



**NEWTON COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2000**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2001-103  
September 28, 2001  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

September 2001

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Newton, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

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

- The county does not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards. For the years ended December 31, 2000 and 1999, the schedule contained a number of errors and omissions with expenditures overstated by approximately \$72,555 and \$43,092 for 2000 and 1999, respectively.
- Several concerns were noted related to the county budget documents, including unreasonable estimates of receipts and disbursements, overspending budgeted amounts, and not preparing budgets for several county funds.
- The county paid \$44,000 to a not-for-profit corporation for a downtown revitalization project and \$23,128 to the City of Neosho for a paving project without entering into written contracts for the related projects.
- The county does not have an official policy for cellular phone usage. During the year ended December 31, 2000, over \$13,700 was spent for phone charges for 40 cellular telephones assigned to various county employees. Billing statements submitted to the County Commission provide no detail of the actual usage. Procedures are not in place to provide a documented review of the actual phone usage to determine whether the cellular phones are being used for official county business.

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- Computer controls are in need of improvement, including the processing of changes to assessment data, passwords, log-on procedures, and a formal contingency plan.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Newton County's Associate County Commissioners salaries were each increased approximately \$10,000 yearly, according to information from the county clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to the Associate County Commissioners (the two elected and one appointed), totaling approximately \$40,000, for the two years ended December 31, 2000, should be repaid.

- Accounting controls and procedures including segregation of duties, follow-up on old bond monies and outstanding checks, and depositing procedures are in need of improvement in the sheriff's office. Additionally a reserve deputy collects and transports bonds at a local truck weight scale and is compensated on a fee basis per individual ticketed, rather than by salary, contrary to state law. The reserve officer was paid fees totaling \$32,670 and \$36,105 for 2000 and 1999, respectively.

Also included in the audit are recommendations related to bidding procedures, personnel policies, closed meeting minutes, fixed assets, and vehicle procedures. The audit also suggested improvements in the procedures of the Collector, Prosecuting Attorney, Circuit Clerk, Ex-Officio Recorder of Deeds, and the Health Center. Several of these issues have been mentioned in prior audits.

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FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Newton County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Newton County, Missouri, as of and for the years ended December 31, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Newton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Newton County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Newton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,



2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 9, 2001, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Newton County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill  
State Auditor

August 9, 2001(fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA  
Audit Manager: David Holtmann, CPA  
In-Charge Auditor: April McHaffie Lathrom, CPA  
Audit Staff: Jay Ross  
Troy Royer  
Susan Schmidt



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

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

To the County Commission  
and  
Officeholders of Newton County, Missouri

We have audited the special-purpose financial statements of various funds of Newton County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 9, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Newton County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Newton County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

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

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

Claire McCaskill  
State Auditor

August 9, 2001 (fieldwork completion date)

## Financial Statements

Exhibit A-1

NEWTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 2,817,189	6,090,606	6,936,331	1,971,464
Special Road and Bridge	21,964	2,727,240	2,523,620	225,584
Assessment	85,669	449,902	391,882	143,689
Law Enforcement Training	28,539	23,867	22,590	29,816
Prosecuting Attorney Training	6,553	4,451	5,599	5,405
Prosecuting Attorney Administrative Fees	57,916	47,154	23,505	81,565
Emergency 911	75,673	738,080	761,276	52,477
Sheriff's Criminal Activity Forfeiture Account	10,161	6,108	6,227	10,042
Recorder's User Fees	64,076	29,153	0	93,229
Local Emergency Planning Council	7,140	7,509	3,427	11,222
Mental Health	81,067	346,327	365,500	61,894
County Fair	6,184	48,351	46,108	8,427
Sheriff's Civil Fees	83,827	34,696	49,924	68,599
Domestic Violence	3,452	4,588	5,390	2,650
DARE	635	220	0	855
Emergency Shelter	0	617	617	0
Local Records Grant	6,528	1,349	7,877	0
Family Access	350	0	0	350
Election	0	1,397	0	1,397
Prosecuting Attorney Delinquent Sales Tax	10,624	1,197	0	11,821
Health Center	225,892	664,547	664,603	225,836
Law Library	29,624	22,369	9,809	42,184
Circuit Clerk Interest	9,476	7,964	2,966	14,474
Associate Circuit Division Interest	21,925	6,831	519	28,237
Total	\$ 3,654,464	11,264,523	11,827,770	3,091,217

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

Exhibit A-2

NEWTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 2,412,096	5,585,485	5,180,392	2,817,189
Special Road and Bridge	767,807	1,705,522	2,451,365	21,964
Assessment	18,582	421,503	354,416	85,669
Law Enforcement Training	24,996	24,935	21,392	28,539
Prosecuting Attorney Training	5,232	4,552	3,231	6,553
Prosecuting Attorney Administrative Fees	71,677	41,873	55,634	57,916
Emergency 911	17,450	662,779	604,556	75,673
Sheriff's Criminal Activity Forfeiture Account	12,481	3,988	6,308	10,161
Recorder's User Fees	54,102	29,488	19,514	64,076
Local Emergency Planning Council	8,318	5,113	6,291	7,140
Mental Health	80,538	330,529	330,000	81,067
County Fair	4,319	46,420	44,555	6,184
Sheriff's Civil Fees	54,951	37,245	8,369	83,827
Domestic Violence	3,920	7,209	7,677	3,452
DARE	741	1,349	1,455	635
Emergency Shelter	0	6,683	6,683	0
Local Records Grant	4,111	6,528	4,111	6,528
Family Access	75	275	0	350
Prosecuting Attorney Delinquent Sales Tax	10,277	347	0	10,624
Health Center	219,416	665,558	659,082	225,892
Law Library	19,342	19,476	9,194	29,624
Circuit Clerk Interest	9,441	4,433	4,398	9,476
Associate Circuit Division Interest	18,352	5,373	1,800	21,925
Total	\$ 3,818,224	9,616,663	9,780,423	3,654,464

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 11,407,043	11,263,326	(143,717)	9,022,659	9,601,481	578,822
DISBURSEMENTS	13,743,144	11,827,770	1,915,374	11,672,700	9,768,174	1,904,526
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,336,101)	(564,444)	1,771,657	(2,650,041)	(166,693)	2,483,348
CASH, JANUARY 1	3,643,449	3,643,840	391	3,803,020	3,803,020	0
CASH, DECEMBER 31	1,307,348	3,079,396	1,772,048	1,152,979	3,636,327	2,483,348
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	22,000	26,305	4,305	21,000	22,332	1,332
Sales taxes	4,300,000	4,346,593	46,593	3,700,000	3,995,051	295,051
Intergovernmental	534,991	565,478	30,487	524,390	486,630	(37,760)
Charges for services	717,300	713,125	(4,175)	696,000	716,174	20,174
Interest	146,300	216,446	70,146	142,000	137,204	(4,796)
Other	179,965	219,721	39,756	175,690	199,310	23,620
Transfers in	2,938	2,938	0	26,875	28,784	1,909
Total Receipts	5,903,494	6,090,606	187,112	5,285,955	5,585,485	299,530
DISBURSEMENTS						
County Commission	126,922	126,027	895	114,498	109,759	4,739
County Clerk	135,545	124,323	11,222	130,389	127,281	3,108
Elections	70,400	50,231	20,169	14,700	6,498	8,202
Buildings and grounds	531,500	477,719	53,781	452,067	417,312	34,755
Employee fringe benefits	675,940	583,747	92,193	570,800	563,192	7,608
County Treasurer	35,266	35,064	202	34,800	34,516	284
County Collector	149,528	142,017	7,511	143,259	135,912	7,347
Ex Officio Recorder of Deeds	130,821	120,140	10,681	124,059	118,961	5,098
Circuit Clerk	25,014	22,155	2,859	25,004	19,249	5,755
Associate Circuit Court	25,775	25,707	68	60,361	48,789	11,572
Probate Court	22,840	12,528	10,312	44,067	26,385	17,682
Court administration	57,208	56,049	1,159	67,852	44,499	23,353
Public Administrator	17,732	21,583	(3,851)	17,245	17,317	(72)
Sheriff	1,706,835	1,689,221	17,614	1,196,115	1,177,748	18,367
Jail	694,147	680,196	13,951	619,782	585,141	34,641
Prosecuting Attorney	458,061	463,145	(5,084)	395,519	400,355	(4,836)
Juvenile Officer	160,201	164,268	(4,067)	143,003	143,436	(433)
County Coroner	46,489	45,713	776	43,325	40,709	2,616
Data processing	95,284	65,166	30,118	95,279	78,370	16,909
Contingency costs	204,500	64,290	140,210	204,500	34,889	169,611
Capital improvements	300,000	115,342	184,658	500,000	63,562	436,438
Grants	264,936	196,089	68,847	198,894	165,171	33,723
Public health and welfare services	17,400	10,215	7,185	17,000	11,230	5,770
Postage	75,000	52,452	22,548	75,000	72,994	2,006
Insurance premiums	70,000	78,046	(8,046)	120,000	100,484	19,516
Emergency management	108,655	110,622	(1,967)	109,376	109,060	316
Other	457,307	406,976	50,331	259,777	286,503	(26,726)
Transfers out	997,300	997,300	0	197,765	172,765	25,000
Emergency Fund	500,000	0	500,000	1,000,000	68,305	931,695
Total Disbursements	8,160,606	6,936,331	1,224,275	6,974,436	5,180,392	1,794,044
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,257,112)	(845,725)	1,411,387	(1,688,481)	405,093	2,093,574
CASH, JANUARY 1	2,817,189	2,817,189	0	2,412,096	2,412,096	0
CASH, DECEMBER 31	560,077	1,971,464	1,411,387	723,615	2,817,189	2,093,574

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	314,000	341,819	27,819	282,000	321,356	39,356
Intergovernmental	1,881,000	1,470,078	(410,922)	1,088,670	1,246,899	158,229
Interest	25,000	8,150	(16,850)	25,000	25,059	59
Other	62,000	7,193	(54,807)	24,000	12,208	(11,792)
Transfers in	900,000	900,000	0	100,000	100,000	0
<b>Total Receipts</b>	<b>3,182,000</b>	<b>2,727,240</b>	<b>(454,760)</b>	<b>1,519,670</b>	<b>1,705,522</b>	<b>185,852</b>
<b>DISBURSEMENTS</b>						
Salaries	450,000	432,403	17,597	400,000	416,061	(16,061)
Employee fringe benefits	112,400	111,052	1,348	101,900	95,847	6,053
Supplies	100,000	95,850	4,150	160,000	254,278	(94,278)
Equipment repairs	50,000	49,953	47	60,000	47,643	12,357
Rentals	10,000	5,047	4,953	20,000	20,753	(753)
Equipment purchases	100,000	72,720	27,280	190,000	278,997	(88,997)
Construction, repair, and maintenance	1,570,000	1,229,042	340,958	804,000	868,604	(64,604)
Distribution to special road districts	550,248	481,441	68,807	477,119	429,447	47,672
Other	46,000	46,112	(112)	68,000	39,735	28,265
<b>Total Disbursements</b>	<b>2,988,648</b>	<b>2,523,620</b>	<b>465,028</b>	<b>2,281,019</b>	<b>2,451,365</b>	<b>(170,346)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>193,352</b>	<b>203,620</b>	<b>10,268</b>	<b>(761,349)</b>	<b>(745,843)</b>	<b>15,506</b>
<b>CASH, JANUARY 1</b>	<b>21,964</b>	<b>21,964</b>	<b>0</b>	<b>767,807</b>	<b>767,807</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>215,316</b>	<b>225,584</b>	<b>10,268</b>	<b>6,458</b>	<b>21,964</b>	<b>15,506</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	350,193	366,670	16,477	334,200	341,741	7,541
Charges for services	18,513	7,733	(10,780)	10,100	8,523	(1,577)
Interest	3,500	8,199	4,699	3,700	3,474	(226)
Transfers in	67,300	67,300	0	67,765	67,765	0
<b>Total Receipts</b>	<b>439,506</b>	<b>449,902</b>	<b>10,396</b>	<b>415,765</b>	<b>421,503</b>	<b>5,738</b>
<b>DISBURSEMENTS</b>						
Assessor	439,506	391,882	47,624	408,359	354,416	53,943
<b>Total Disbursements</b>	<b>439,506</b>	<b>391,882</b>	<b>47,624</b>	<b>408,359</b>	<b>354,416</b>	<b>53,943</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>0</b>	<b>58,020</b>	<b>58,020</b>	<b>7,406</b>	<b>67,087</b>	<b>59,681</b>
<b>CASH, JANUARY 1</b>	<b>85,669</b>	<b>85,669</b>	<b>0</b>	<b>18,582</b>	<b>18,582</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>85,669</b>	<b>143,689</b>	<b>58,020</b>	<b>25,988</b>	<b>85,669</b>	<b>59,681</b>
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	0	7,255	7,255	0	8,646	8,646
Charges for services	5,000	16,612	11,612	16,000	16,289	289
<b>Total Receipts</b>	<b>5,000</b>	<b>23,867</b>	<b>18,867</b>	<b>16,000</b>	<b>24,935</b>	<b>8,935</b>
<b>DISBURSEMENTS</b>						
Sheriff	30,000	22,590	7,410	40,996	21,392	19,604
<b>Total Disbursements</b>	<b>30,000</b>	<b>22,590</b>	<b>7,410</b>	<b>40,996</b>	<b>21,392</b>	<b>19,604</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(25,000)</b>	<b>1,277</b>	<b>26,277</b>	<b>(24,996)</b>	<b>3,543</b>	<b>28,539</b>
<b>CASH, JANUARY 1</b>	<b>28,539</b>	<b>28,539</b>	<b>0</b>	<b>24,996</b>	<b>24,996</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>3,539</b>	<b>29,816</b>	<b>26,277</b>	<b>0</b>	<b>28,539</b>	<b>28,539</b>



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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	5,000	4,378	(622)	6,000	4,552	(1,448)
Other	0	73	73	0	0	0
Total Receipts	5,000	4,451	(549)	6,000	4,552	(1,448)
DISBURSEMENTS						
Prosecuting Attorney	3,300	5,599	(2,299)	5,900	3,231	2,669
Total Disbursements	3,300	5,599	(2,299)	5,900	3,231	2,669
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,700	(1,148)	(2,848)	100	1,321	1,221
CASH, JANUARY 1	6,553	6,553	0	5,232	5,232	0
CASH, DECEMBER 31	8,253	5,405	(2,848)	5,332	6,553	1,221
<b><u>PROSECUTING ATTORNEY ADMINISTRATIVE FEES FUND</u></b>						
RECEIPTS						
Charges for services	40,000	43,293	3,293	40,000	39,139	(861)
Interest	3,000	3,861	861	1,500	2,734	1,234
Total Receipts	43,000	47,154	4,154	41,500	41,873	373
DISBURSEMENTS						
Prosecuting Attorney	85,000	23,505	61,495	25,000	29,059	(4,059)
Transfers out	0	0	0	35,000	26,575	8,425
Total Disbursements	85,000	23,505	61,495	60,000	55,634	4,366
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,000)	23,649	65,649	(18,500)	(13,761)	4,739
CASH, JANUARY 1	57,916	57,916	0	71,677	71,677	0
CASH, DECEMBER 31	15,916	81,565	65,649	53,177	57,916	4,739
<b><u>EMERGENCY 911 FUND</u></b>						
RECEIPTS						
Charges for services	681,100	709,013	27,913	635,832	659,215	23,383
Interest	1,500	3,005	1,505	2,500	1,488	(1,012)
Other	650	1,062	412	1,100	2,076	976
Transfers in	25,000	25,000	0	25,000	0	(25,000)
Total Receipts	708,250	738,080	29,830	664,432	662,779	(1,653)
DISBURSEMENTS						
Salaries	508,567	514,393	(5,826)	518,318	465,975	52,343
Office expenditures	8,500	7,431	1,069	9,500	8,142	1,358
Equipment	248,150	224,799	23,351	135,000	112,839	22,161
Mileage and training	13,500	14,041	(541)	11,800	13,244	(1,444)
Other	4,500	612	3,888	7,000	4,356	2,644
Total Disbursements	783,217	761,276	21,941	681,618	604,556	77,062
RECEIPTS OVER (UNDER) DISBURSEMENTS	(74,967)	(23,196)	51,771	(17,186)	58,223	75,409
CASH, JANUARY 1	75,673	75,673	0	17,450	17,450	0
CASH, DECEMBER 31	706	52,477	51,771	264	75,673	75,409

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SHERIFF'S CRIMINAL ACTIVITY FORFEITURE ACCOUNT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	2,000	0	(2,000)	0	3,542	3,542
Interest	450	508	58	600	446	(154)
Other	0	5,600	5,600	100	0	(100)
Total Receipts	2,450	6,108	3,658	700	3,988	3,288
<b>DISBURSEMENTS</b>						
Sheriff	5,000	6,227	(1,227)	3,000	6,308	(3,308)
Total Disbursements	5,000	6,227	(1,227)	3,000	6,308	(3,308)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,550)	(119)	2,431	(2,300)	(2,320)	(20)
CASH, JANUARY 1	10,161	10,161	0	12,481	12,481	0
CASH, DECEMBER 31	7,611	10,042	2,431	10,181	10,161	(20)
<b><u>RECORDER'S USER FEES FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	28,000	25,124	(2,876)	28,500	27,566	(934)
Interest	2,000	4,029	2,029	1,500	1,922	422
Total Receipts	30,000	29,153	(847)	30,000	29,488	(512)
<b>DISBURSEMENTS</b>						
Recorder of deeds	12,000	0	12,000	54,102	19,514	34,588
Total Disbursements	12,000	0	12,000	54,102	19,514	34,588
RECEIPTS OVER (UNDER) DISBURSEMENTS	18,000	29,153	11,153	(24,102)	9,974	34,076
CASH, JANUARY 1	63,901	64,076	175	54,102	54,102	0
CASH, DECEMBER 31	81,901	93,229	11,328	30,000	64,076	34,076
<b><u>LOCAL EMERGENCY PLANNING COUNCIL FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	4,700	6,183	1,483	4,000	4,893	893
Interest	250	422	172	250	220	(30)
Other	0	904	904	0	0	0
Total Receipts	4,950	7,509	2,559	4,250	5,113	863
<b>DISBURSEMENTS</b>						
Local emergency planning	5,525	3,427	2,098	4,000	6,291	(2,291)
Total Disbursements	5,525	3,427	2,098	4,000	6,291	(2,291)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(575)	4,082	4,657	250	(1,178)	(1,428)
CASH, JANUARY 1	7,140	7,140	0	8,318	8,318	0
CASH, DECEMBER 31	6,565	11,222	4,657	8,568	7,140	(1,428)

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>MENTAL HEALTH FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	291,000	335,082	44,082	244,162	323,058	78,896
Intergovernmental	1,002	770	(232)	1,300	1,028	(272)
Interest	6,000	10,475	4,475	4,000	6,443	2,443
Total Receipts	298,002	346,327	48,325	249,462	330,529	81,067
<b>DISBURSEMENTS</b>						
Mental health services	365,500	365,500	0	330,000	330,000	0
Total Disbursements	365,500	365,500	0	330,000	330,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(67,498)	(19,173)	48,325	(80,538)	529	81,067
CASH, JANUARY 1	81,067	81,067	0	80,538	80,538	0
CASH, DECEMBER 31	13,569	61,894	48,325	0	81,067	81,067
<b><u>COUNTY FAIR FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	45,000	47,223	2,223	45,000	45,572	572
Intergovernmental	0	110	110	0	147	147
Interest	750	1,018	268	1,000	701	(299)
Total Receipts	45,750	48,351	2,601	46,000	46,420	420
<b>DISBURSEMENTS</b>						
County fair	45,750	46,108	(358)	49,000	44,555	4,445
Total Disbursements	45,750	46,108	(358)	49,000	44,555	4,445
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	2,243	2,243	(3,000)	1,865	4,865
CASH, JANUARY 1	6,184	6,184	0	4,319	4,319	0
CASH, DECEMBER 31	6,184	8,427	2,243	1,319	6,184	4,865
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	38,000	34,646	(3,354)	40,000	37,029	(2,971)
Other	0	50	50	0	216	216
Total Receipts	38,000	34,696	(3,304)	40,000	37,245	(2,755)
<b>DISBURSEMENTS</b>						
Sheriff	50,000	49,924	76	50,000	8,369	41,631
Total Disbursements	50,000	49,924	76	50,000	8,369	41,631
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,000)	(15,228)	(3,228)	(10,000)	28,876	38,876
CASH, JANUARY 1	83,827	83,827	0	54,951	54,951	0
CASH, DECEMBER 31	71,827	68,599	(3,228)	44,951	83,827	38,876

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DOMESTIC VIOLENCE FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	7,500	4,588	(2,912)	7,500	7,209	(291)
Total Receipts	7,500	4,588	(2,912)	7,500	7,209	(291)
<b>DISBURSEMENTS</b>						
Domestic violence shelter	7,020	5,390	1,630	7,020	7,677	(657)
Total Disbursements	7,020	5,390	1,630	7,020	7,677	(657)
RECEIPTS OVER (UNDER) DISBURSEMENTS	480	(802)	(1,282)	480	(468)	(948)
CASH, JANUARY 1	3,452	3,452	0	3,920	3,920	0
CASH, DECEMBER 31	3,932	2,650	(1,282)	4,400	3,452	(948)
<b><u>DARE FUND</u></b>						
<b>RECEIPTS</b>						
Other	1,000	220	(780)			
Total Receipts	1,000	220	(780)			
<b>DISBURSEMENTS</b>						
Sheriff	900	0	900			
Total Disbursements	900	0	900			
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	220	120			
CASH, JANUARY 1	635	635	0			
CASH, DECEMBER 31	735	855	120			
<b><u>EMERGENCY SHELTER FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	7,567	617	(6,950)			
Total Receipts	7,567	617	(6,950)			
<b>DISBURSEMENTS</b>						
Emergency shelter	7,567	617	6,950			
Total Disbursements	7,567	617	6,950			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	0	0			
<b><u>LOCAL RECORDS GRANT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	2,797	1,349	(1,448)			
Total Receipts	2,797	1,349	(1,448)			
<b>DISBURSEMENTS</b>						
Local records	9,325	7,877	1,448			
Total Disbursements	9,325	7,877	1,448			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,528)	(6,528)	0			
CASH, JANUARY 1	6,528	6,528	0			
CASH, DECEMBER 31	0	0	0			

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>FAMILY ACCESS FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	0	0	0			
Total Receipts	0	0	0			
<b>DISBURSEMENTS</b>						
Family access	350	0	350			
Total Disbursements	350	0	350			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(350)	0	350			
CASH, JANUARY 1	350	350	0			
CASH, DECEMBER 31	0	350	350			
<b><u>ELECTION FUND</u></b>						
<b>RECEIPTS</b>						
Charge for services	500	1,397	897			
Total Receipts	500	1,397	897			
<b>DISBURSEMENTS</b>						
Election services	0	0	0			
Total Disbursements	0	0	0			
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	1,397	897			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	500	1,397	897			
<b><u>HEALTH CENTER FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	236,835	236,711	(124)	223,991	229,238	5,247
Intergovernmental	291,942	279,204	(12,738)	338,834	309,685	(29,149)
Charges for services	96,000	116,225	20,225	80,000	87,834	7,834
Interest	10,500	13,254	2,754	10,500	10,117	(383)
Other	13,000	14,153	1,153	20,000	23,684	3,684
Transfers in	5,000	5,000	0	5,000	5,000	0
Total Receipts	653,277	664,547	11,270	678,325	665,558	(12,767)
<b>DISBURSEMENTS</b>						
Salaries	538,142	507,755	30,387	488,053	485,835	2,218
Office expenditures	31,660	40,162	(8,502)	26,665	40,415	(13,750)
Equipment	12,700	19,128	(6,428)	14,400	8,074	6,326
Mileage and training	16,780	21,005	(4,225)	14,700	18,644	(3,944)
Other	79,548	76,553	2,995	134,410	106,114	28,296
Total Disbursements	678,830	664,603	14,227	678,228	659,082	19,146
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,553)	(56)	25,497	97	6,476	6,379
CASH, JANUARY 1	225,892	225,892	0	219,416	219,416	0
CASH, DECEMBER 31	200,339	225,836	25,497	219,513	225,892	6,379

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW LIBRARY FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	19,000	20,448	1,448	10,000	18,425	8,425
Interest	1,000	1,921	921	0	1,051	1,051
Total Receipts	20,000	22,369	2,369	10,000	19,476	9,476
<b>DISBURSEMENTS</b>						
Law library	49,624	9,809	39,815	27,982	9,194	18,788
Total Disbursements	49,624	9,809	39,815	27,982	9,194	18,788
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,624)	12,560	42,184	(17,982)	10,282	28,264
CASH, JANUARY 1	29,624	29,624	0	19,342	19,342	0
CASH, DECEMBER 31	0	42,184	42,184	1,360	29,624	28,264
<b><u>CIRCUIT CLERK INTEREST FUND</u></b>						
<b>RECEIPTS</b>						
Interest	3,000	6,894	3,894	3,600	2,991	(609)
Other	1,000	1,070	70	0	1,442	1,442
Total Receipts	4,000	7,964	3,964	3,600	4,433	833
<b>DISBURSEMENTS</b>						
Circuit Clerk	13,476	2,966	10,510	13,040	4,398	8,642
Total Disbursements	13,476	2,966	10,510	13,040	4,398	8,642
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,476)	4,998	14,474	(9,440)	35	9,475
CASH, JANUARY 1	9,476	9,476	0	9,441	9,441	0
CASH, DECEMBER 31	0	14,474	14,474	1	9,476	9,475
<b><u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u></b>						
<b>RECEIPTS</b>						
Interest	5,000	6,831	1,831	3,500	5,373	1,873
Total Receipts	5,000	6,831	1,831	3,500	5,373	1,873
<b>DISBURSEMENTS</b>						
Associate Circuit Division	2,000	519	1,481	4,000	1,800	2,200
Total Disbursements	2,000	519	1,481	4,000	1,800	2,200
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,000	6,312	3,312	(500)	3,573	4,073
CASH, JANUARY 1	21,709	21,925	216	18,352	18,352	0
CASH, DECEMBER 31	24,709	28,237	3,528	17,852	21,925	4,073

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

Notes to the Financial Statements

NEWTON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
DARE	1999
Emergency Shelter	1999
Local Records Grant	1999
Family Access	1999
Prosecuting Attorney Delinquent Sales Tax	2000 and 1999



Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road and Bridge Fund	1999
Prosecuting Attorney Training Fund	2000
Sheriff's Criminal Activity Forfeiture Account Fund	2000 and 1999
Local Emergency Planning Council Fund	1999
County Fair Fund	2000
Domestic Violence Fund	1999

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

The county's published financial statements for the years ended December 31, 2000 and 1999, included all funds presented in the accompanying financial statements.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 2000 and 1999, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board of Trustee's deposits at December 31, 2000 and 1999 were entirely covered by Federal depositary insurance or by collateral securities held by the health center's custodial bank in the health center's name. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Supplementary Schedule

Schedule

NEWTON COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.550	Food Distribution	N/A	\$ 0	10
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-9173	0	97,397
		ERO045-0173	100,436	34,505
		ERS0451-173W	31,196	0
	Program total		<u>131,632</u>	<u>131,902</u>
10.559	Summer Food Service Program for Children	ERS046-01731	57	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Social Services -				
14.231	Emergency Shelter Grants Program	ERO-1640273	617	6,683
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	96CMWK1006	2,543	7,914
		95CFWX1671	3,792	32,763
	Program total		<u>6,335</u>	<u>40,677</u>
Passed through state:				
Department of Public Safety -				
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	ERO172085	28,721	32,303
		ERO-172202	26,820	0
	Program total		<u>55,541</u>	<u>32,303</u>
16.575	Crime Victim Assistance	97VOCA0132	0	8,160
		97VGX0029	0	3,799
	Program total		<u>0</u>	<u>11,959</u>
16.579	Byrne Formula Grant Program	98NCD2028	0	36,212
		99NCD2028	73,945	64,309
		99NCD2038	59,466	0
	Program total		<u>133,411</u>	<u>100,521</u>

Schedule

NEWTON COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
16.592	Local Law Enforcement Block Grants Program	98-LBG-067	0	8,163
	Department of Health -			
16.unknown	Weapons of Mass Destruction Survey	N/A	500	0
	Missouri Sheriffs' Association -			
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	2,955	6,393
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and Transportation Commission:			
20.205	Highway Planning and Construction	BRO-073-16	335,843	8,773
GENERAL SERVICES ADMINISTRATION				
	Passed through state Office of Administration -			
39.003	Donation of Federal Surplus Personal Property	N/A	0	1,863
FEDERAL EMERGENCY MANAGEMENT AGENCY				
	Passed through state Department of Public Safety:			
83.534	Emergency Management - State and Local Assistance	N/A	26,581	18,155
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state:			
	Department of Health -			
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERO146-0173	0	5
93.268	Immunization Grants	PGO064-9173	0	7,229
	Program total	N/A	<u>61,572</u>	<u>40,016</u>
			<u>61,572</u>	<u>47,245</u>
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	23,958	27,950
	Department of Health -			
93.575	Child Care and Development Block Grant	PGO067-9173	0	5,683
		ERO146-0173	0	2,320
		PGA067-0173C	0	423
		PGO067-0213S	4,210	980
	Program total	PGA067-1213S	<u>1,115</u>	<u>0</u>
			<u>5,325</u>	<u>9,406</u>
	Department of Health -			
93.917	HIV Care Formula Grants	ERO-178	0	18,230
93.940	HIV Prevention Activities - Health Department Based	N/A	95	92

Schedule

NEWTON COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
93.991	Preventive Health and Health Services Block Grant	N/A	0	2,071
		N/A	<u>720</u>	<u>472</u>
	Program total		<u>720</u>	<u>2,543</u>
93.994	Maternal and Child Health Services Block Grant to the States	ERO146-9173MCH	0	21,503
		ERS146-0173M	21,124	7,483
		ERS146-1173M	6,850	0
		N/A	<u>3,600</u>	<u>2,361</u>
	Program total		<u>31,574</u>	<u>31,347</u>
	Total Expenditures of Federal Awards	\$	<u><u>816,716</u></u>	<u><u>504,220</u></u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

NEWTON COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Newton County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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



Amounts for the Food Distribution (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services. Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Of the amounts for Immunization Grants (CFDA number 93.268), \$61,572 and \$40,016 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$720 and \$472 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$3,600 and \$2,361 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. The remaining amounts for the Immunization Grants, the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$133,411 and \$100,521 to a subrecipient under the Byrne Formula Grant Program (CFDA number 16.579) during the years ended December 31, 2000 and 1999.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Newton County, Missouri

Compliance

We have audited the compliance of Newton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Newton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 00-1.

### Internal Control Over Compliance

The management of Newton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 00-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

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



Claire McCaskill  
State Auditor

August 9, 2001 (fieldwork completion date)

Schedule

NEWTON COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2000 AND 1999

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   x   no

Reportable conditions identified that are not considered to be a material weaknesses?        yes   x   none reported

Noncompliance material to the financial statements noted?        yes   x   no

Federal Awards

Internal control over major program:

Material weaknesses identified?        yes   x   no

Reportable condition identified that is not considered to be a material weakness?   x   yes        none reported

Type of auditor's report issued on compliance for major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   x   yes        no

Identification of major program:

. CFDA or  
 Other Identifying  
Number

10.557

Program Title

Special Supplemental Nutrition Program for Women, Infants, and Children.

16.592 Local Law Enforcement Block Grants Program  
20.205 Highway Planning and Construction  
93.563 Child Support Enforcement

Dollar threshold used to distinguish between Type A  
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes     no

## Section II - Financial Statement Findings

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

## Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

**00-1**

### Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture  
Pass-Through Grantor: Department of Health  
Federal CFDA Number: 10.557  
Program Title: Special Supplemental Nutrition Program for Women, Infants, and Children

Pass-Through Entity  
Identifying Number: ERO045-9173, ERO045-0173, and ERS0451-173W  
Award Year: 1999 and 2000  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Justice  
Pass-Through Grantor: Department of Public Safety  
Federal CFDA Number: 16.592  
Program Title: Local Law Enforcement Block Grants Program

Pass-Through Entity  
Identifying Number: 98-LBG-067  
Award Year: 1999  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Transportation  
Pass-Through Grantor: Highway and Transportation Commission  
Federal CFDA Number: 20.205  
Program Title: Highway Planning and Construction  
Pass-Through Entity



Identifying Number: BRO-073-16  
Award Year: 1999 and 2000  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Health and Human Services  
Pass-Through Grantor: Department of Social Services  
Federal CFDA Number: 93.563  
Program Title: Child Support Enforcement  
Pass-Through Entity  
Identifying Number: N/A  
Award Year: 1999 and 2000  
Questioned Costs: Not applicable

Section .310(b) of Circular A-133, *Audits of State and Local Government, and Nonprofit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 2000 and 1999, the county's SEFA contained numerous errors and omissions. For example, expenditures relating to several federal grants were not included on the schedules. Other programs reported did not include the required pass-through grantor's number. In addition, some non-federal programs were included and other programs were reported incorrectly. In total, expenditures were overstated by approximately \$72,555 and \$43,092 for 2000 and 1999, respectively.

For the federal financial schedules to adequately reflect the county's federal financial assistance expenditures, it is necessary that all federal financial expenditures be properly reported. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

**WE RECOMMEND** the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

#### **AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*We understand the significance of preparing a complete and accurate SEFA and will take all steps possible to ensure the information being submitted to the county by the various offices is complete and accurate during the next budget process.*

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

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

Our prior audit report issued for the two years ended December 31, 1998, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

NEWTON COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1998, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Newton County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 9, 2001. We also have audited the compliance of Newton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 9, 2001.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our audit was made in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.



The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Newton County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

<b>1.</b>	<b>County Expenditures</b>
-----------	----------------------------

During our review of county expenditures, we noted the following concerns:

- A. The county did not maintain documentation to support the reason for not selecting the lowest bid. Examples of items purchased that were not the apparent low bid are as follows:

Item Purchased	Amount
Oil and Asphalt	\$ 32,217
Carpet	20,472

The County Commission indicated the decisions were based on past experience with the vendors and the availability of specific products; however, no documentation of the reasons were noted in the commission minutes. To justify decisions made on awarding contracts where the apparent low bidder was not selected, the County Commission should maintain complete documentation of its reasons for awarding contracts to bidders.

In addition, the County Commission prepared an analysis of ten frequently used vendors for incidental purchases made by various officeholders and found that on numerous occasions the county purchased items exceeding \$4,500 in a ninety-day period. Section 50.660, RSMo 2000, requires the advertisement for bids for all purchases of \$4,500 or more from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidders. In addition, competitive bidding assures all parties are given an equal opportunity to participate in county business. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request proposal, newspaper publication notices when applicable, bids received, the basis of justification for awarding bids, and documentation of all discussions with vendors.

- B. The county paid \$44,000 to a not-for-profit corporation for a downtown revitalization project and \$23,128 to the City of Neosho for a paving project without entering into written contracts for the related projects. In addition, the county agreed to pay fifty percent of the cost of a new air truck for the Newton County Fire Chief's Association to be used by area fire departments. Subsequently, the county paid \$10,087 to the Newton County Fire Chief's Association without entering into a written agreement and without obtaining documentation of the actual costs of the vehicle.

If the services provided by these entities are determined to be desirable, county-provided services, the county should obtain written contractual agreements, which specifies services to be provided and provides the county with a mechanism to evaluate and monitor such services. Section 432.070, RSMo 2000, requires contracts of political subdivisions be in writing. Written contracts are necessary to outline the terms of such arrangements, specify services to be provided and the related funding, and help ensure the reasonableness and propriety of such expenditures.

- C. The county contracts with a local law firm to provide guardian ad litem services. The county paid this firm over \$17,300 during the two years ended December 31, 2000. The county indicated that proposals have not been solicited nor has the contract been reviewed for these services since March 1999. Also, when this law firm is unavailable, the county contacts other local firms to provide ad litem services. The other firms provide the service at a lower cost than what the county pays the primary service provider.

Soliciting proposals and entering into a truly competitive process provides the county a means to select the contractor best suited to provide the service required. Soliciting proposals provide the county with a range of possible choices, which should allow for a better-informed decision to be made when acquiring necessary services. Also, the county should evaluate whether these services could be provided by another local firm at a lower cost to the county.

- D. The county expended over \$13,700 for cellular phone charges for 40 cellular telephones assigned to various county employees during the year ended December 31, 2000. Our review of cellular telephone usage and charges noted the following concerns:

- The County Commission has no documentation assessing the need for the cellular phones. Without a documented assessment of the need, there is limited assurance the county is paying for a necessary service.
- Billing statements submitted to the County Commission for payment provide no detail of the actual usage. Procedures are not in place to provide a documented review of the actual phone usage to determine whether the cellular phones are being used for official county business. In June 2001, the

County Commission issued a memo requiring detailed billing statements for all cellular phone services. We noted that the bills appeared to drop after the county directive. In addition, the county does not have an official policy for cellular phone usage.

A policy is needed to ensure that cellular phones are used only for business purposes. Such a policy should address which employees need a cellular phone, proper use of the phone, and a reimbursement policy if the county authorized the phone to be used for personal purposes. Procedures should be implemented to monitor cellular phone usage and review invoices for propriety.

- E. We noted several instances in which duplicate payments had been made totaling approximately \$2,300. Most of these duplicate payments occurred when a payment was initially made based on the original invoice and then subsequently paid again when the charges were included on the vendor's statement.

The county's computer system has the capability to detect duplicate payments; however, the computer system did not catch these duplicate payments because the invoice charges initially paid were combined with other charges on the vendor's statement. To help prevent duplicate payments in the future, payments should only be made from an original vendor invoice, invoices should be thoroughly reviewed, and invoices should be cancelled after payment.

- F. Section 50.333.13 RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Newton County's Associate County Commissioners salaries were each increased approximately \$10,000 yearly, according to information from the County Clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of the statute violated Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term in office. This case, *Laclede County v. Douglas et al.*, holds that all raises given pursuant to this statute section are unconstitutional.

Based on the Supreme Court decision, the raises given to the Associate County Commissioners (the two elected and one appointed), totaling approximately \$40,000 for the two years ended December 31, 2000, should be repaid. In addition, in light of the ruling, any raises given to other county officials within their term of office should be re-evaluated for propriety.

**WE RECOMMEND** the County Commission:

- A. Maintain complete and adequate documentation of reasons for awarding contracts to bidders and develop procedures to ensure bids are solicited for all items in accordance with state law.
- B. Refrain from making contributions of public funds unless it is pursuant to written contracts, which specifically state what services are to be provided to the county and provide a means of monitoring the expenditures.
- C. Review the contract for guardian ad litem services annually and evaluate whether these services could be provided by other law firms at a lower cost to the county.
- D. Develop a policy regarding the use of cellular phones including an assessment of which employees need a cellular phone and the procedures to monitor their use.
- E. Take steps to ensure duplicate payments are not made. Payments to vendors should be made only from original vendor invoices, not from statements.
- F. Review the impact of this court decision and develop a plan for obtaining repayment of the salary overpayments.

**AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

*A&B. We agree and have implemented.*

*C. We agree that it may be beneficial to the county to solicit proposals for these services.*

*D. We agree and will ensure procedures are in place to monitor cellular phone usage.*

*E. We agree and have taken steps to limit duplicate payments to an absolute minimum. We will stress to all departments the importance of submitting the original invoice and the bill of transmittal at the same time to ensure these duplicate payments do not occur.*

*F. We have forwarded all available information related to this situation to the former Associate County Commissioners. Since the Missouri Supreme Court did not make a specific point for repayment, we know of no remedy to collect these monies at this time.*

<b>2. Budgetary Procedures</b>
--------------------------------

- A. The approved budget documents for several county funds (including budgets prepared by elected officials) did not adequately reflect the anticipated financial condition for the two years ended December 31, 2000. Expenditures were

budgeted to use substantially all available resources. For example, the anticipated ending cash balance at December 31, 2000 for the General Revenue Fund was projected at \$560,077, while the actual ending cash balance was \$1,971,464. This significant difference resulted from underestimating receipts and overestimating disbursements. A portion of the overestimated disbursements is the county's practice of estimating a significant "Emergency Fund" disbursement (\$500,000 in 2000 and \$1 million in 1999). This amount is in addition to the estimated "Contingency costs" provided in the budget.

To be of maximum assistance to the county and to adequately inform the public, the budgets should accurately reflect the anticipated receipts, expenditures and ending cash balance. The practice of routinely underestimating receipts and budgeting to spend the majority of all available resources decreases the effectiveness of the budget as a management planning tool and as a control over expenditures.

B. Actual expenditures exceeded budgeted amounts in the following funds:

Fund	Year Ended December 31,	
	2000	1999
Special Road and Bridge Fund	\$ N/A	170,346
Prosecuting Attorney Training Fund	2,299	N/A
Criminal Activity Forfeiture Fund	1,227	3,308
Local Emergency Planning Council Fund	N/A	2,291
County Fair Fund	358	N/A
Domestic Violence Fund	N/A	657
Total	\$ 3,884	176,602

The county did not adequately monitor budgeted amounts to actual results.

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

C. The budgets prepared by the county and elected officials were not always accurate and complete. We noted the following concerns:

- Actual receipts and disbursements for 2000 were overstated by \$157,028 for the Special Road and Bridge Fund. The overstatement was caused by an accounting error between two road funds that are part of the Special Road and Bridge Fund.
- Some transfers between funds were not properly classified in the actual receipts and disbursements of both funds. For example, \$26,575 was reported as “Other” receipts on the 2000 budget for the General Revenue Fund when actually this was a transfer from the Prosecuting Attorney Administrative Fees Fund.

It was necessary to make numerous adjustments to the amounts presented in the financial statements. Considering the way the county handled these transactions, the approved budgets did not provide Newton County citizens with accurate information about the county's finances.

In addition to being required by state law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate county operations and to project the anticipated needs of the county for the upcoming year. Complete and accurate budgets are also necessary to properly inform the county's citizens about the county's finances.

Failure to present accurate financial information decreases the effectiveness of the budget as a management tool. To be of maximum benefit to the county and its taxpayers, a complete and accurate budget document should be prepared.

- D. Formal budgets were not prepared for various county funds for the years ended December 31, 2000 and 1999.

Chapter 50, RSMo 2000, requires the preparation of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission would be able to more effectively evaluate all resources.

**WE RECOMMEND** the County Commission:

- A. Estimate receipts and disbursements as closely as possible to the anticipated actual amounts so that the budget documents present a reasonable estimate of the county's financial plan and ending cash balances.
- B. Implement procedures to ensure budgets are properly amended if necessary, and expenditures are kept within budgetary limits.
- C. Ensure budget documents contain complete, and accurate information about the county's finances. In addition, the County Commission and the County Clerk

should thoroughly review the budget document before it is finalized and filed with the State Auditor's Office.

- D. Ensure financial information for all county funds is included in the annual budgets.

**AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *We concur and will implement during this next budget process.*
- B. *We will take appropriate action this next budget process.*
- C. *This is being done; however not as suggested by your audit. The county was instructed by the former commission to disburse the \$157,028 to the County Common Road District and subsequent deposit back into the Special Road and Bridge Fund. This was done to reflect total receipts of the County Common Road Fund. The financial activity was reflected in both funds in our accounting records. We will ensure these transactions are reflected consistently each year.*
- D. *This has been implemented.*

<b>3. Computer Controls and Property Tax System</b>
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The county's assessment lists and tax books are maintained on a computerized property tax system. The County Assessor is responsible for entering the assessed valuation data. The computer room staff is responsible for entering the tax rates, extending and printing the tax books, and abstracting tax payments. The County Clerk verifies the tax books and the County Collector collects the property taxes. Our review of controls relating to the computer system and other property tax system controls noted the following concerns:

- A. The County Assessor sometimes reviews complaints concerning assessed valuations on real and personal property and changes the assessed valuation of the related account without the involvement of the county Board of Equalization.

Sections 138.060 and 138.070, RSMo 2000, require the county Board of Equalization, composed of the county commission, the assessor, and the county clerk, to hear appeals regarding assessed valuations of property, and to correct and adjust assessments as necessary. The county Board of Equalization (BOE) is to make such changes. The County Assessor has no authority to alter assessments after May 31. The County Assessor is to make adjustments at the direction of the Board of Equalization, and the County Clerk is to make any necessary changes to the tax books.

The procedures currently followed circumvent the statutorily required checks and balances in the assessment adjustment process, and result in a lack of proper segregation of duties.

Assessed valuations are the basis on which tax levies are set. Inaccurate assessed valuations, or valuations which are subject to changes throughout the tax year, can lead to the imposition of tax levies which are greater or less than amounts authorized by statute.

- B. Employees of the County Assessor's office, the County Collector's office and the County Clerk's office have passwords, but these passwords are only changed when an employee terminates employment rather than on a regular basis. A system of passwords and other procedures can be used to properly restrict access. A unique password should be assigned to each user of a system, and these passwords should be kept confidential and changed periodically to help limit the effect of unauthorized access to computer files.
- C. No security system is in place to detect and stop incorrect log-on attempts after a certain number of tries. An unauthorized individual could try an infinite number of times to log on the system and if successful, have unrestricted access to program and data files.

To help protect computer files, a security system should be implemented to stop incorrect log on attempts after a certain number of tries. Such a system should produce a log of the incorrect attempts, which should be reviewed periodically by an authorized official.

- D. No formal disaster recovery contingency plan has been developed, approved, or documented in case that the system is lost. The only data recovery method is the backup disk run the previous night or a weekly backup disk stored at the bank.

Development of a contingency plan should include plans for a variety of situations, such as short-term and long-term plans for backup hardware, software, facilities, personnel, and power. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefits of thorough contingency planning come from the ability of an organization to recover rapidly from a disaster or an extraordinary situation, which may cause considerable loss or disruption to the organization. Because of the county's degree of reliance on the data processing function, the need for contingency planning is evident.

**WE RECOMMEND** the County Commission:

- A. Establish proper procedures to ensure the Board of Equalization reviews assessment complaints, orders the Assessor to make any necessary changes to



property assessments, and the County Clerk makes subsequent adjustments to the tax books.

- B. Establish a password system, which requires each user be assigned a unique user ID and password, and require passwords to be changed periodically.
- C. Establish a security system to stop and report incorrect log-on attempts after a certain number of tries.
- D. Ensure a formal contingency plan for the county's computer system is developed.

### **AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *The County Commission, County Assessor, and County Clerk do have procedures in place to handle all formal changes that occur during the BOE process. The County Assessor has taken steps to track informal changes that occur after the Form 11 (the May 31<sup>st</sup> summary) is turned over until the final summary is completed after the BOE hearings. Although the computer report is not complete showing all of the informal changes, the county will work with the computer programmer to ensure all changes are documented and reviewed by the BOE.*
- B. *The passwords have been recently changed.*
- C. *We will review our current security levels and take appropriate action if warranted.*
- D. *An agreement was established many years ago and we will ensure the plan is still viable.*

<b>4. Personnel Policies and Procedures</b>
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- A. The county's personnel policies manual contains some policies that are unclear and/or outdated and are not being followed consistently among the various county departments.
  - Although the County Commission has established a written policy for meal reimbursements, the policy is not followed by all county employees. The county's policy for meal reimbursements states county employees shall be reimbursed a maximum of \$25 per day; however, the Sheriff's Department policy (a separate policy from the county's) allows a maximum of \$30 per day. A written personnel policy for all employees is necessary to provide assurance all employees are treated equitably and to prevent misunderstandings.

- The county allows employees to request travel advances for the purpose of attending training seminars, and conferences; however, the county has no written policy related to cash advances. We noted a \$500 cash advance was provided to a Sheriff's office employee to pay for expenses relating to DARE training; however, \$129 of unused monies was not returned to the County Treasurer until one month after the training.
- The county has not adopted a detailed county-wide overtime and compensatory policy. The county's current policy discourages the use of overtime and does not specify the rate at which overtime and compensatory time will be compensated. The county pays employees time and one-half for overtime and compensatory time. We noted one instance where an employee was paid over \$16,400 in overtime between January 1999 and July 2001.

A current and comprehensive personnel policies manual is necessary to clearly outline the expectations and benefits of employment, and can also help ensure that management's policies are fairly and consistently applied to all county employees. If inconsistent, application of policies or instances of non-compliance with established policies are identified, timely action should be taken to determine the cause and rectify the problem.

- B. Sheriff department employees are required to complete time sheets; however, supervisory approval is not documented on the time sheets.

Employee time sheets should include documentation of supervisory approval to ensure all salary payments are based upon hours actually worked.

**WE RECOMMEND** the County Commission:

- A. Review and update the county's personnel policy manual. Detailed policies regarding reimbursed travel expenses, overtime and compensatory time should be developed and included. In addition, the County Commission should ensure that the county's personnel policy is followed by all county employees.
- B. Require documentation of supervisory approval on all time sheets.

**AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *We intend to update the personnel policy manual to address the applicable issues. We are drafting sections of the manual addressing many of the most critical issues and hope to have the process completed within the next six to nine months.*
- B. *We will require this for all employees.*

**5.****Closed Meeting Minutes**

The County Clerk does not prepare minutes for the closed session of meetings of the County Commission. The County Commission held many closed sessions during the two years ended December 31, 2000, and while the regular meeting minutes did appear to disclose the reason for entering into closed session, minutes were not maintained for the closed portion of the meetings. In addition, it is not evident that the final disposition of matters discussed in closed meetings is made public. Section 610.021, RSMo 2000, allows the County Commission to close meetings to the extent the meetings relate to certain subjects, including litigation, real estate transactions, and personnel matters, and requires matters discussed in closed meetings to be made public upon final disposition.

Section 51.120, RSMo, 2000 requires the County Clerk to keep an accurate record of the orders, rules, and proceedings of the County Commission. Minutes constitute the official record of proceedings of the County Commission. Without adequate minutes, the County Commission cannot demonstrate that actions taken or business conducted during closed sessions related solely to the specific allowable reason announced for closing the meeting.

**WE RECOMMEND** the County Commission ensure minutes are prepared, approved, and retained for all closed meetings, and the final disposition of matters discussed in closed meetings is made public as required by state law.

**AUDITEE'S RESPONSE**

*The County Commission provided the following response:*

*This has been implemented by the current County Commission.*

**6.****Fixed Assets Records and Vehicle Procedures**

A. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. The county maintains a computerized inventory listing of fixed assets held by county officials. Our review of the fixed asset records and control procedures noted the following concerns:

- Additions are not always recorded in the property records as they occur and fixed asset purchases per the expenditure records are not reconciled to additions per the inventory records. Many of the fixed assets purchased during the two years ended December 31, 2000, were not included on the fixed asset records. Items not recorded in the records included eight Sheriff's vehicles totaling \$142,650, radio equipment for Sheriff's vehicles totaling \$13,091, an air conditioning unit totaling \$29,927, computer equipment totaling \$16,489, and a truck totaling \$8,300.

- Property records do not always include some necessary information, such as acquisition dates, serial numbers, and actual or estimated historical costs.
- Written authorization for disposal of county property is not obtained from the County Commission.

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

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories.

All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk.

B. The county owns and maintains eighty-nine vehicles assigned to various county departments/officials. During our review of the county-owned vehicles, we noted the following concerns:

- Vehicle logs are maintained by the assessor's office, the juvenile office, and on some sheriff department vehicles. No records are maintained on other county vehicles; therefore, the county cannot effectively monitor and ensure these other vehicles are used for official business. These logs should indicate the date used, mileage driven, destination, and purpose of the trips.
- Some employees/county officials use county-owned vehicles for commuting purposes. The county does not have a written policy on the use of county vehicles for commuting purposes and has not documented an assessment of the need for the vehicles. County officials indicated these employees are on call 24 hours a day due to emergency situations. We noted these employees/county officials do not maintain vehicle logs indicating the amount of business and personal use incurred for these vehicles, nor did the county document the emergency situations responded to by any of the employees/county officials.

Without a documented assessment of the need, there is limited assurance all county vehicles are being used for county business. Also, IRS guidelines indicate personal commuting mileage is a reportable fringe benefit and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs which distinguish between business and personal usage.

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

**WE RECOMMEND** the County Commission:

- A. Establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.
- B. Establish procedures for maintaining accurate and complete usage logs for all county-owned vehicles. In addition, the county should establish a written policy for employees/county officials regarding the appropriate use of county vehicles for commuting purposes and ensure records are kept which distinguish commuting and business mileage. Further, the county should comply with IRS guidelines for the reporting of fringe benefits relating to county vehicles utilized for personal use.

**AUDI TEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *This Commission upon taking office reviewed inventories taken by the County Clerk and reviewed all real estate owned by the county and documented our efforts. We will develop a written policy regarding all county-owned property.*
- B. *We will have vehicle logs for all county vehicles. We will also adopt a policy regarding the use of county vehicles and comply with the IRS guidelines regarding personal vehicle use.*

<b>7. Collector's Procedures</b>
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The County Collector's office processed property taxes totaling in excess of \$19 million during each of the years ended February 28, 2001 and 2000.

The County Collector occasionally waives interest and penalties on delinquent taxes. The County Collector indicated he sometimes forgave the entire interest and penalties if the county made an error in assessment or in other circumstances when he felt the delinquency was not the fault of the taxpayer. The County Collector also indicated he will often accept payments received in January that do not include the interest and penalty rather than returning the payment to the taxpayer and risk not receiving the funds at a later date. We noted the interest and penalties on approximately 220 accounts that were waived after the first week in January 2001 (the original tax totaling approximately \$160,000 out of approximately \$740,000 collected for the month). We also noted several other instances throughout the year where the County Collector waived the penalty and interest on delinquent taxes. Section 139.100, RSMo 2000, requires the County Collector to collect penalties on delinquent taxes. The only provision that allows a County Collector to waive penalties appears to be when current taxes are received after January 1, but are postmarked by December 31, or when a taxpayer is delinquent due to being engaged in the military. Furthermore, Section 139.100.3, RSMo 2000, states the collector is liable for failure to collect delinquent penalties.

In addition, documentation was not always retained indicating the reason why a waiver was granted and approval was not obtained by the County Commission.

**WE RECOMMEND** the Collector not waive interest and penalties on delinquent taxes without written court orders with approval of the County Commission.

### **AUDITEE'S RESPONSE**

*The County Collector provided the following response:*

*Of the 220 accounts noted above, 110 accounts related to mortgage companies that pay thru the Transamerica Real Estate Tax Service Company that erroneously submitted the wrong payment amount for the applicable accounts. We allowed the company to correct the mistake and submit the original tax amount in the month of January. There needs to be some guidelines provided to county collector's for waiving penalties and interest in those cases where errors occur and the taxpayer should not be penalized. This would require legislative action. All of the instances where penalties and interest have been waived were for legitimate reasons.*

<b>8. Sheriff's Accounting Controls and Procedures</b>
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The Sheriff collects various criminal and civil fees, bonds, gun permit fees, and reimbursements for boarding and transporting prisoners totaling approximately \$1.1 million annually. In addition, the Sheriff collects personal monies for inmates totaling approximately \$72,000 annually and operates a commissary to purchase food and personal items for prisoners.

A. Accounting duties are not adequately segregated. The accounting duties are segregated into three separate areas: bonds, fees and reimbursements, and

commissary funds. A separate employee has been designated responsible for each area for receiving, recording, depositing, and disbursing monies, as well as performing monthly bank reconciliations. There is no documented independent review of the accounting records and reconciliations.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are properly accounted for and assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented by the Sheriff or other independent person.

- B. Cash bonds totaling \$127,191 were being held in the Sheriff's bank account at December 31, 2000, several of which had been held for more than one year. The Sheriff's department retains the bond monies for those individuals whose case is pending within the county court system.

The Sheriff's department and the applicable court have not developed adequate procedures to follow-up on these cases. The Sheriff's department and the applicable court should develop procedures to ensure bond monies are processed on a timely basis and follow-up actions are taken when necessary.

- C. Civil process fees are not being recorded and deposited until the related process papers are served. We performed a cash count on May 30, 2001, and noted checks for civil process fees totaling \$12,279 (several checks that had been held for many months), that had not been recorded and deposited.

To ensure that civil process fees are accounted for properly, receipt slips should be issued immediately upon receipt and the monies deposited into the Sheriff's bank account. If it is later determined that the related process papers cannot be served, refund checks should be issued.

- D. The method of payment received (cash, check, or money order) is not always indicated on the receipt slips and reconciled to the composition of the amounts deposited.

To ensure receipts are accounted for properly and deposited intact, the composition of receipts should be indicated on the receipt slips and should be reconciled to the composition of bank deposits.

- E. At December 31, 2000, the Sheriff's bank accounts had \$12,495 in outstanding checks that were over a year old. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Procedures should be adopted to routinely follow up on old outstanding checks. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

- F. The Sheriff's department leases office space in Joplin for a satellite office. The lease payments total \$7,200 per year and the utilities and insurance average approximately \$300 per month. The Sheriff's department allows the Newton County Ambulance District to use a portion of the leased space at no charge in exchange for ambulance services to the county jail at no charge. The Sheriff's department has no written contract for this arrangement. Further, no formal review has been performed to evaluate the cost/benefit of this agreement.

The County Commission and Sheriff should periodically review and formally evaluate the costs of operating the satellite office, including any indirect costs, and the exchange of services.

Section 432.070, RSMo 2000, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents. Additionally, written contracts define the responsibilities of the contracting parties and provide the contract costs and the basis for the costs.

- G. A Newton County reserve deputy collects bonds at a local truck weight scale on behalf of the county and transports the applicable monies to the Sheriff's department. The Sheriff's department has no written contract for this service. During the two years ended December 31, 2000, the reserve deputy was paid a fee of \$15 per individual that was ticketed. This fee was increased to \$20 for 2001. The reserve deputy was paid fees totaling \$32,670 and \$36,105 for 2000 and 1999, respectively.

These payments to the reserve officer represent a fee paid per individual ticketed to transport bonds and, as such are in violation of Article VI, Section 13 of the Missouri Constitution, which requires all officers charged with investigation, arrest, prosecution, custody, etc. of persons accused of or convicted of criminal offense to be compensated for their official services only by salaries. In addition, Section 57.230, RSMo, requires the county to pay the salaries of each deputy in an amount set by the circuit judge of the county.

**WE RECOMMEND** the Sheriff:

- A. Adequately segregate the responsibility of depositing, distributing, and reconciling the bank accounts or provide for adequate review of the reconciliation of the bank accounts.
- B. And the applicable court develop procedures to ensure bond monies are processed on a timely basis and follow-up actions are taken when necessary.
- C. Issue receipt slips for civil process fees immediately upon receipt and deposit them in the bank account. Any refunds should be made by check.



- D. Ensure the method of payment is indicated on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.
- E. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- F. And the County Commission evaluate the costs/benefit of the agreement with the ambulance district. A formal written agreement should be entered into between the County Commission and the ambulance district if the arrangement is determined beneficial to both parties.
- G. Discontinue paying the reserve deputy on a fee basis and set the salary in accordance with state law.

**AUDITEE'S RESPONSE**

*The Sheriff provided the following responses:*

- A. *We will develop procedures to provide a review of each area by a separate individual.*
- B. *We are working with the courts and the Prosecuting Attorney to follow-up on some of the older bond monies. We will continue to work with the court to review these monies.*
- C. *We agree with the recommendation, yet we simply do not have the time to implement.*
- D. *This is being done for the fees. We will implement for the remaining sections.*
- E. *We have been working with the Prosecuting Attorney to dispose of these partition sales monies. We will continue to follow-up and take appropriate action.*
- F. *We have been paying all of the related expenses of the satellite office out of our Sheriff's Civil Fee Fund. We will obtain a written agreement with the ambulance district in the future.*
- G. *We will review the situation with the Prosecuting Attorney and the County Commission and determine how to approach any possible changes. We thought we had addressed the issue when setting up this procedure by seeking advice from a former Prosecuting Attorney and the Attorney General's Office.*

<b>9. Prosecuting Attorney's Accounting Controls and Procedures</b>
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The Prosecuting Attorney's office collected court-ordered restitution and bad check related restitution and fees in 2000 and 1999 of approximately \$448,800 and \$379,800, respectively. Our review noted the following concerns:

- A. Accounting duties are not adequately segregated. Three clerks collect monies and one of these clerks is also responsible for preparing deposit slips, preparing bank reconciliations, and maintaining the accounting records.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- B. Amounts owed to merchants are not disbursed in a timely manner. On May 23, 2001, we counted over 200 checks made payable to merchants totaling \$13,478, several of which had been held over one month.

The Prosecuting Attorney should ensure monies collected on restitution cases are disbursed to the respective parties on a timely basis. The current situation creates additional and unnecessary record-keeping responsibilities and increases the risk of the loss or misuse of funds.

- C. Bad check fees are not remitted to the County Treasurer in a timely manner. We noted that these fees were held in the bank account for two months before being disbursed to the county.

Section 56.340, RSMo 1994, requires that the Prosecuting Attorney turn over all fees collected to the County Treasurer monthly.

- D. At December 31, 2000, the bank account had \$5,823 in outstanding checks that were over a year old. Some of these checks dated back prior to 1994. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Procedures should be adopted to routinely follow up on old outstanding checks. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

- E. Receipt slips are not always issued when money is received. For example, a cash count on May 23, 2001, noted two money orders totaling \$50 for which receipt slips had not been issued. To reduce the risk of loss or misuse of funds monies should be recorded immediately upon receipt.

- F. Money orders received made payable to the Prosecuting Attorney are not restrictively endorsed immediately upon receipt and receipts are not always deposited in a timely manner. We noted deposits are made approximately 2-3 times a week. To adequately safeguard monies and reduce the risk of loss or misuse of funds, money orders should be restrictively endorsed immediately upon receipt and receipts should be deposited daily or when accumulated receipts exceed \$100.

- G. The December 31, 2000 open items listing included items totaling \$2,928 for cases which date back to 1999 and prior. The status of old open items should be routinely reviewed to determine if any disbursement is necessary. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Disburse restitution payments to the various parties to whom the monies are owed in a timely manner.
- C. Turn over all fees to the County Treasurer at least monthly in accordance with Section 56.340, RSMo 2000.
- D. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- E. Issue receipt slips immediately upon receipt for all monies.
- F. Ensure all money orders made payable to the Prosecuting Attorney are restrictively endorsed immediately upon receipt, and deposit all receipts daily or when accumulated receipts exceed \$100.
- G. Establish procedures to routinely review the status of old open items. Any unclaimed monies should be disposed of in accordance with state law.

**AUDITEE'S RESPONSE**

*The Prosecuting Attorney provided the following responses:*

- A. *The office manager will review receipt records to determine that they reconcile to deposits on a quarterly basis.*
- B. *We have a new software system. All payments are now made directly to the Prosecuting Attorney's office and we subsequently issue a computer generated check within 30 days.*
- C. *This will be done monthly.*
- D. *A list of people for whom we are holding funds will be published, and subsequent to the publication the monies will be deemed abandoned.*
- E. *The new software system will eliminate any money orders being held.*

- F. *We will endorse immediately upon receipt and deposit daily.*
- G. *We have significantly reduced this balance. If payees cannot be located, we will dispose of unclaimed monies according to state statute.*

<b>10. Circuit Clerk and Ex Officio Recorder of Deeds</b>
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The Circuit Clerk's office received approximately \$2 million during the year ended December 31, 2000, which was deposited into the fee and child support accounts. During our review, we noted the following concerns:

- A. Thirty-six checks written on the child support account totaling \$1,552 have been outstanding for over one year. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Procedures should be adopted to routinely follow up on old outstanding checks. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.
- B. Monthly listing of open items (liabilities) are not prepared. At our request, a listing of open items was prepared which was \$510 less than the reconciled bank balance at May 31, 2001.

Monthly open items listings should be prepared and reconciled to the cash balances to ensure the accounting records are in balance and sufficient cash is available for the payment of all liabilities. Differences between open items and cash balances should be investigated monthly and resolved.

- C. No formal procedures have been established to ensure all accrued costs are adequately identified and pursued. Summary records are not maintained of accrued cost balances, and the Circuit Clerk does not periodically determine total accrued costs. When costs are initially assessed to a case, the Circuit Clerk prepares and sends a cost bill to the defendant; however, no follow up action is taken.

To ensure that all applicable receipts are received by the court, formal procedures should be established and records of accrued cost balances should be maintained. These records should be periodically reviewed to ensure that accrued costs are identified and followed up in a timely manner.

- D. The Recorder's User Fee Fund balance increased over \$39,100 during the two years ended December 31, 2000. As of December 31, 2000, the balance of the Recorder User Fee Fund totaled \$93,229 while expenditures for 2000 and 1999 totaled only \$19,514. There are no documented plans for the use of this fund. The Circuit Clerk/Ex Officio Recorder of Deeds should work with the County Commission to review the fund balance and develop a plan to utilize the funds as allowed by Section 59.319, RSMo 2000, and reduce the accumulated balance.

**WE RECOMMEND** the Circuit Clerk:

- A. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- B. Prepare monthly listings of open items and reconcile the listings to cash balance. Unidentified differences should be investigated and resolved.
- C. Establish adequate procedures to follow up and collect costs that accrue to the court.
- D. Work with the County Commission to review the balance of the Recorder's User Fee Fund and prepare a formal plan to utilize the funds and reduce the accumulated balance.

**AUDITEE'S RESPONSE**

*The Circuit Clerk provided the following responses:*

- A. *We do have procedures in place for our outstanding child support checks. Deborah Wilks of my office works on these checks monthly. As you may well be aware, with MACSS (Missouri Automated Child Support System) nothing is done fast. For example, she worked with one check from the time we received the December 31, 2000 bank statement back from the Office of the State Courts Administrator's Office (OSCA) in the latter part of January 2001 until August 15, 2001, when, at last, the check was reissued to a new address. OSCA has requested that we do nothing with checks under the amount of \$5 until after December 31, 2001, or until we are notified that MACSS has software in place to add these small amounts to the payee's next check. OSCA has informed us that by law we are not required to turn anything over to unclaimed funds for five (5) years.*
- B. *In the past, monthly open items have always been prepared and the computer statement was in balance with bank reconciliations. Upon placing the open items on computer and adding the changes to the computer monthly, we did stop adding the fee sheets monthly. After visiting with your office we did begin and have continued adding the fee sheets monthly and are trying to investigate and solve our unidentified differences. By implementing these actions, I feel confident that in the near future these problems will be solved. In 1998 we began and continue to pay out the filing fee as they come in and have no open items left. Most all of these open items are from cases prior to 1998, which we are paying out as fast as is feasible. We have also ordered ledger trays to separate the fee sheets with the open items from those with none in order that we will not run the risk of missing an amount when the fee sheets are totaled, as we are checking to find the difference.*
- C. *We are planning to review these quarterly with the judges approval. Uncollectible amounts will be written-off with the judges approval.*

- D. *We are planning to update our computer system and go online by the end of 2002. The projected costs of this undertaking is approximately \$74,000, and we have documented our plans. We will discuss the plans with the County Commission.*

<b>11. Health Center Accounting Controls and Procedures</b>
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- A. The Health Center does not have adequate controls in place to ensure the proper safeguarding of receipts from theft, misuse or loss. Monies received are not deposited intact on a timely basis. Also, the composition of receipts is not reconciled to the composition of deposits.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies received should be immediately recorded and deposited intact daily or when accumulated receipts exceed \$100. In addition, the composition of receipts should be reconciled with the composition of the bank deposits.

- B. Health center employees are required to complete time sheets, however, supervisory approval is not documented on the time sheets.

Time sheets should include documentation of supervisory approval to ensure all salary payments are based upon hours actually worked.

- C. The Health Center's budget was not always accurate. Actual expenditures for 2000 were overstated by \$102,331. The overstatement was caused when the health center reported an investment in a certificate of deposit as an expenditure.

As a result of the error, it was necessary to make an adjustment to the amounts presented in the financial statements.

This error could have been detected had a thorough review been performed by the health center and then corrected before the budget was finalized. A thorough review comparing the actual amounts per the budget to the accounting records should be performed each year to ensure the financial activity is being properly presented to the public.

To be of maximum assistance to the board and to adequately inform the public, budgets should accurately reflect the actual beginning cash balances and estimated receipts, disbursements, and ending cash balances. Chapter 50, RSMo, requires the health center to present a complete financial plan for the ensuing year.

- D. The Health Center's funds on deposit were not adequately covered by collateral securities. Coverage was deficient by approximately \$706 during January 2000. The health center board of trustees apparently did not monitor the funds on deposit to ensure adequate collateral securities were pledged. Monitoring FDIC

and collateral securities coverage becomes even more critical if the board's available monies continue to increase as they have in recent years.

Section 110.020, RSMo 2000, provides the value of the securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC. Inadequate collateral securities leave funds unsecured and subject to loss in the event of a bank failure.

E. Our review of the fixed asset records and control procedures noted the following concerns:

1. Additions of fixed assets are not always recorded as they occur and fixed asset purchases per the expenditure records are not reconciled to additions per the inventory records. Also, the property records do not include the health center's land, building, and building improvements.
2. Property records do not always include some necessary information, such as acquisition date or date of disposition.

Adequate general fixed asset records are necessary to safeguard the assets and provide a basis for proper insurance coverage.

F. The Health Center does not maintain computer backup disks of financial and payroll information to provide a means of recreating destroyed information. Backup disks should be maintained and stored off-site to provide increased assurance that any lost data can be recreated.

G. The Health Department board held many closed sessions during the two years ended December 31, 2000, and while the regular meeting minutes did appear to disclose the reason for entering into closed session, minutes were not maintained for the closed portion of the meetings. Section 610.021, RSMo 2000, allows the County Commission to close meetings to the extent the meetings relate to certain subjects, including litigation, real estate transactions, and personnel matters.

Minutes constitute the official record of proceedings of the Health Center Board of Trustees. Without adequate minutes, the board cannot demonstrate that actions taken or business conducted during closed sessions related solely to the specific allowable reason announced for closing the meeting.

**WE RECOMMEND** the Health Center Board of Trustees:

- A. Ensure all monies are promptly recorded and deposited intact daily or when accumulated receipts exceed \$100. In addition, the composition of the receipts should be reconciled with the composition of the bank deposits.
- B. Require documentation of supervisory approval on all time sheets.

- C. Ensure budget documents contain complete, and accurate information about the health center's finances.
- D. Ensure adequate collateral securities are pledged for all funds on deposit in excess of FDIC coverage.
- E.1. Record all additions of fixed assets as they occur and ensure purchases are reconciled periodically to additions to the property records. In addition, include the cost of land, buildings, and building improvements on the property records.
  - 2. Ensure all necessary information is included on the asset records.
- F. Ensure backup disks are prepared and stored in a secure, off-site location.
- G. Ensure minutes are prepared, approved, and retained for all closed meetings

### **AUDITEE'S RESPONSE**

*The Health Center Administrator provided the following responses:*

- A. *The Health Department has begun this procedure by putting tighter restraints and limiting the number of receipt books available at any one time. We have also begun reconciling receipts to the composition of the bank deposits.*
- B. *Administration will meet with supervisory personnel at a supervisory staff meeting to reinforce their responsibility of approving monthly time sheets by checking and signing with additional measures to catch any oversights.*
- C. *The Health Department will correct the presentation of the investments and continue to maintain accounting procedures for budget items to substantiate accurate information.*
- D. *The Health Department will begin to closely monitor the collateral securities pledged to ensure all funds on deposit are adequately secured.*
- E.1. *The Health Department will include the cost of land, buildings, and building improvements on the property records and will reconcile additions and deletions on a periodic basis.*
  - 2. *The Health Department is in the process of correcting oversights and ensuring that asset records are current and complete.*
- F. *The Health Department will update its system for backing up financial and payroll data and proper securing of data at our current off-site location.*
- G. *The Health Department Board of Trustees will be advised in the proper way for recording and retaining minutes of all closed meetings.*



This report is intended for the information of the management of Newton County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

## Follow-Up on Prior Audit Findings

NEWTON COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Newton County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the three years ended December 31, 1996, and our Special Review of the Newton County Courthouse Renovation Project for the period 1996 - 1998. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgetary and Reporting Practices

- A. Disbursements were made in excess of the approved budgets.
- B. Formal budgets were not prepared or obtained for various county funds.
- C. The budget documents of some county funds did not include all beginning available resources and did not reasonably estimate the revenues and expenditures.
- D. The annual published financial statements did not include the financial activity of some county funds.

Recommendation:

The County Commission:

- A. And the Mental Health Board keep expenditures within the amounts budgeted. If excess expenditures are necessary, the extenuating circumstances should be fully documented in the commission minutes and the budgets should be properly amended.
- B. Ensure budgets are prepared and filed for all county funds in accordance with state law.
- C. Ensure the amounts presented on the budget documents are reasonable. This would include ensuring all available resources are presented in the budget documents for all applicable funds and that reasonable estimates of revenues and expenditures for each fund are presented.
- D. Ensure all county funds are included in the published financial statements.

Status:

A&D. Implemented.

B&C. Not implemented. See MAR No. 2.

2. County Expenditures

- A. The county failed to bid some purchases and ensure all efforts to obtain bids were adequately documented.
- B. Several instances were noted where the county made duplicate payments to various vendors.
- C. Expenses of the Sheriff's department related to criminal extraditions and criminal transportation were paid from the Prosecuting Attorney Delinquent Tax Fund (PADTF) instead of the General Revenue Fund.
- D. The receipt of goods or services was not always noted on invoices approved for payment and adequate supporting documentation could not be located for several expenditures.

Recommendation:

The County Commission:

- A. Solicit bids for purchases in accordance with Section 50.660, RSMo. Documentation of bids solicited and justification for bid awards should be retained by the County Clerk. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.
- B. Take steps to ensure duplicate payments are not made. Payments to vendors should be made only from original vendor invoices, not from statements.
- C. Ensure all payments for extraditions and criminal transport mileage are paid from the General Revenue Fund instead of the Prosecuting Attorney Delinquent Tax Fund. In addition, any related state reimbursements should be deposited into the General Revenue Fund.
- D. Require that the receipt of goods and/or services be documented on an invoice prior to approving it for payment. In addition, adequate supporting documentation should be maintained for all expenditures made from county funds.

Status:

A&B. Not implemented. See MAR No. 1.

C. Implemented.

D. Partially implemented. Several invoices reviewed did not contain documentation of receipt of goods and/or services. Although not repeated in the current MAR, our recommendation remains as stated above.

3. Federal Financial Assistance

See our audit report on Newton County, Missouri, for the two years ended December 31, 1998 (report number 99-87).

4. Depository Contract

The bank accounts of various county officials earned a substantially lower rate of interest than provided by the depository contract.

Recommendation:

The County Commission ensure the depository bank is provided all necessary information regarding county bank accounts. In addition, the interest revenue credited to the various bank accounts should be monitored to ensure the amounts comply with the provisions of the depository agreement.

Status:

Implemented.

5. Assessment Fund

A. The county did not annually bill the various cities within the county for their share of assessment costs.

B. The county under reported costs incurred from the Assessment Fund on the reimbursement claim forms in 1994.

Recommendation:

The County Commission:

A. Ensure the cities are billed for their share of assessment costs in accordance with Section 137.720, RSMo 1994. In addition, the county should follow up on any instances where a city has not remitted the amount owed.

- B. And County Clerk accurately report to the state all assessment costs incurred to maximize the amounts reimbursed. In addition, the county should determine if any unreported expenditures can still be claimed for reimbursement.

Status:

- A. Partially implemented. The County Clerk notifies the applicable cities each year by a letter that assessment costs should be remitted to the county; however, several cities are delinquent. Although not repeated in the current MAR, our recommendation remains the same.

- B. Implemented.

6. Distributions to Special Road Districts

The county did not consistently follow its written policy regarding the distribution of the County Aid Road Trust (CART) monies.

Recommendation:

The County Commission follow its written policy regarding when payments related to approved CART projects are to be made to the special road districts. In addition, the commission should ensure records are maintained which adequately document the dates a road project is approved and completed.

Status:

Implemented.

7. General Fixed Asset Records and Procedures

- A. The general fixed asset records were not complete.
- B. An annual physical inventory of all fixed asset items was not performed.
- C. Property items sold were not always deleted from the fixed asset records.

Recommendation:

The County Clerk:

- A. Ensure all county-owned land and buildings and items which cost \$250 or more are included in the county's fixed asset records. This would include reconciling property purchases to fixed asset additions.

- B. Perform and document annual inventories of county-owned property in accordance with Section 51.155, RSMo Cum. Supp. 1996.
- C. Ensure that property items sold are deleted from the property records on a timely basis.

Status:

A&B. Not implemented. See MAR No.6.

C. Implemented.

8. Nursing Home Revenue Bonds

The county did not receive any statements detailing bank activity nor receive any confirmation from the trustee bank that the accounts were being maintained in compliance with the bond covenants.

Recommendation:

The County Commission request the trustee bank to deliver statements of the bond accounts to monitor activity in the accounts, ensure compliance with the bond covenants, and ensure adequate collateral is pledged to secure the debt service funds.

Status:

Implemented.

9. Prisoner/Commissary Monies and Telephone Commissions

- A.1. Receipt slips were not issued for all prisoner monies received.
  - 2. Prisoner and commissary monies were held in cash.
  - 3. Unclaimed prisoner monies totaling \$765 remain in a bank account.
  - 4. Records were not maintained to document the activity of the Commissary Fund.
- B.1. Telephone commission revenues received by the sheriff's department were not handled properly.
  - 2. Expenditures paid from telephone commissions were not bid.

Recommendation:

The Sheriff:

- A.1. Issue prenumbered receipt slips for all prisoner monies received.
- 2. Deposit all prisoner monies and commissary funds into an official bank account and ensure the account is reconciled to the individual prisoner ledger balances and commissary balance.
- 3. Attempt to locate and disburse the prisoner monies currently maintained in the bank account to the applicable individuals. Any remaining monies should be appropriately disposed of in accordance with Chapter 447, RSMo 1994.
- 4. Maintain adequate records to document the balance and accumulated profits in the Commissary Fund as well as documentation to support how all the monies of the fund are expended.
- B.1. Continue to turn over all telephone commissions to the County Treasurer for deposit into the General Revenue Fund.
- 2. Ensure expenditures are properly bid as required by Section 50.660, RSMo Cum. Supp. 1996.

Status:

A.1-2,A.4

&B Implemented.

- A.3. Partially implemented. Although the sheriff's department has written checks to dispose of these monies, the checks have not been mailed out. The commissary clerk holds the checks in a file until picked-up by the applicable individual. Although not repeated in the current MAR, our recommendation remains the same.

10. Prosecuting Attorney's Handling of Check Restitution Monies

- A. A log of bad check restitution cases was not maintained.
- B. Money orders received were not restrictively endorsed immediately upon receipt and receipts were not always deposited in a timely manner.
- C. Bad check fees were not remitted to the County Treasurer in a timely manner.
- D. Amounts owed to merchants were not disbursed in a timely manner.



- E. Outstanding checks totaling \$1,448 were at least one year old.

Recommendation:

The Prosecuting Attorney:

- A. Maintain a log of all bad check complaints filed with his office.
- B. Ensure all checks and money orders made payable to the Prosecuting Attorney are restrictively endorsed immediately upon receipt, and deposit all receipts daily or when accumulated receipts exceed \$100.
- C. Turn over all fees to the County Treasurer at least monthly in accordance with Section 56.340, RSMo 1994.
- D. Disburse restitution payments to the various parties to whom the monies are owed in a timely manner.
- E. Attempt to locate the payees of the old outstanding checks and reissue checks, if possible. Any remaining amounts should be disbursed in accordance with state law. In addition, the Prosecuting Attorney should establish procedures to follow up on any checks which have been outstanding for a specified period of time.

Status:

- A. Implemented.
- B-E. Not implemented. See MAR No. 9.

11. Public Administrator

- A. Total fees received were not accurately reported to the county.
- B. Assets were not properly reflected on the settlements.
- C. Professional appraisals were not always obtained to value significant real estate and personal property.

Recommendation:

- A. The Public Administrator include all fees received for each estate on the annual report filed with the County Clerk. In addition, the Public Administrator should pay \$246 to CERF (County Employee Retirement Fund) related to the unreported fees.

The Associate Circuit Judge - Probate Division:

- B. Ensure the Public Administrator includes the following information in the settlements:
  - 1. A detailed listing of all personal property.
  - 2. CDs (certificates of deposit), IRAs (individual retirement accounts) and saving accounts individually listed on the settlements.
  - 3. Any real estate, life insurance policies, burial policies, and promissory notes listed as assets on the settlements.
  - 4. All interest income earned be reflected in the settlement activity and balances.
  
- C. Consider requiring the Public Administrator to obtain professional appraisals for any significant real estate or personal property owned by an estate or ward. A copy of the professional appraisal should be maintained in the case file and any subsequent settlements should reflect the appraisal amount(s).

Status:

Implemented.

12. Ex Officio Recorder of Deeds' Controls and Procedures

- A. A proper check register was not maintained for the bank account.
- B. Monthly bank reconciliations were not performed.
- C. Receipts were not always deposited intact.
- D. The composition of receipts per the daily report was not reconciled to the composition of the bank deposits.
- E. Fees totaling \$2,448 were mistakenly paid to the General Revenue Fund instead of the County Employees Retirement Fund.

Recommendation:

The Ex Officio Recorder of Deeds:

- A. Maintain a proper check register to which all bank activity is recorded and a running balance is maintained.
- B. Ensure the bank balance is reconciled to the accounting records on a monthly basis. Documentation of these reconciliations should be maintained.

- C. Deposit all monies received intact. Any refunds necessary should be made by check.
- D. Ensure the composition of receipts per the daily report is reconciled to the composition of the bank deposits.
- E. Request the County Commission to direct the County Treasurer to transfer \$2,448 from the General Revenue Fund to the County Employees Retirement Fund or correct this situation on a subsequent turnover(s).

Status:

Implemented.

13. Circuit Clerk's Controls and Procedures

- A. Outstanding checks totaling \$7,779 were at least one year old.
- B. The open-items listings were not adequately reconciled to the reconciled cash balances. Differences existed between the reconciled cash balance and the open-items listing.
- C. Bids were not obtained for certain expenditures made from the interest account.
- D. Copy monies were not recorded and turned over to the County Treasurer.

Recommendation:

The Circuit Clerk:

- A. Attempt to locate the payees of the old outstanding checks and reissue the checks, if possible. Any remaining monies should be disbursed in accordance with state law. In addition, procedures should be established to follow up and resolve outstanding checks on a timely basis.
- B. Attempt to identify the excess cash balance which currently exists in the fee account. Any unidentified amount should be disposed of in accordance with Chapter 447, RSMo 1994 and 50.500, RSMo 1994.
- C. Ensure bids are obtained for expenditures made from her interest account as required by state law.
- D. Maintain a record for all copy monies received and turn these monies over to the County Treasurer on a monthly basis, as required.

Status:

- A&B. Not implemented. See MAR No.10.
- C. Implemented.
- D. Partially implemented. The copy monies are not recorded until the end of the month when they are turned over to the County Treasurer. Although not repeated in the current MAR, our recommendation remains the same.

14. Health Center's Records and Procedures

- A. Actual expenditures exceeded budgeted amounts for 1996 and 1994.
- B. Accurate cash balances as well as all available resources were not included in the budget documents.
- C. A proper cash control ledger was not maintained.
- D. Bank reconciliations were not performed.
- E. The health center board paid for Christmas parties for employees.
- F.1. Some health center employees had accumulated compensatory time in excess of the amounts allowed by the Fair Labor Standards Act (FLSA).
  - 2. Supervisory approval is not required on employee time sheets.
- G.1. Equipment purchases were not reconciled with additions to the fixed asset records.
  - 2. Fixed asset items were not always numbered, tagged, or otherwise identified as health center property.

Recommendation:

The Health Center Board:

- A. Not authorize expenditures in excess of budgeted amounts. Any extenuating circumstances should be documented in the minutes, and any budget amendments should be filed with the County Clerk and the State Auditor's office.
- B. Include all available resources in the budget documents.
- C. Require a cash control ledger be maintained which accounts for all receipts, disbursements, and beginning and ending cash balances.

- D. Require the preparation of monthly bank reconciliations and ensure documentation of these reconciliations is maintained.
- E. Ensure expenditures are limited to those necessary to operate the health center.
- F.1. Take steps to address the excess compensatory leave balances and establish procedures to ensure that accumulated compensatory balances do not exceed the limit set by the FLSA.
  - 2. Ensure that a supervisor's approval is required on all employee time sheets.
- G.1. Ensure that equipment purchases are reconciled to additions to the property records.
  - 2. Ensure that all property items are properly tagged and identified as health center property.

Status:

A-E,  
& F.1. Implemented.

F.2.,  
& G. Not implemented. See MAR No. 11.

**SPECIAL REVIEW OF  
NEWTON COUNTY COURTHOUSE RENOVATION PROJECT  
1996 – 1998**

Newton County spent in excess of \$1 million on a courthouse renovation project from 1996-1998, which was poorly planned and managed by the County Commission. The county did not develop any formal plans related to the renovation project. The County Commission entered into a verbal agreement with a local contractor, Roger Hulsey Enterprises, to serve as the general contractor on the project. The county agreed to reimburse the contractor for his materials and labor costs plus a 10 percent commission. The county paid the contractor a total of \$507,192 through September 1998 without requiring the contractor to provide documentation of his actual costs.

- A. Based on our review of the contractor's financial records, it appears the contractor overbilled the county at least \$74,701.
- B.1. The County Commission did not enter into a formal written agreement with the contractor.
  - 2. The invoices submitted to the county by the contractor were inadequate, providing little to no detail of the material and labor costs incurred by the contractor.

3. The County Commission did not require the contractor to provide supporting documentation of wages paid by the contractor to ensure that the prevailing wage requirements were met.
- C. The County Commission did not develop any formal plans or solicit the services of a professional engineering firm related to the \$1 million courthouse renovation project.
- D. The county did not solicit bids for some of the courthouse renovation project work.

Recommendation:

The County Commission:

- A. Continue to work with law enforcement officials regarding any criminal prosecution and obtain restitution for over billings.
- B.1. Enter into written agreements for all services which detail all duties to be performed and the compensation to be paid.
  2. Ensure adequate supporting documentation is submitted to substantiate amounts claimed for actual costs incurred by the contractor.
  3. Ensure prevailing wage is paid on all construction projects as required by law.
- C. Ensure major construction projects are properly planned and monitored.
- D. Solicit bids for purchases in accordance with Section 50.660, RSMo. Documentation of bids solicited and justification for bid awards should be retained by the County Clerk. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.

Status:

- A. Criminal charges have been filed and the case is pending trial.
- B.1.,  
&D. Not implemented. See MAR No. 1
- B.2.&  
B.3. Implemented.
- C. The county has not participated in any major construction projects.

STATISTICAL SECTION

History, Organization, and  
Statistical Information



NEWTON COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1938, the county of Newton was named after Sergeant John Newton, a soldier of the Revolutionary War. Newton County is a county-organized, third-class county (Newton County became a second-class county in January 2001) and is part of the Fortieth Judicial Circuit. The county seat is Neosho.

Newton County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Newton County received its money in 2000 and 1999 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2000		1999	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 368,124	4	343,688	4
Sales taxes	4,346,593	49	3,995,051	55
Federal and state aid	2,035,556	23	1,733,529	24
Fees, interest, and other	1,167,573	24	1,118,739	17
Total	\$ 7,917,846	100	7,191,007	100

The following chart shows how Newton County spent monies in 2000 and 1999 from the General Revenue and Special Road and Bridge Funds:

USE	2000		1999	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 2,993,788	35	2,733,003	36
Public safety	3,042,543	36	2,347,389	31
Highways and roads	2,523,620	29	2,451,365	33
Total	\$ 8,559,951	100	7,531,757	100

The county maintains approximately 128 county bridges and 949 miles of county roads.

The county's population was 32,981 in 1970 and 44,407 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	2000	1999	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 301.0	287.8	158.3	54.7	30.4
Personal property	146.0	127.9	35.1	18.9	8.5
Railroad and utilities	50.1	48.8	22.1	21.1	12.4
Total	\$ 497.1	464.5	215.5	94.7	51.3

\* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	2000	1999
Special Road and Bridge Fund*	\$ N/A	N/A
Health Center Fund	.05	.05
Mental Health Fund	.07	.07
County Fair Fund	.01	.01

\* All areas of the county are located in one of the county's seven special road districts or the common road district. The countywide road and bridge levy varies in each road district, and 20 percent is distributed to the County Common Road Fund and 80 percent is distributed to the various road districts.

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

	Year Ended February 28 (29),	
	2001	2000
State of Missouri	\$ 149,988	144,525
General Revenue Fund	17,355	17,575
Road funds	1,392,299	1,347,718
Assessment Fund	205,792	196,760
Health Center Fund	247,584	238,597
Library Fund	432,150	412,226
College Fund	1,414,851	1,347,686
County Fair Fund	49,410	47,572
School districts	14,491,217	13,802,235
Ambulance district	806,487	770,621
Fire protection district	766,988	735,089
Mental Health Fund	350,185	337,509
Watershed Fund	25,920	25,391
Land Tax Sale Surplus Fund	1,514	511
Cities	66,191	65,819
County Clerk	411	436
County Employees' Retirement	99,759	104,715
Commissions and fees:		
General Revenue Fund	345,201	330,362
Total	\$ <u>20,863,302</u>	<u>19,925,347</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),	
	2001	2000
Real estate	92.9 %	93.8 %
Personal property	89.8	92.0
Railroad and utilities	100.0	99.9

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

	Rate	Expiration Date	Required
			Property Tax Reduction
General	\$ .00375	None	50
General	.00500	None	*

\* This sales tax, enacted in 1991, repealed the property tax levy of the General Revenue Fund.

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

Officeholder	2001	2000	1999
<b>County-Paid Officials:</b>			
Glenn B. Wilson, Presiding Commissioner		32,334	21,133
Edmon L. (Bud) Powell, Presiding Commissioner	\$		9,246
Rebecca Tipton, Associate Commissioner		30,294	17,944
Richard (Mickey) Poor, Associate Commissioner			8,663
Melvin L. Alford, Associate Commissioner		30,294	29,700
Kay Baum, County Clerk		45,900	45,000
R. Scott Watson, Prosecuting Attorney		97,382	87,235
Ronald L. Doerge, Sheriff		43,911	42,025
Betty Wright, County Treasurer		33,966	33,300
Mark Bridges, County Coroner		8,364	8,200
Bill Horton, Public Administrator*		11,254	
Bob Patterson, Public Administrator *		28,908	51,285
Claude Blakeley Jr., County Collector, year ended February 28 (29),	50,184	49,364	
Gloria Gourley, County Assessor **, year ended August 31,		47,947	47,025
Robert M. Lewis, County Surveyor***			

\* Includes fees received from probate cases.

\*\* Includes \$900 annual compensation received from the state.

\*\*\* Compensation on a fee basis.

**State-Paid Officials:**

Peggy Spicer, Circuit Clerk and Ex Officio Recorder of Deeds		46,127	44,292
Gregory Stremel, Associate Circuit Judge		97,382	87,235
Don J. Killebrew Jr., Associate Circuit Judge		97,382	87,235

A breakdown of employees (excluding the elected officials) by office at December 31, 2000 is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	1	0
Circuit Clerk and Ex Officio Recorder of Deeds	5	8
County Clerk	3	0
Prosecuting Attorney	15	0
Sheriff*	101	0
County Treasurer	0	0
County Coroner**	1	0
Public Administrator**	1	0
County Collector ***	6	0
County Assessor	13	0
County Surveyor	0	0
Associate Division**	1	6
Probate Division**	1	3
Road and Bridge****	21	0
Emergency 911	21	0
Health Center	14	0
Custodial Staff	4	0
Juvenile Officer	6	4
Total	<u>214</u>	<u>21</u>

\* includes 28 part-time employees.

\*\* includes 1 part-time employee

\*\*\* includes 2 part-time employees

\*\*\*\* includes 3 part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Newton County's share of the Fortieth Judicial Circuit's expenses is 72.4 percent.