



Thomas A. Schweich
Missouri State Auditor

CONSERVATION

Department of Conservation

December 2011
Report No. 2011-120



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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Department of Conservation (MDC)

Elk Restoration	After the MDC presented a budget estimating a cost of \$411,185 to release 150 elk in the state, the Commission voted to move forward with the elk restoration project, but the budget presented did not include costs for several items, such as salaried employees, habitat improvements, or long-term monitoring. As of June 30, 2011, the MDC had spent over \$1.23 million to reintroduce just 39 elk; it had spent three times more to reintroduce about one-fourth as many elk as planned. MDC executive staff and the Commission discussed the elk restoration project in closed sessions in January, April and May 2010. Those discussions were not allowable under the Sunshine Law.
Conservation Area Planning	The MDC did not have area management plans for 470 of 807 (59%) applicable conservation areas and accesses, and it only confirmed 104 of the existing plans as being current (69 were specifically reported to be outdated). In our prior audit report (Report No. 2009-113), we noted that the MDC had not made it a priority to develop and update such plans.
Expenditures	The MDC needs to improve internal controls over procurement cards. On several occasions, MDC employees split transactions to avoid transaction limits or bidding requirements. In addition, the MDC agreed to pay a retired former employee at least \$155,000 to write a book about Missouri rivers and streams. The MDC did not solicit bids or document its reasons for this sole source procurement.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	During the year ended June 30, 2010, the Department of Conservation received monies from the U.S. Department of Agriculture-Wildland Fire Management program and the U.S. Department of the Interior-Habitat Enhancement, Restoration and Improvement programs, and spent \$50,628 on the Fuel for Schools and Williams Ford Low Water Crossings projects.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Department of Conservation

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THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Conservation Commission
and
Robert L. Ziehmer, Director
Department of Conservation
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation, 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, 2010 and 2009. The objectives of our audit were to:

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

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, 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. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also 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, grant agreement, 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.

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 department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Department of Conservation

Management Advisory Report

State Auditor's Findings

1. Elk Restoration

The Missouri Department of Conservation (MDC) did not prepare a complete and accurate estimate of costs to reintroduce elk into Missouri. The MDC estimated the cost to reintroduce 150 elk into Missouri in the Spring of 2011 would be about \$411,000 (\$2,740 per elk); however, as of June 30, 2011, the MDC has spent approximately \$1.23 million (\$31,538 per elk) to release a total of 39 elk into the state. The Commission discussed issues related to the elk restoration project in closed session which did not appear to be allowable for closed session under state law.

1.1 Project costs

In October 2010, MDC officials presented the Commission a financial budget that included estimated costs of \$411,185 to release 150 elk in the state. In October 2010, the Commission voted to move forward with elk reintroduction. The budget included costs to capture the elk in Kentucky and construct holding pens, payroll for hourly employees, and various other related costs. However, the budget did not include personnel costs of salaried employees, or the long term cost to monitor the elk. In addition, the budget indicated habitat improvements within the elk restoration zone would be necessary, but did not estimate the cost of those improvements.

As of June 30, 2011, the MDC has incurred personnel services including fringe benefits, expense and equipment, habitat improvement, and elk monitoring costs of about \$568,000, \$357,000, \$219,000 and \$86,000, respectively. The total estimated cost incurred in state fiscal year 2011 was \$1,230,000, over three times the original cost estimate. As of June 1, 2011, 34 adult and 5 newborn elk, just over 25 percent of the projected number of elk included in the MDC report, have been reintroduced in Missouri.

To help ensure the Commission makes well-informed decisions, the MDC executive staff should provide complete and accurate fiscal information.

1.2 Closed session discussions

In the January, April, and May 2010 closed sessions, MDC executive staff and the Commission held discussions in closed session regarding the elk restoration project. The State Auditor's office believes the closing of these meetings violated the Sunshine Law.

The MDC general counsel opined that such discussions were allowed in closed session due to the potential for litigation or discussion of legal matters.

According to the Sunshine Law, meetings, records, votes, actions, and deliberations of public governmental bodies are to be open to the public unless otherwise provided by law and exceptions should be strictly construed to promote the state's policy of open records. The Sunshine Law, Chapter 610, RSMo, provides public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reason used to justify such meeting, record, or vote. In addition, the



Department of Conservation
Management Advisory Report - State Auditor's Finding

Commission should restrict the discussions in closed meetings to specific topics listed in Chapter 610, RSMo.

Recommendations

The MDC:

- 1.1 Ensure complete and accurate cost estimates for significant projects are prepared and provided to the Commission.
- 1.2 Ensure only allowable subjects are discussed in closed meetings.

Auditee's Response

1.1 *As defined in the elk restoration plan, the estimated operational cost for trapping, holding, relocating, testing, and monitoring up to 150 elk in Fiscal Year 2011 (FY11) was approximately \$411,000 in Department funds. A total of \$363,033 was actually expended by the Department during FY11 for operational costs associated with elk restoration. As openly discussed with the Conservation Commission, the budget submitted with the Elk Restoration Plan included Department operational costs for the remainder of FY11. Consistent with other Department operational cost projections, the Commission was fully aware of activities not contained in the \$411,000 operational costs and that existing staff hours would be used to implement the elk restoration project. The Commission understood habitat improvements on private and public land would provide benefits to a wide variety of forest, fish, and wildlife resources in the restoration zone. The Commission was fully informed of all pertinent and relevant information at the time the elk restoration decision was made.*

The \$31,538 per elk is a misleading calculation. The \$1.23 million cost included all staff time, habitat work that benefits all wildlife, road maintenance to ensure public access, landowner technical assistance and cost-share services, etc, within the approximate 225,000 acre restoration zone. The majority of those services would be incurred regardless of elk restoration efforts. Staff and visitors to the area have noted turkey, deer, bobcats, coyotes, and bear, in addition to elk, in the area benefiting from the habitat improvements. Habitat work occurred well before elk restoration activities and will occur well after initial restoration steps are completed. The stated \$1.23 million dollar amount included one-time costs for building pens that will be used over the lifetime of the project. Road improvements made in Missouri have and will continue to enhance public access and associated economic benefits to the area for decades. This is an ongoing, multiple-year project that will bring up to 150 elk to the state.



Department of Conservation
Management Advisory Report - State Auditor's Finding

1.2 *The department contends that closed session discussions identified by the State Auditor were related to potential legal actions, causes of action, or litigation, as reflected in the minutes and as specifically allowed by RSMo. §610.021(1). We believe holding these legal discussions in closed session did not, in any way, violate the Sunshine Law. Prior to every closed Commission meeting, all topics proposed for discussion are reviewed by the department's counsel to ensure the topics fall within one of the statutory exceptions to the Sunshine Law; during closed sessions, discussions are limited to those topics covered by the statutory exceptions.*

2. Conservation Area Planning

The MDC has not made significant progress toward ensuring management plans for conservation areas have been developed and updated. An analysis of preliminary area planning data indicated 470 (59 percent) of 807 conservation areas and accesses did not have an area plan as of June 2011.

In our prior audit report, issued in October 2009, we noted the MDC had begun development of a tracking system for area management plans, but development and updating of plans had not been made a priority for regional and area managers, and revisions of area planning policies and procedures had not been completed.

In May 2011, the MDC completed development of new area planning policies. The MDC requested regional coordination teams (RCTs) report the current status of area plans and develop a schedule to complete development and updating of area plans for all conservation areas and accesses by July 1, 2016. We requested the preliminary information on the current status of area plans submitted by the RCTs. That information had not been compiled into a report or reviewed by the MDC for completeness or accuracy; however, it appears to be the most current information available. Of 955 facilities including conservation areas, accesses, towersites, community lakes, ranges, and buildings listed in the data, the MDC determined 807 conservation areas and accesses should have a plan prepared. However, the RCTs reported area plans did not exist for 470 of these facilities. In addition, of the 337 existing plans, the RCTs reported 69 were outdated and did not state whether 164 plans were current or not.

The newly developed policy states the purpose of area planning is to create a direct linkage between department goals, area management objectives, and the allocation of resources. In addition, area plans will establish management continuity over time and communicate resource and public use management decisions more clearly within and outside the department.

Area management plans are one of the primary means to identify existing natural resources and potential resource management activities and public utilization of MDC lands. MDC staff indicated the area plans are an



important component in the development of divisional and regional budgets and workload planning.

Recommendation

The MDC ensure area management plans are developed and updated in a timely manner.

Auditee's Response

Efforts are well under way that are consistent with the auditor's recommendations and we are encouraged by the State Auditor's concurrence with our planned approach. The Department has over 800 areas that require area plans; plans have already been developed for more than 330 areas and an additional 135 area plans are scheduled for completion by July 2012. Efforts have been put into place that will result in completion of all area plans by July 2016.

3. Expenditures

The MDC needs to improve internal controls over procurement cards. The MDC did not ensure a single source procurement involving a former employee was properly documented.

3.1 Procurement card controls

MDC employees using procurement cards split purchases or allowed vendors to split purchases and failed to bid some purchases. The state procurement card policy and the cardholder agreements signed by employees receiving cards prohibit splitting of purchases. When purchases are split, the established transaction limit control authorized for the individual cardholder is circumvented. Also cardholders may inappropriately split transactions in an attempt to circumvent bidding requirements.

The MDC issued over 1,400 procurement cards to its employees and during state fiscal years 2010 and 2009, MDC procurement card purchases totaled over \$9.9 million and \$9.0 million, respectively. In state fiscal year 2010, there were over 80,000 transaction lines in the MDC procurement card vendor detailed transaction report. We reviewed 25 transaction lines, totaling nearly \$146,000, and noted:

- Three instances totaling over \$8,700 in which a single purchase was split into two transactions for the transaction to be less than the individual transaction limit for the cardholder. MDC financial services had detected two of the three instances during the processing of the procurement card invoices.
- Three instances totaling over \$15,000, in which the cardholder failed to obtain bids prior to making the purchase. MDC financial services detected two of these three instances after the purchases were made and while processing the procurement card invoices.



Department of Conservation
Management Advisory Report - State Auditor's Finding

- One of the purchases was for ammunition and both statewide procurement card policies and the cardholder agreement prohibit the purchase of ammunition. MDC officials indicated they have determined the purchase of ammunition by MDC employees is appropriate; however, the MDC has not requested a waiver from the Office of Administration.

Our review of the procurement card detail report for state fiscal year 2011, which included over 82,500 records, noted approximately 150 transactions, each greater than \$500, which appeared to be possible split purchases. We provided a listing of these transactions to MDC officials who determined 17 purchases (34 transactions) were split purchases; three of which had previously been identified by existing procurement card control procedures. According to the MDC, most of the other 116 transactions were the result of the vendor splitting the purchase to avoid the per transaction limit assigned to the employee's procurement card, or the vendor imposing transaction limits on the amount the vendor would accept on a single transaction. MDC officials indicated the issue of splitting purchases is being addressed through group and individual training. The MDC should continue to monitor procurement card activity to identify improper usage and provide additional training to and/or discipline MDC employees whose purchases violate procurement card purchasing policies.

3.2 Single source procurement

In December 2009, the MDC entered into a contract with a former employee to write, upon his retirement, a comprehensive book about Missouri rivers and streams. The employee retired effective July 1, 2010, under the departmental retirement incentive program. Under the contract, also effective July 1, 2010, the former employee is paid \$5,000 per month for 31 months. In addition, the MDC can renew the contract for up to 24 additional months. MDC officials indicated potential cost recovery is not a significant factor when deciding to proceed with educational projects, and this arrangement qualified as a sole source procurement because the former employee was uniquely qualified to write the book. However, MDC officials did not document the sole source procurement decision as required by MDC policy. The following required actions were not performed:

- A purchase requisition requesting approval of the sole source procurement was not prepared and submitted to MDC financial services.
- A single feasible source approval request worksheet was not prepared.
- MDC did not submit a request for specific procurement authority from Office of Administration, Division of Purchasing.
- Documentation from the vendor stating they are the only provider of the commodity or service was not obtained.



Department of Conservation
Management Advisory Report - State Auditor's Finding

The MDC should ensure sole source procurement decisions are documented and approved as required by MDC policy.

Recommendations

The MDC:

- 3.1 Monitor procurement card activity to identify improper usage and provide additional training to and/or discipline employees whose purchases violate procurement card purchasing policies. In addition, the MDC should request policy waivers from the Office of Administration prior to authorizing employees to make purchases of prohibited items to ensure such purchases comply with state procurement card policies.
- 3.2 Ensure sole source procurement decisions are documented and approved as required.

Auditee's Response

- 3.1 *The Department has implemented steps to ensure staff is aware of transaction limits, that invoices are not to be split to circumvent the transaction limits, and that there are appropriate processes to request a waiver for larger purchases. The Department is in the process of developing required, on-line training for all cardholders that will ensure consistent messages are provided. Cardholders who do not comply with the procurement card policies will be required to re-take the on-line training. The Department will seek waivers from the Office of Administration when considered necessary.*

Forty-five of the 150 FY11 transactions reported by the State Auditor as split purchases were for hotel charges or training registrations. MDC's review of these transactions concluded these transactions were obvious situations where two or more employees stayed at the same hotel or attended the same training; therefore, payments to the same vendor for the same amount and on the same day would appear reasonable. Forty-six other transactions were reportedly split to comply with the vendor's internal procedures for processing payments made by credit card. MDC's review of these transactions concluded the majority of these transactions were split for this purpose and not to bypass single transaction limits, monthly billing cycle limits, or purchasing policies. These explanations, along with explanations for various other transactions reported as split purchases, were provided to the State Auditor prior to the conclusion of the audit.

- 3.2 *Steps have been taken to ensure all future single source procurements comply with the procedures outlined in the Department's Business Policy Manual.*

Department of Conservation

Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2010, the department owned 788,432 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. They serve without compensation for staggered six-year terms.

Commission Members at June 30, 2010

Commissioner	Term Expires
William F. McGeehan	July 1, 2011
Don Johnson	July 1, 2013
Becky Plattner	July 1, 2013
Don C. Bedell	July 1, 2015

The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by an assistant director and two deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource sciences, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer was appointed Director effective January 15, 2010, replacing John Hoskins upon his retirement. At June 30, 2010, the department had approximately 1,350 salaried and 450 hourly employees.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the year ended June 30, 2010, the Department of Conservation spent American Recovery and Reinvestment Act (ARRA) of 2009 monies totaling \$50,628 to 1) help seven schools reduce energy costs, create jobs and provide incentives for better forest management through the Fuel for Schools project and 2) provide a better habitat for the endangered Niangua Darter while making driving safer through the Williams Ford Low Water Crossings Project. These monies were provided to the Department of Conservation through the United States Department of Agriculture-Wildland Fire Management and the United States Department of the Interior-Habitat Enhancement, Restoration and Improvement programs.

Appendix A

Department of Conservation
 Conservation Commission Fund
 Comparative Statement of Receipts, Disbursements, Other Financing Uses,
 and Changes in Cash and Investments

	<u>Year Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
RECEIPTS		
Sales and use tax	\$ 93,922,656	96,659,841
Permit sales	32,517,080	32,058,801
Sales, rentals and leases	7,065,058	11,107,660
Federal reimbursements	21,475,595	24,165,283
Interest	512,826	1,050,081
Donations, refunds and miscellaneous	2,305,375	3,880,980
	<u>157,798,590</u>	<u>168,922,646</u>
DISBURSEMENTS		
Personal service	68,566,307	71,168,732
Employee fringe benefits	24,681,095	22,332,844
Operations	52,062,629	54,985,630
Capital improvements and acquisitions	12,377,777	15,653,041
	<u>157,687,808</u>	<u>164,140,247</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	<u>110,782</u>	<u>4,782,399</u>
OTHER FINANCING USES		
Appropriations exercised by other state agencies		
OA - Insurance and legal expense	892,603	762,930
OA - Worker's compensation	32,005	36,656
OA - Unemployment insurance	134,264	94,370
Office of the State Auditor	45,646	45,651
Department of Revenue	544,257	553,253
	<u>1,648,775</u>	<u>1,492,860</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	(1,537,993)	3,289,539
CASH AND INVESTMENTS, JULY 1	<u>36,537,616</u>	<u>33,248,077</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 34,999,623</u>	<u>36,537,616</u>

Appendix B

Department of Conservation
 Comparative Statement of Appropriations and Expenditures

	2010			2009		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND						
Conservation Programs	\$ 145,534,841	130,100,842	15,433,999	145,534,841	132,541,256	12,993,585
MDC Statewide	0	0	0	841,216	841,196	20
MDC Construction	22,881,188	13,650,608	9,230,580 *	16,227,066	16,227,065	1
Statewide Construction	46,000,000	0	46,000,000 *	0	0	0
Total Conservation Commission Fund	<u>214,416,029</u>	<u>143,751,450</u>	<u>70,664,579</u>	<u>162,603,123</u>	<u>149,609,517</u>	<u>12,993,606</u>
FEDERAL STIMULUS CONSERVATION FUND						
Conservation Forestry	50,628	50,628	0	250,000	0	250,000
ARRA Grants	11,100,000	0	11,100,000	0	0	0
Total Federal Stimulus-MDC Fund	<u>11,150,628</u>	<u>50,628</u>	<u>11,100,000</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total All Funds	<u>\$ 225,566,657</u>	<u>143,802,078</u>	<u>81,764,579</u>	<u>162,853,123</u>	<u>149,609,517</u>	<u>13,243,606</u>

* Biennial appropriations set up in fiscal year 2010 are re-appropriations to fiscal year 2011. After the fiscal year-end processing has been completed, the unexpended fiscal year 2010 appropriation balance for a biennial appropriation is established in fiscal year 2011. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2010.

Appendix C

Department of Conservation
Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2010	2009	2008	2007	2006
Salaries and wages	\$	67,995,879	70,586,696	69,334,485	69,508,506	66,774,975
Benefits		10,786,377	7,848,136	7,751,371	7,813,617	7,831,369
Travel, in-state		1,355,333	1,322,592	1,344,758	1,569,437	1,814,733
Travel, out-of-state		227,026	274,159	228,750	213,436	206,297
Fuel and utilities		1,882,350	1,911,194	1,841,985	1,768,188	1,745,407
Supplies		17,332,235	19,061,760	19,817,090	18,153,916	19,255,380
Professional development		585,176	617,011	574,010	547,070	542,938
Communication service and supplies		1,459,002	1,338,618	1,352,666	1,357,984	1,339,282
Services:						
Professional		8,173,714	8,648,917	10,578,052	8,875,295	9,321,312
Housekeeping and janitorial		981,669	1,080,249	1,009,635	1,039,370	939,576
Maintenance and repair		2,417,043	2,003,950	1,829,131	2,178,199	2,032,047
Equipment:						
Computer		1,853,299	949,987	3,299,013	1,276,563	1,498,067
Motorized		3,450,951	4,778,442	5,235,419	3,107,497	5,508,680
Office		71,459	89,002	217,124	149,288	438,387
Other		984,005	1,073,019	2,591,388	1,468,635	2,758,236
Property and improvements		12,377,777	15,653,041	9,068,865	16,035,656	23,581,386
Building lease payments		534,614	540,137	517,578	519,295	553,811
Equipment rental and leases		1,847,248	1,860,693	1,979,073	1,845,351	2,449,988
Miscellaneous expenses		1,965,719	1,865,302	1,627,237	1,708,073	1,734,926
Refunds		160,188	162,442	194,357	212,812	190,865
Program distributions		7,361,014	7,944,170	10,948,345	9,630,071	9,000,546
Total Expenditures	\$	<u>143,802,078</u>	<u>149,609,517</u>	<u>151,340,332</u>	<u>148,978,259</u>	<u>159,518,208</u>

Appendix D

Department of Conservation
Statement of Changes in General Capital Assets

	<u>Equipment</u>	<u>Buildings</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Software and Misc. Intangible Assets</u>	<u>Total General Capital Assets</u>
BALANCE, July 1, 2008 \$	81,924,611	95,401,454	317,554,755	11,696,740	0	506,577,560
Adjustments	69,265 (1)	0	0	(3,383)	0	65,882
Additions	6,075,145	7,767,884	8,822,406	2,775,377	1,109,931	26,550,743
Dispositions	<u>(5,658,483)</u>	<u>(432,013)</u>	<u>(122,040)</u>	<u>(7,637,114)</u>	<u>0</u>	<u>(13,849,650)</u>
BALANCE, June 30, 2009	82,410,538	102,737,325	326,255,121	6,831,620	1,109,931	519,344,535
Adjustments	0	0	0	0	144,079 (2)	144,079
Additions	5,198,687	9,887,497	1,959,471	6,175,318	934,390	24,155,363
Dispositions	<u>(3,692,097)</u>	<u>(185,740)</u>	<u>(391,400)</u>	<u>(9,698,748)</u>	<u>(104,167)</u>	<u>(14,072,152)</u>
BALANCE, June 30, 2010 \$	<u>83,917,128</u>	<u>112,439,082</u>	<u>327,823,192</u>	<u>3,308,190</u>	<u>2,084,233</u>	<u>529,571,825</u>

(1) Adjustments to correct vehicle preparation costs and additional equipment

(2) Adjustments to correct prior year balances