allows for reimbursement of centralized costs for human resources, procurement, and accounting, the CPP must include the methodology used for allocating such centralized costs. In addition, all reimbursements requested by the OAG must be allocated to specific appendixes. According to OAG management, the OA has not provided specific documentation over the methodology used to develop and allocate costs to the OAG federal fund as requested by the OAG, and the OAG is unable to tie the costs to specific appendixes. As a result, the NGB USPFO has informed the OAG that the costs allocated by OA for leasing services are not allowable costs to the federal program and federal monies will not be awarded to cover the costs.

The monies receipted into the federal fund are only those amounts allowed for reimbursement by the NGB USPFO and are already obligated for specific expenses incurred by the OAG. The deduction of the lease service costs by the OA over the years has resulted in a shortage in the fund totaling \$92,494 as of June 30, 2009. As long as the OA continues to allocate costs to the OAG federal fund for lease services, the shortage will continue to grow. The OAG has not developed plans to address this shortage. To ensure the solvency of the federal fund, the reimbursement of lease expenses, and the payment of all obligated expenses of the federal program, the OAG and the OA should develop a plan to address the shortage and include the necessary cost allocation documentation in the CPP.

Recommendation

The OAG work with the OA to allocate the costs to specific appendixes and include the methodology used for allocating such centralized costs in the CPP. In addition, the OAG and the OA should take appropriate action to ensure the shortage in the fund is addressed and an appropriate plan of action developed.

Auditee's Response

Federal dollars withheld by OA have been returned to the Federal Fund. As of October 1, 2010, OA has suspended the withdrawal of federal cost allocation charges. The OAG is working with OA to prepare a CCP plan to be forwarded to the National Guard Bureau for approval.

6. Cafeteria Inventory Records

A perpetual inventory of cafeteria items purchased, sold, or consumed, and inventory balances is not maintained. Cafeteria personnel perform weekly reviews of inventory on hand for ordering purposes; however, the amounts ordered and on hand are not maintained in a perpetual system that can then be reconciled to physical inventory counts. In addition, while OAG personnel perform a physical inventory count at the end of each fiscal year for financial statement purposes, the inventory count is not documented. The cost of food purchased for use in the cafeteria was approximately \$162,000 in both fiscal years 2009 and 2008.



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Effective inventory internal controls require perpetual records be maintained of all inventory items and that a reconciliation of the balances obtained during the physical inventory count and the balances recorded on the perpetual inventory records be performed. Loss, misuse, or theft of cafeteria inventory may go undetected without adequate inventory records and documented reconciliations.

Recommendation

The OAG ensure perpetual inventory records are maintained and periodically reconciled to a documented physical inventory.

Auditee's Response

Current procedures are being reviewed and a written plan will be implemented in FY11.

Office of Adjutant General

Organization and Statistical Information

The Office of Adjutant General is a constitutional office, called for by Article III, Section 46, Missouri Constitution. The majority of the statutory references of the office are found in Chapter 41, RSMo. The office was assigned to the Department of Public Safety by specific transfer agreement under provisions of the Omnibus State Reorganization Act of 1974.

The Governor is the commander in chief of the Missouri National Guard, and the Adjutant General serves as the Governor's chief of staff and administrative head of the military establishment. National Guard forces, as a result of the dual relationship, serve under the Governor and also train to the standards prescribed by Congress, and report through the active military chain of command to the President when troops function in a federal status. The Office of Adjutant General supervises all matters pertaining to administration, training, discipline, and mobilization of the Army and Air National Guard of Missouri.

Among state agencies, operation of the National Guard is under a unique joint federal/state relationship. Appropriations from the General Assembly pay for a portion of the operation and maintenance of state readiness centers. Some personnel of the Office of Adjutant General are state-paid employees.

As the military force available to the Governor, the National Guard may be called on in times of emergency, when conditions threatening the public health, safety, or welfare are beyond the ability of local governments to respond. When National Guard units are called to duty under those conditions, salary and operational expenses are covered by state funds appropriated to the Office of Governor.

When performing monthly training and during annual training periods, salary and operational costs of the National Guard units are paid through congressional appropriations to the Department of Defense. Federal funds also pay for the equipping of National Guard units and members, and units and individuals must meet standards identical to those of the regular forces. Numerous federally-paid civilian employees, military technicians, and active duty service members work alongside the office's state employees.

In addition to military duties, the Adjutant General oversees the operation of the Office of Air Search and Rescue.

As of June 30, 2009, the office was authorized 450 full-time state employees of which 311 were primarily paid from federal funds appropriated to the state. Major General King E. Sidwell served as the Adjutant General until January 2009, at which time Brigadier General Stephen L. Danner was appointed as the Adjutant General.

Appendix A

Office of Adjutant General
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND (2)						
Administrative support of federal projects	\$ 123,351	123,351	0 (3)	420,341	191,232	229,109 (3)
Design and construction of an addition to the Albany armory	0	0	0 (3)	26,928	26,928	0 (3)
Planning, design, and construction of an aviation hangar and maintenance facility in Springfield	33,468	33,468	0 (3)	703,552	210,417	493,135 (3)
Missouri military forces administration personal service	1,269,834	1,262,404	7,430	1,221,806	1,179,364	42,442
Missouri military forces administration expense and equipment	133,344	111,544	21,800	148,387	144,266	4,121
Missouri military forces field support personal service	781,615	722,022	59,593	725,674	687,610	38,064
Missouri military forces field support expense and equipment	317,393	226,825	90,568	360,569	350,729	9,840
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	709,015	709,015	0	705,488	705,488	0
Air search and rescue expense and equipment	16,978	7,104	9,874	16,978	16,469	509
Military forces contract services personal service	566,198	478,968	87,230	493,707	454,396	39,311
Military forces contract services expense and equipment	31,408	11,454	19,954	87,408	86,466	942
Total General Revenue Fund	3,982,604	3,686,155	296,449	4,910,838	4,053,365	857,473
FACILITIES MAINTENANCE RESERVE FUND						
Operational maintenance and repair	488,807	488,806	1 (3)	1,380,000	348,449	1,031,551 (3)
For maintenance, repairs, replacements, and improvements at National Guard facilities statewide:						
Cape Girardeau armory renovations	1,019,715	1,019,714	1 (3)	1,181,824	105,816	1,076,008 (3)
Clinton armory renovations	141,262	141,261	1 (3)	387,468	19,802	367,666 (3)
Fredericktown armory renovations	71,227	71,226	1 (3)	755,407	680,344	75,063 (3)
Ike Skelton Training Site masonry repairs	790,994	790,994	0 (3)	999,873	50,687	949,186 (3)
Jackson armory renovations	88,669	88,668	1 (3)	538,086	8,295	529,791 (3)
Joplin armory interior	42,660	42,660	0 (3)	847,562	6,415	841,147 (3)
Maryville electrical renovations	18,540	18,540	0 (3)	134,830	37,284	97,546 (3)
For maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide						
Maintenance and repairs	339,446	339,445	1 (3)	3,007,396	2,706,050	301,346 (3), (4)
Roof management	127,481	127,481	0 (3)	0	0	0 (3), (4)
Paving management	252,742	252,742	0 (3)	266,550	0	266,550 (3), (4)
Total Facilities Maintenance Reserve Fund	3,381,543	3,381,537	6	9,498,996	3,963,142	5,535,854
ADJUTANT GENERAL-FEDERAL FUND						
Federal environmental compliance program at non-armory facilities	5,677	5,677	0 (3)	88,147	82,469	5,678 (3)
Design and construction of National Guard facilities statewide	221,470	221,470	0 (3)	2,848,704	1,237,234	1,611,470 (3)
Design and construction of an addition to the Albany armory	0	0	0 (3)	154,398	56,180	98,218 (3)
Federal real property maintenance and minor construction programs at National Guard facilities	907,932	907,931	1 (3)	4,947,773	2,586,748	2,361,025 (3)

Appendix A

Office of Adjutant General
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
Federal environmental compliance program at non-armory facilities	627,555	627,555	0 (3)	1,348,026	57,795	1,290,231 (3)
Federally mandated leases	1,043,333	621,808	421,525	979,196	606,054	373,142
Federal environmental compliance program at non-armory facilities	29,080	29,079	1 (3)	247,755	218,675	29,080 (3)
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	3,438,652	3,065,150	373,502	3,366,514	3,322,370	44,144
Federal environmental compliance at non-armory facilities	7,360	7,359	1	0	0	0
Design and construction of National Guard facilities statewide	26,417,432	7,444,572	18,972,860	0	0	0
Federal real property maintenance and minor construction programs at National Guard facilities	3,587,982	3,418,331	169,651 (3)	6,000,000	1,567,562	4,432,438 (3)
Design and construction of a firing range at Ft. Leonard Wood	592,061	0	592,061 (3)	792,525	200,464	592,061 (3)
Design and construction of a new aviation maintenance facility in Springfield	43,959,745	1,234,002	42,725,743 (3)	48,265,622	4,155,877	44,109,745 (3)
Military forces contract services personal service	11,775,778	8,751,331	3,024,447	12,628,201	8,407,108	4,221,093
Military forces contract services expense and equipment	7,443,078	7,173,335	269,743	7,016,078	6,744,637	271,441
Refunds of federal overpayments to the state for the contract services program	330,000	281,428	48,572	310,000	211,303	98,697
Missouri military forces field support expense and equipment	260,000	259,024	976	318,813	254,308	64,505
Total Adjutant General-Federal Fund	100,647,135	34,048,052	66,599,083	89,311,752	29,708,784	59,602,968
FEDERAL DRUG SEIZURE FUND						
Missouri military forces administration expense and equipment	21,000	10,918	10,082	21,000	13,817	7,183
Total Federal Drug Seizure Fund	21,000	10,918	10,082	21,000	13,817	7,183
MISSOURI NATIONAL GUARD TRAINING SITE FUND						
Training site operating costs expense and equipment	339,000	320,398	18,602	339,000	310,395	28,605
Military forces contract services personal service	19,032	18,583	449	18,478	18,043	435
Total Missouri National Guard Training Site Fund	358,032	338,981	19,051	357,478	328,438	29,040
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND						
Veterans recognition program expense and equipment	535,390	254,357	281,033	538,840	307,101	231,739
Veterans recognition program personal service	92,631	92,040	591	86,583	86,037	546
Total Veterans' Commission Capital Improvement Trust Fund	628,021	346,397	281,624	625,423	393,138	232,285
BOARD OF PUBLIC BUILDINGS BOND PROCEEDS FUND						
Design and construction of a new aviation maintenance facility in Springfield	0	0	0 (3)	26,561	26,561	0 (3)
Total Board of Public Buildings Bond Proceeds Fund	0	0	0	26,561	26,561	0
ADJUTANT GENERAL REVOLVING FUND						
Operational expense at armories for armory rental fees	66,000	63,813	2,187	55,000	54,636	364
Total Adjutant General Revolving Fund	66,000	63,813	2,187	55,000	54,636	364

Appendix A

Office of Adjutant General
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MISSOURI MILITARY FAMILY RELIEF FUND						
Grants to family members of the National Guard and reservists who are in financial need	229,500	129,440	100,060	210,500	208,500	2,000
Missouri military family relief program expense and equipment	10,500	1,930	8,570	10,500	3,553	6,947
Total Missouri Military Family Relief Fund	<u>240,000</u>	<u>131,370</u>	<u>108,630</u>	<u>221,000</u>	<u>212,053</u>	<u>8,947</u>
NATIONAL GUARD TRUST FUND						
Activities in support of the National Guard	2,764,400	2,734,840	29,560	2,764,400	2,764,400	0
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	446,828	446,828	0	446,828	336,074	110,754
Activities in support of the National Guard personal service	1,208,204	1,027,971	180,233	1,173,014	1,011,421	161,593
Activities in support of the National Guard expense and equipment	1,469,325	801,848	667,477	1,469,325	816,031	653,294
Military forces contract services expense and equipment	231,249	230,865	384	231,249	231,249	0
Total National Guard Trust Fund	<u>6,120,006</u>	<u>5,242,352</u>	<u>877,654</u>	<u>6,084,816</u>	<u>5,159,175</u>	<u>925,641</u>
Total All Funds	<u>\$ 115,444,341</u>	<u>47,249,575</u>	<u>68,194,766</u>	<u>111,112,864</u>	<u>43,913,109</u>	<u>67,199,755</u>

(1) The amounts include Office of Administration (OA) appropriations which were expended on behalf of the Office of Adjutant General (OAG) for design and construction, maintenance and repair, and leasing of OAG facilities.

(2) The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2009	2008
General Revenue Fund		
Personal Service	\$ 124,811	76,242
Expense and Equipment	142,196	15,393
Total General Revenue Fund	<u>\$ 267,007</u>	<u>91,635</u>

(3) Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the full unexpended appropriation balance for a biennial appropriation or a lesser amount may be established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

(4) Expenditures from these appropriations include \$263,783 and \$574,551 expended by the OA on behalf of agencies other than the OAG in fiscal years 2009 and 2008, respectively.

Appendix B

Office of Adjutant General
Comparative Statement of Expenditures (From Appropriations) *

	Year Ended June 30,				
	2009	2008	2007	2006	2005
Salaries and wages	\$ 12,353,319	11,843,980	10,917,756	10,499,669	10,443,405
Travel:					
In-state	63,393	62,133	78,051	74,014	62,864
Out-of-state	85,842	95,170	94,525	89,816	93,887
Fuel and utilities	4,221,064	4,363,971	4,030,419	3,808,008	3,278,113
Supplies	1,925,052	1,941,729	1,956,447	1,815,927	1,472,693
Professional development	2,791,387	3,064,530	1,409,071	37,894	51,802
Communication services and supplies	1,539,521	1,664,225	1,002,438	1,260,892	1,155,332
Services:					
Professional	2,328,647	1,838,424	2,205,695	1,908,964	2,315,832
Housekeeping and janitorial	504,899	496,314	475,408	440,450	402,355
Maintenance and repair	1,444,490	1,070,511	839,078	530,647	644,087
Equipment:					
Computer	592,799	610,738	353,495	385,307	449,721
Motorized	122,138	85,713	63,900	92,537	62,096
Office	2,546	79,614	19,790	53,242	47,427
Other	274,641	249,325	458,912	235,345	342,653
Property and improvements	17,363,664	14,573,993	14,136,978	16,418,527	11,213,880
Real property rentals and leases	861,918	790,768	794,611	591,848	471,474
Equipment rentals and leases	14,088	20,053	54,603	31,397	44,211
Miscellaneous expenses	85,517	67,564	75,500	100,740	78,886
Refunds	281,427	211,303	87,072	130,014	125,419
Program distributions	129,440	208,500	1,052,890	1,520,814	1,399,533
Transfers	0	0	0	0	1,726
Total Expenditures	\$ <u>46,985,792</u>	<u>43,338,558</u>	<u>40,106,639</u>	<u>40,026,052</u>	<u>34,157,396</u>

* The amounts include Office of Administration appropriations which were expended on behalf of the Office of Adjutant General (OAG) for design and construction, maintenance and repair, and leasing of OAG facilities.