



**LINCOLN COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

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

**Report No. 2002-91
September 16, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Lincoln, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide 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 it 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.

This audit of Lincoln 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 SEFA. The county prepared a SEFA for the years ended December 31, 2001 and 2000; however, some program expenditures were omitted, most notably, \$191,700 passed through the State Highway and Transportation Commission. In addition, expenditures reported for the Department of Social Services - Child Support Enforcement were understated by \$48,154 for the two year period.
- 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, Lincoln County's Associate County Commissioners salaries were each increased approximately \$5,780 in January 1998 (\$7,100 in 1999 and 2000), 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 each of the Associate County Commissioners, totaling approximately \$19,980 for the three years ended December 31, 2000, should be repaid.

(over)

YELLOW SHEET

- The County Collector does not have adequate procedures to monitor and ensure monies in his various bank accounts are sufficiently collateralized.
- The County Collector accepts partial payments from taxpayers who are unable to pay their bill in full. The Collector does not adequately monitor these partial payment accounts to ensure proceedings for the sale of land is properly commenced, and to ensure partial payments of personal property taxes are applied to the oldest amount due. In addition, the Collector does not perform a reconciliation between the partial payment ledger and the reconciled bank balance.

The County Collector did not correctly compute Proposition C commissions and fees withheld from property taxes for the Elsberry R-II School District. As a result, approximately \$10,000 was over withheld from this district and deposited to the General Revenue and Assessment Funds. This amount should be reimbursed to the Elsberry R-II School District and future Proposition C ratios should be computed correctly.

- Approximately \$600 and numerous accounting records could not be located for the Record Check account maintained by the former Sheriff. In addition, the Sheriff's office needs to improve controls over the commissary account.

Also included in the audit are recommendations related to budgetary procedures, fixed assets records and procedures, and computer operations and controls. The audit also suggested improvements in the accounting controls and procedures of the Circuit Clerk and Prosecuting Attorney.

All reports are available on our website: www.auditor.state.mo.us

LINCOLN COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Lincoln County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 2001 and 2000, 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 Lincoln 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 Lincoln 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 Lincoln 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, 2001 and 2000, 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 May 23, 2002, 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 Lincoln 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

May 23, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA
Audit Manager: Debra S. Lewis, CPA
In-Charge Auditor: Michael J. Monia
Audit Staff: Chris Vetter
Carl E. Zilch, Jr.
B. Simpson



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 Lincoln County, Missouri

We have audited the special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 23, 2002. 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 Lincoln 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 Lincoln 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 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 Lincoln 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 that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

May 23, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

LINCOLN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 998,589	3,532,316	2,740,566	1,790,339
Special Road and Bridge	613,580	3,938,012	3,866,990	684,602
Assessment	67,007	375,088	322,894	119,201
Law Enforcement Trust	(27,255)	2,967,307	2,861,407	78,645
911 Communication	28,340	788,645	776,167	40,818
Law Enforcement Training	4,228	12,222	13,620	2,830
Prosecuting Attorney Training	1,155	2,520	3,641	34
Sheltercare	17,226	20,391	12,904	24,713
BRO	23,339	72,383	72,510	23,212
Jail Debt Service	702,012	961,412	1,327,040	336,384
Ridge Road Project One	97,996	29,361	34,674	92,683
Walker Road Community District	5,780	26,882	22,922	9,740
Hospice	643	1,095	1,738	0
Sheriff's Civil Fees	8,624	52,475	56,106	4,993
Prosecuting Attorney Bad Check Fees	692	19,458	17,763	2,387
Recorder's User Fee	23,433	31,073	44,666	9,840
Circuit Clerk Interest	31,342	4,959	14,634	21,667
Prosecuting Attorney Delinquent Tax	774	4,135	4,084	825
Law Library	41,477	16,970	10,466	47,981
Federal Drug Forfeiture	389	0	0	389
Associate Court Interest Division 2	4,917	3,051	3,051	4,917
Associate Court Interest Division 3	0	405	0	405
Election Service	0	9,905	2,776	7,129
Total	\$ 2,644,288	12,870,065	12,210,619	3,303,734

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

Exhibit A-2

LINCOLN 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	\$ 546,341	3,634,933	3,182,685	998,589
Special Road and Bridge	534,483	3,638,859	3,559,762	613,580
Assessment	32,957	330,607	296,557	67,007
Law Enforcement Trust	(5,330)	2,762,915	2,784,840	(27,255)
Home Health	35,585	82,680	118,265	0
911 Communication	52,928	570,884	595,472	28,340
Law Enforcement Training	4,147	11,924	11,843	4,228
Prosecuting Attorney Training	1,511	2,034	2,390	1,155
Sheltercare	7,000	15,726	5,500	17,226
BRO	19,765	923,392	919,818	23,339
Jail Debt Service	522,210	870,270	690,468	702,012
Ridge Road Project One	94,695	37,072	33,771	97,996
Walker Road Community District	66,626	18,980	79,826	5,780
Hospice	2,761	102	2,220	643
Sheriff's Civil Fees	13,882	51,942	57,200	8,624
Prosecuting Attorney Bad Check Fees	1,026	15,775	16,109	692
Recorder's User Fee	26,033	19,672	22,272	23,433
Circuit Clerk Interest	24,588	8,910	2,156	31,342
Prosecuting Attorney Delinquent Tax	2,156	3,186	4,568	774
Law Library	28,661	18,195	5,379	41,477
Federal Drug Forfeiture	389	0	0	389
Associate Court Interest Division 2	3,290	4,127	2,500	4,917
Total	\$ 2,015,704	13,022,185	12,393,601	2,644,288

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

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 12,706,681	12,869,660	162,979	12,833,372	13,022,185	188,813
DISBURSEMENTS	12,670,264	12,210,619	(459,645)	13,366,841	12,393,601	(973,240)
RECEIPTS OVER (UNDER) DISBURSEMENTS	36,417	659,041	622,624	(533,469)	628,584	1,162,053
CASH, JANUARY 1	2,646,990	2,643,899	(3,091)	2,007,248	2,015,315	8,067
CASH, DECEMBER 31	2,683,407	3,302,940	619,533	1,473,779	2,643,899	1,170,120
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	478,161	505,912	27,751	460,300	443,469	(16,831)
Sales taxes	1,672,000	1,703,027	31,027	1,517,625	1,571,815	54,190
Intergovernmental	180,478	263,450	82,972	455,871	475,753	19,882
Charges for services	592,100	694,742	102,642	644,994	652,795	7,801
Interest	65,000	84,059	19,059	39,000	56,373	17,373
Lease receipts	60,000	60,000	0	60,000	60,000	0
Other	93,364	80,496	(12,868)	118,141	133,963	15,822
Transfers in	114,618	140,630	26,012	143,843	240,765	96,922
Total Receipts	3,255,721	3,532,316	276,595	3,439,774	3,634,933	195,159
DISBURSEMENTS						
County Commission	155,700	152,396	3,304	155,600	152,457	3,143
County Clerk	149,400	138,395	11,005	149,980	130,561	19,419
Elections	52,450	29,750	22,700	92,520	84,074	8,446
Buildings and grounds	205,400	132,862	72,538	178,840	122,051	56,789
Employee fringe benefits	242,800	205,360	37,440	307,600	315,114	(7,514)
County Treasurer	54,886	51,340	3,546	50,815	47,977	2,838
County Collector	193,962	158,214	35,748	181,713	170,653	11,060
Ex Officio Recorder of Deeds	131,050	129,401	1,649	124,336	110,100	14,236
Circuit Clerk	31,200	29,843	1,357	40,500	27,982	12,518
Associate Circuit Court	46,450	29,091	17,359	31,200	23,900	7,300
Court administration	97,400	54,016	43,384	106,780	57,399	49,381
Public Administrator	48,925	46,589	2,336	30,200	33,346	(3,146)
Prosecuting Attorney	319,653	323,882	(4,229)	249,785	265,015	(15,230)
Juvenile Officer	168,936	159,247	9,689	158,148	147,798	10,350
County Coroner	38,200	33,543	4,657	36,950	43,010	(6,060)
Surveyor	10,800	11,641	(841)	10,800	6,080	4,720
Emergency management	54,406	53,635	771	42,000	42,532	(532)
Public health and welfare services	0	0	0	640,609	638,297	2,312
Other	287,428	192,736	94,692	277,416	211,865	65,551
Transfers out	918,632	808,625	110,007	703,628	552,474	151,154
Emergency Fund	97,672	0	97,672	103,193	0	103,193
Total Disbursements	3,305,350	2,740,566	564,784	3,672,613	3,182,685	489,928
RECEIPTS OVER (UNDER) DISBURSEMENTS	(49,629)	791,750	841,379	(232,839)	452,248	685,087
CASH, JANUARY 1	998,589	998,589	0	546,341	546,341	0
CASH, DECEMBER 31	948,960	1,790,339	841,379	313,502	998,589	685,087

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	945,043	984,665	39,622	894,431	877,136	(17,295)
Sales taxes	1,674,000	1,705,497	31,497	1,552,900	1,574,590	21,690
Intergovernmental	1,000,000	992,019	(7,981)	927,200	962,440	35,240
Interest	42,500	49,288	6,788	30,000	53,719	23,719
Other	141,200	156,244	15,044	76,675	128,910	52,235
Transfers in	30,000	50,299	20,299	27,000	42,064	15,064
Total Receipts	3,832,743	3,938,012	105,269	3,508,206	3,638,859	130,653
DISBURSEMENTS						
Salaries	810,000	775,114	34,886	770,000	730,946	39,054
Employee fringe benefits	254,600	227,110	27,490	189,600	204,739	(15,139)
Supplies	264,000	241,784	22,216	219,000	259,497	(40,497)
Insurance	20,000	22,496	(2,496)	20,000	16,520	3,480
Road and bridge materials	269,000	261,899	7,101	267,000	95,329	171,671
Equipment repairs	200,000	172,103	27,897	200,000	176,554	23,446
Rentals	250,000	302,767	(52,767)	150,000	314,259	(164,259)
Equipment purchases	400,000	346,537	53,463	400,000	257,564	142,436
Construction, repair, and maintenance	895,000	897,720	(2,720)	885,000	925,965	(40,965)
Elsberry Special Road District	430,000	439,004	(9,004)	430,000	415,114	14,886
Other	78,000	67,826	10,174	78,000	63,275	14,725
Transfers out	114,618	112,630	1,988	108,258	100,000	8,258
Total Disbursements	3,985,218	3,866,990	118,228	3,716,858	3,559,762	157,096
RECEIPTS OVER (UNDER) DISBURSEMENTS	(152,475)	71,022	223,497	(208,652)	79,097	287,749
CASH, JANUARY 1	613,580	613,580	0	534,483	534,483	0
CASH, DECEMBER 31	461,105	684,602	223,497	325,831	613,580	287,749
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	317,274	362,887	45,613	298,424	319,160	20,736
Charges for services	4,500	4,993	493	4,600	4,540	(60)
Interest	5,000	6,848	1,848	3,400	6,521	3,121
Other	0	360	360	0	386	386
Transfers in	50,132	0	(50,132)	36,628	0	(36,628)
Total Receipts	376,906	375,088	(1,818)	343,052	330,607	(12,445)
DISBURSEMENTS						
Assessor	369,406	322,894	46,512	343,052	296,557	46,495
Total Disbursements	369,406	322,894	46,512	343,052	296,557	46,495
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,500	52,194	44,694	0	34,050	34,050
CASH, JANUARY 1	67,007	67,007	0	32,957	32,957	0
CASH, DECEMBER 31	74,507	119,201	44,694	32,957	67,007	34,050

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRUST FUND</u>						
RECEIPTS						
Sales tax	1,800,000	1,820,201	20,201	1,606,000	1,663,869	57,869
Intergovernmental	254,000	298,800	44,800	100,000	328,274	228,274
Charges for services	347,500	266,690	(80,810)	625,500	317,839	(307,661)
Interest	4,000	3,833	(167)	5,000	3,562	(1,438)
Other	75,500	77,783	2,283	38,415	60,022	21,607
Transfers in	500,000	500,000	0	388,000	389,349	1,349
Total Receipts	2,981,000	2,967,307	(13,693)	2,762,915	2,762,915	0
DISBURSEMENTS						
Salaries	1,722,600	1,699,923	22,677	1,692,819	1,689,995	2,824
Employee fringe benefits	523,000	467,717	55,283	395,522	449,845	(54,323)
Office expenditures	147,000	168,856	(21,856)	158,000	140,155	17,845
Equipment	20,000	19,659	341	20,000	13,849	6,151
Vehicles and maintenance	205,000	184,495	20,505	202,000	144,369	57,631
Jail	243,000	180,306	62,694	240,000	224,039	15,961
Other	91,500	90,152	1,348	76,500	80,524	(4,024)
Transfers out	0	50,299	(50,299)	0	42,064	(42,064)
Total Disbursements	2,952,100	2,861,407	90,693	2,784,841	2,784,840	1
RECEIPTS OVER (UNDER) DISBURSEMENTS	28,900	105,900	77,000	(21,926)	(21,925)	1
CASH, JANUARY 1	(27,255)	(27,255)	0	(5,330)	(5,330)	0
CASH, DECEMBER 31	1,645	78,645	77,000	(27,256)	(27,255)	1
<u>HOME HEALTH FUND</u>						
RECEIPTS						
Intergovernmental				79,907	79,907	0
Interest				2,773	2,773	0
Total Receipts				82,680	82,680	0
DISBURSEMENTS						
Transfers out				118,265	118,265	0
Total Disbursements				118,265	118,265	0
RECEIPTS OVER (UNDER) DISBURSEMENTS				(35,585)	(35,585)	0
CASH, JANUARY 1				35,585	35,585	0
CASH, DECEMBER 31				0	0	0

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>911 COMMUNICATION</u>						
RECEIPTS						
Charges for services	82,500	82,874	374	77,160	82,148	4,988
Interest	1,500	1,784	284	1,200	2,060	860
Telephone tax	350,030	394,874	44,844	305,000	335,695	30,695
Other	500	488	(12)	100	981	881
Transfers In	374,500	308,625	(65,875)	279,000	150,000	(129,000)
Total Receipts	809,030	788,645	(20,385)	662,460	570,884	(91,576)
DISBURSEMENTS						
Salaries	604,800	564,144	40,656	541,250	473,197	68,053
Office expenditures	89,416	61,354	28,062	83,725	65,759	17,966
Equipment	106,600	91,928	14,672	48,150	12,567	35,583
Mileage and training	13,300	9,940	3,360	9,500	5,604	3,896
Other	23,000	48,801	(25,801)	32,006	38,345	(6,339)
Total Disbursements	837,116	776,167	60,949	714,631	595,472	119,159
RECEIPTS OVER (UNDER) DISBURSEMENTS	(28,086)	12,478	40,564	(52,171)	(24,588)	27,583
CASH, JANUARY 1	28,340	28,340	0	52,928	52,928	0
CASH, DECEMBER 31	254	40,818	40,564	757	28,340	27,583
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	11,725	12,140	415	14,300	11,803	(2,497)
Interest	120	66	(54)	100	121	21
Other	0	16	16	0	0	0
Total Receipts	11,845	12,222	377	14,400	11,924	(2,476)
DISBURSEMENTS						
Sheriff	15,500	13,620	1,880	15,000	11,843	3,157
Total Disbursements	15,500	13,620	1,880	15,000	11,843	3,157
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,655)	(1,398)	2,257	(600)	81	681
CASH, JANUARY 1	4,228	4,228	0	4,147	4,147	0
CASH, DECEMBER 31	573	2,830	2,257	3,547	4,228	681
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	2,000	2,071	71	2,200	1,994	(206)
Interest	40	16	(24)	40	40	0
Transfers in	0	433	433	0	0	0
Total Receipts	2,040	2,520	480	2,240	2,034	(206)
DISBURSEMENTS						
Prosecuting Attorney	2,400	3,641	(1,241)	2,500	2,390	110
Total Disbursements	2,400	3,641	(1,241)	2,500	2,390	110
RECEIPTS OVER (UNDER) DISBURSEMENTS	(360)	(1,121)	(761)	(260)	(356)	(96)
CASH, JANUARY 1	1,155	1,155	0	1,511	1,511	0
CASH, DECEMBER 31	795	34	(761)	1,251	1,155	(96)

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SHELTERCARE FUND</u>						
RECEIPTS						
Charges for services	16,000	19,727	3,727	5,500	15,317	9,817
Interest	400	597	197	200	409	209
Other	0	67	67	0	0	0
Total Receipts	16,400	20,391	3,991	5,700	15,726	10,026
DISBURSEMENTS						
Public health and welfare services	12,655	12,904	(249)	5,500	5,500	0
Total Disbursements	12,655	12,904	(249)	5,500	5,500	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,745	7,487	3,742	200	10,226	10,026
CASH, JANUARY 1	17,226	17,226	0	7,000	7,000	0
CASH, DECEMBER 31	20,971	24,713	3,742	7,200	17,226	10,026
<u>BRO FUND</u>						
RECEIPTS						
Intergovernmental	299,600	72,383	(227,217)	1,037,000	923,392	(113,608)
Total Receipts	299,600	72,383	(227,217)	1,037,000	923,392	(113,608)
DISBURSEMENTS						
Chain of Rocks	242,600	10,912	231,688	845,000	728,894	116,106
Elsberry Special Road District	57,000	61,598	(4,598)	202,000	190,924	11,076
Total Disbursements	299,600	72,510	227,090	1,047,000	919,818	127,182
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(127)	(127)	(10,000)	3,574	13,574
CASH, JANUARY 1	23,339	23,339	0	19,765	19,765	0
CASH, DECEMBER 31	23,339	23,212	(127)	9,765	23,339	13,574
<u>JAIL DEBT SERVICE FUND</u>						
RECEIPTS						
Sales taxes	900,000	909,966	9,966	766,000	831,901	65,901
Interest	35,000	51,446	16,446	20,000	38,369	18,369
Total Receipts	935,000	961,412	26,412	786,000	870,270	84,270
DISBURSEMENTS						
Lease payment	694,350	1,325,178	(630,828)	666,660	666,441	219
Administrative expense	3,015	1,862	1,153	23,903	24,027	(124)
Total Disbursements	697,365	1,327,040	(629,675)	690,563	690,468	95
RECEIPTS OVER (UNDER) DISBURSEMENTS	237,635	(365,628)	(603,263)	95,437	179,802	84,365
CASH, JANUARY 1	702,012	702,012	0	522,210	522,210	0
CASH, DECEMBER 31	939,647	336,384	(603,263)	617,647	702,012	84,365

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>RIDGE ROAD PROJECT ONE FUND</u>						
RECEIPTS						
Assessments	34,078	26,010	(8,068)	35,000	33,299	(1,701)
Interest	4,000	3,351	(649)	3,500	3,773	273
Total Receipts	38,078	29,361	(8,717)	38,500	37,072	(1,428)
DISBURSEMENTS						
Bond payments	34,700	34,674	26	34,200	33,771	429
Total Disbursements	34,700	34,674	26	34,200	33,771	429
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,378	(5,313)	(8,691)	4,300	3,301	(999)
CASH, JANUARY 1	97,996	97,996	0	94,695	94,695	0
CASH, DECEMBER 31	101,374	92,683	(8,691)	98,995	97,996	(999)
<u>WALKER ROAD COMMUNITY DISTRICT FUND</u>						
RECEIPTS						
Assessments	21,148	26,237	5,089	27,000	17,560	(9,440)
Interest	1,000	645	(355)	2,500	1,420	(1,080)
Total Receipts	22,148	26,882	4,734	29,500	18,980	(10,520)
DISBURSEMENTS						
Bond payments	21,624	22,922	(1,298)	21,404	21,404	0
Construction, repair, and maintenance	0	0	0	56,660	57,460	(800)
Other	1,300	0	1,300	800	962	(162)
Total Disbursements	22,924	22,922	2	78,864	79,826	(962)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(776)	3,960	4,736	(49,364)	(60,846)	(11,482)
CASH, JANUARY 1	5,780	5,780	0	66,626	66,626	0
CASH, DECEMBER 31	5,004	9,740	4,736	17,262	5,780	(11,482)
<u>HOSPICE FUND</u>						
RECEIPTS						
Donations	1,093	1,093	0	25	55	30
Interest	2	2	0	20	47	27
Total Receipts	1,095	1,095	0	45	102	57
DISBURSEMENTS						
Medical expense	0	0	0	2,806	2,220	586
Transfers out	1,738	1,738	0	0	0	0
Total Disbursements	1,738	1,738	0	2,806	2,220	586
RECEIPTS OVER (UNDER) DISBURSEMENTS	(643)	(643)	0	(2,761)	(2,118)	643
CASH, JANUARY 1	643	643	0	2,761	2,761	0
CASH, DECEMBER 31	0	0	0	0	643	643

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SHERIFF'S CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	50,000	45,812	(4,188)	50,000	51,349	1,349
Interest	350	161	(189)	400	344	(56)
Other	0	6,502	6,502	100	249	149
Total Receipts	50,350	52,475	2,125	50,500	51,942	1,442
DISBURSEMENTS						
Equipment	28,645	29,615	(970)	33,000	25,234	7,766
Supplies	18,352	21,703	(3,351)	22,000	18,264	3,736
Training	3,000	4,457	(1,457)	5,000	3,257	1,743
Inmate housing	0	0	0	0	9,096	(9,096)
Other	0	331	(331)	0	0	0
Transfers out	0	0	0	0	1,349	(1,349)
Total Disbursements	49,997	56,106	(6,109)	60,000	57,200	2,800
RECEIPTS OVER (UNDER) DISBURSEMENTS	353	(3,631)	(3,984)	(9,500)	(5,258)	4,242
CASH, JANUARY 1	8,624	8,624	0	13,882	13,882	0
CASH, DECEMBER 31	8,977	4,993	(3,984)	4,382	8,624	4,242
<u>PROSECUTING ATTORNEY BAD CHECK FEES FUND</u>						
RECEIPTS						
Charges for services	15,775	19,416	3,641	20,000	15,731	(4,269)
Interest	45	42	(3)	100	44	(56)
Total Receipts	15,820	19,458	3,638	20,100	15,775	(4,325)
DISBURSEMENTS						
Salaries	2,400	5,387	(2,987)	7,500	6,790	710
Office expenditures	8,587	10,591	(2,004)	9,348	9,073	275
Mileage and training	120	134	(14)	200	96	104
Equipment	4,668	1,055	3,613	1,000	150	850
Other	0	596	(596)	0	0	0
Total Disbursements	15,775	17,763	(1,988)	18,048	16,109	1,939
RECEIPTS OVER (UNDER) DISBURSEMENTS	45	1,695	1,650	2,052	(334)	(2,386)
CASH, JANUARY 1	692	692	0	1,026	1,026	0
CASH, DECEMBER 31	737	2,387	1,650	3,078	692	(2,386)
<u>RECORDER'S USER FEE FUND</u>						
RECEIPTS						
Charges for services	22,000	30,633	8,633	22,500	19,116	(3,384)
Interest	500	440	(60)	500	556	56
Total Receipts	22,500	31,073	8,573	23,000	19,672	(3,328)
DISBURSEMENTS						
Office expense	15,000	29,666	(14,666)	17,000	0	17,000
Equipment	500	0	500	2,500	2,272	228
Transfers out	15,000	15,000	0	20,000	20,000	0
Total Disbursements	30,500	44,666	(14,166)	39,500	22,272	17,228
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,000)	(13,593)	(5,593)	(16,500)	(2,600)	13,900
CASH, JANUARY 1	23,433	23,433	0	26,033	26,033	0
CASH, DECEMBER 31	15,433	9,840	(5,593)	9,533	23,433	13,900

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	9,400	4,959	(4,441)	5,000	8,910	3,910
Total Receipts	9,400	4,959	(4,441)	5,000	8,910	3,910
DISBURSEMENTS						
Office expense	2,920	323	2,597	0	351	(351)
Equipment	2,000	3,867	(1,867)	2,500	1,269	1,231
Mileage and training	800	99	701	1,100	30	1,070
Other	0	345	(345)	0	506	(506)
Transfers out	10,000	10,000	0	0	0	0
Total Disbursements	15,720	14,634	1,086	3,600	2,156	1,444
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,320)	(9,675)	(3,355)	1,400	6,754	5,354
CASH, JANUARY 1	34,009	31,342	(2,667)	16,097	24,588	8,491
CASH, DECEMBER 31	27,689	21,667	(6,022)	17,497	31,342	13,845
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental	2,600	3,829	1,229	3,700	2,678	(1,022)
Interest	31	18	(13)	40	32	(8)
Other	200	288	88	60	476	416
Total Receipts	2,831	4,135	1,304	3,800	3,186	(614)
DISBURSEMENTS						
Prosecuting Attorney	3,000	4,084	(1,084)	4,500	4,568	(68)
Total Disbursements	3,000	4,084	(1,084)	4,500	4,568	(68)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(169)	51	220	(700)	(1,382)	(682)
CASH, JANUARY 1	774	774	0	2,156	2,156	0
CASH, DECEMBER 31	605	825	220	1,456	774	(682)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	16,000	16,970	970	16,000	18,195	2,195
Total Receipts	16,000	16,970	970	16,000	18,195	2,195
DISBURSEMENTS						
Legal books	12,000	10,466	1,534	12,000	5,379	6,621
Total Disbursements	12,000	10,466	1,534	12,000	5,379	6,621
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,000	6,504	2,504	4,000	12,816	8,816
CASH, JANUARY 1	41,901	41,477	(424)	29,085	28,661	(424)
CASH, DECEMBER 31	45,901	47,981	2,080	33,085	41,477	8,392

Exhibit B

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSOCIATE COURT INTEREST DIVISION 2 FUND</u>						
RECEIPTS						
Interest	2,500	3,051	551	2,500	4,127	1,627
Total Receipts	<u>2,500</u>	<u>3,051</u>	<u>551</u>	<u>2,500</u>	<u>4,127</u>	<u>1,627</u>
DISBURSEMENTS						
Transfers Out	3,000	3,051	(51)	2,500	2,500	0
Total Disbursements	<u>3,000</u>	<u>3,051</u>	<u>(51)</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	0	500	0	1,627	1,627
CASH, JANUARY 1	4,917	4,917	0	3,290	3,290	0
CASH, DECEMBER 31	<u>4,417</u>	<u>4,917</u>	<u>500</u>	<u>3,290</u>	<u>4,917</u>	<u>1,627</u>
<u>ELECTION SERVICE FUND</u>						
RECEIPTS						
Charges for services	5,674	9,779	4,105			
Interest	0	126	126			
Total Receipts	<u>5,674</u>	<u>9,905</u>	<u>4,231</u>			
DISBURSEMENTS						
Equipment	4,200	2,776	1,424			
Total Disbursements	<u>4,200</u>	<u>2,776</u>	<u>1,424</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,474	7,129	5,655			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	<u>1,474</u>	<u>7,129</u>	<u>5,655</u>			

Notes to the Financial Statements

LINCOLN 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 Lincoln 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 or an elected county official. 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 by warrant or in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 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>
Federal Drug Forfeiture Fund	2001 and 2000
Associate Court Interest Division 3 Fund	2001

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Training Fund	2001
Sheltercare Fund	2001
Jail Debt Service Fund	2001
Walker Road Community District Fund	2001 and 2000
Hospice Fund	2001
Sheriff's Civil Fees Fund	2001
Prosecuting Attorney Bad Check Fees Fund	2001
Recorder's User Fee Fund	2001
Prosecuting Attorney Delinquent Tax Fund	2001 and 2000

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

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Law Enforcement Trust Fund for the year ended December 31, 2000.

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.

However, the county's published financial statements for the two years ended December 31, 2001, did not include the Law Library Fund.

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 not 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, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

3. Prior Period Adjustment

The Associate Court Interest Division 2 Fund's cash balance at January 1, 2000, as previously stated has been increased by \$3,290 to reflect the actual cash balance. Prior to 2000 all interest monies were being recorded as part of the General Revenue Fund. As of January 2000, the Associate Division 2 is no longer turning interest monies over to the General Revenue Fund, instead reserving the monies for future procurements associated with the new judicial center being built.

Supplementary Schedule

LINCOLN 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,	
			2001	2000
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.550	Food Donation	N/A	\$ 2,293	0
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS0451157W	68,177	66,230
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.710	Public Safety Partnership and Community Policing Grants	95CFWX2124	53,251	110,839
Passed through state:				
Department of Public Safety-				
16.588	Violence Against Women Formula Grants	2000-VAWA-0033	13,501	14,265
16.592	Local Law Enforcement Block Grants Program			
Missouri Sheriff's Association-				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,035	0
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO 057(6)	11,522	656,093
		BRO 057(8)	60,861	191,661
	Program total		<u>72,383</u>	<u>847,754</u>
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	HMEP	2,552	2,351

LINCOLN 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,	
			2001	2000
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	795	819
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	LEPC	3,801	3,573
		SLA-50-50	10,646	0
		SLA-98-16	0	9,624
	Program total		<u>14,447</u>	<u>13,197</u>
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	ERO146-057CLPP	0	5
Missouri Family Health Council, Inc.-				
93.217	Family Planning - Services	N/A	37,126	49,350
State Department of Health -				
93.268	Immunization Grants	N/A	49,290	48,012
		CCH704421-99	2,999	0
	Program total		<u>52,289</u>	<u>48,012</u>
State Department of Social Services -				
93.563	Child Support Enforcement	N/A	23,986	24,168
State Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-11575	1,429	640
State Department of Social Services -				
93.667	Social Services Block Grant	ER0172091	0	16,729
		ER0172092	0	14,039
	Program total		<u>0</u>	<u>30,768</u>

LINCOLN 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,	
			2001	2000
	State Department of Health -			
93.940	HIV Prevention Activities - Health Department Based	N/A	43	173
93.991	Preventive Health and Health Services Block Grant	N/A	0	527
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-1157M N/A	24,188 4,841	23,383 2,636
	Program total		<u>29,029</u>	<u>26,019</u>
	Total Expenditures of Federal Awards		<u>\$ 372,336</u>	<u>1,235,117</u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

LINCOLN 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 Lincoln 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 Food Donation (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.

Amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), represent the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health. Amounts for the Immunization Grants (CFDA number 93.268), and Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), include both cash disbursements and the original acquisition cost of vaccines.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

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 Lincoln County, Missouri

Compliance

We have audited the compliance of Lincoln 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 its major federal program for the years ended December 31, 2001 and 2000. The county's major federal program is 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 its major federal program 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, Lincoln County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2001 and 2000. 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 01-1.

Internal Control Over Compliance

The management of Lincoln 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 01-1.

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 Lincoln 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

May 23, 2002 (fieldwork completion date)

Schedule

LINCOLN COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2001 AND 2000

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 material weaknesses? yes x none reported

Noncompliance material to the financial statements noted? yes x no

Federal Awards

Internal control over major programs:

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 programs: 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	<u>Program Title</u>
20.205	Highway Planning and Construction

WE RECOMMEND the County Clerk prepare a complete and accurate schedule of expenditures of federal awards to submit to the State Auditor's Office as part of the annual budget.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk concurs, and indicated that the \$191,700 was an omission due to the project being conducted through a special road district.

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

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

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Lincoln County, Missouri, on the applicable finding in our prior audit report issued for the two years ended December 31, 1999.

99-1 Capital Improvement Sales Tax

The county passed a Road and Bridge Capital Improvement sales tax of one-half of one percent that became effective April 1997. In addition, the county had another one-fourth of one percent Law Enforcement Capital Improvement sales tax levy imposed. Therefore, the county had levied three-fourths of one percent that apparently exceeded the statutory maximum allowed by state law.

Recommendation:

The County Commission review the overall capital improvement sales tax being levied in conjunction with Attorney General Opinion No. 97-99, 1999 to Neel and ensure they are in accordance with applicable state statutes.

Status:

Implemented. The County Commission along with the County's attorney have reviewed the overall capital improvement sales tax being levied and concluded based on *Hovies v. Daves*, 14 S. W. 3d 593, 595 (Mo 2000), that the people have already expressed their will by approval of the issue presented on the ballot; therefore, it is the Commission's duty to uphold that action.

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

LINCOLN 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.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

99-2. Highway Planning and Construction

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 Program
Pass-Through Entity	
Identifying Number:	BRO-057 (6)(8)
Award Year:	1999 and 1998
Questioned Costs:	\$49,112

The county procured bridge replacement engineering services without documentation of consideration of other firms.

Recommendation:

The County Commission obtain information as required by law when contracting for professional services.

Status:

Implemented. The County Commission adopted a policy in January 1999, which provides that at least three firms must be considered.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 23, 2002. We also have audited the compliance of Lincoln 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 its major federal program for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 23, 2002.

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 legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. 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.

Because the Communities Opportunities Board, Lincoln County Memorial Hospital, and the Lincoln County Health Center are audited and separately reported on by other independent auditors, the related funds are not presented in the special-purpose financial statements. However, we reviewed the audit reports and other applicable information for the Communities Opportunities Board and the Lincoln County Memorial Hospital. The audit of the Lincoln County Health Center was not complete as of May 23, 2002, and thus not available for our review.

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 Lincoln 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*.

1. Budgetary Practices

The county did not adequately monitor budgeted amounts to actual results during the years ended December 31, 2001 and 2000.

- A. On December 19, 2000, the County Commission amended various county budgets to reflect increased expenditures made during the year. Our review indicated the following concerns related to these budget amendments:
- 1) Prior to the amendment of these budgets, expenditures had already exceeded the original budget.
 - 2) Valid reasons which necessitated excess disbursements were not provided to support these amendments as required by law. It was ruled in State ex. rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess disbursements, budget 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.
- B. Actual disbursements exceeded the original and/or amended budgeted amounts in the various funds as follows:

<u>Fund</u>	Years Ended December 31,	
	<u>2001</u>	<u>2000</u>
Prosecuting Attorney Training Fund	\$ 1,242	N/A
Sheltercare Fund	249	N/A
Jail Debt Service Fund	629,674	N/A
Walker Road Community District Fund	971	1,290
Hospice Fund	1,738	N/A
Sheriff's Civil Fees Fund	6,109	N/A
Prosecuting Attorney Bad Check Fees Fund	1,988	N/A
Prosecuting Attorney Delinquent Tax Fund	1,085	68
Recorder's User Fee Fund	14,166	N/A

In December, 2001, the County Clerk contacted our office regarding filing budget amendments for several funds which were over budget. The County Clerk indicated these funds are not monitored by her office since warrants are not issued and that she had just been made aware of the overage. We explained that the budget amendments should have been made prior to the incurrence of the expenditure, thus the County Clerk did not file the amendments.

It appears amendments were made just to attempt to present a balanced budget in accordance with state law. It does not appear as if the budget was used as a monitoring tool throughout the year. To ensure the adequacy of the budgets as a planning tool and to ensure compliance with state law, budget amendments should be made prior to incurring the actual expenditures, valid reasons which necessitate excess disbursements should be provided to support amendments, and public hearings should be held prior to the adoption of all budget amendments.

Similar conditions were noted in the prior two reports.

WE AGAIN RECOMMEND the County Commission implement procedures to ensure budgets are properly amended if necessary, expenditures are kept within budgetary limits, budget amendments are properly made prior to incurring the actual expenditures, and valid reasons which necessitate excess disbursements are provided.

AUDITEE'S RESPONSE

The County Commission concurs, and indicated that these issues will be discussed with the County Treasurer to ensure these problems do not happen in the future.

Salaries for elected county officials increased significantly in January 1998 and 1999. To evaluate these changes required reviewing the county's 1995 and 1997 salary commission meeting minutes and related Prosecuting Attorney opinions.

Senate Bill No. 11, effective August 28, 1997, amended numerous statutory sections relating to the compensation of county officials and including increases to the statutory maximum salaries allowed. As part of this legislation, Section 50.333.13, RSMo, 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.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of Section 50.333.13, RSMo. The Supreme Court held that this section of 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 of office. This case, *Laclede County v. Douglas et al.*, holds that all raises given pursuant to this statute section are unconstitutional.

The Lincoln County Salary Commission met in August 1997 and voted to set the salaries for all county officials at the maximum allowable compensation per the schedules in Senate Bill 11. The salary commission requested and received a written legal opinion from the Prosecuting Attorney. The opinion indicated that Senate Bill 11 as written, authorizes the members of the salary commission to approve the county officials taking 100 percent of the schedules, and that these pay increases can take effect on January 1, 1998. Based on this opinion, Lincoln County's Associate County Commissioners salaries were each increased approximately \$5,780 in January 1998 (\$7,100 in 1999 and 2000), according to information from the County Clerk.

Salary commission meeting minutes indicated that the salary increases for county officials were based on increases in assessed valuations. However, by using the salary schedules from the 1998 statutes (those changed by SB11), mid-term raises were in effect granted to those officials that had been elected in 1996.

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$19,980 for the three years ended December 31, 2000, should be repaid. In addition, in light of the ruling, any raises given to other officials within their term of office should be re-evaluated for propriety.

WE RECOMMEND the County Commission review the impact of this court decision and develop a plan for obtaining repayment of the salary overpayments. In addition, county officials' compensation should be re-evaluated for propriety.

AUDITEE'S RESPONSE

The County Commission approves and defends the salaries of county elected officials as provided by state statute as revised under Senate Bill No. 11, effective August 8, 1997.

3. Protection of County Funds

The County Collector does not have adequate procedures to monitor and ensure monies in his various bank accounts are sufficiently collateralized. While the Collector indicated he does monitor collateral securities pledged, our review determined some unsecured funds. In January 2001, the collateral securities pledged by one of the County Collector's seven depository banks was not sufficient to cover funds in excess of Federal Deposit Insurance Corporation (FDIC) coverage by approximately \$189,000. 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 county funds unsecured and subject to loss in the event of a bank failure.

A similar condition was noted in a previous report.

WE AGAIN RECOMMEND the County Collector develop procedures to monitor and ensure adequate collateral securities are pledged by the depository banks for all funds on deposit in excess of FDIC coverage. Documentation of these efforts should be maintained.

AUDITEE'S RESPONSE

The County Collector indicated that he does try to monitor the securities, but will try to look at them on a more regular basis in the future.

4. General Fixed Assets and Vehicle Records

A. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections. The County Clerk maintains a master listing of general fixed assets. Periodically, she sends each official her list of their fixed assets. Each official is supposed to do a physical inventory of their assets, and update the County Clerk's list. Our review of the general fixed asset records indicated the following areas where improvements are needed:

- 1) Property records do not always include all information applicable to the item. Information such as serial numbers, acquisition/disposition dates, and tag number is not always recorded. This information was missing from the officials' inventory listing, and the County Clerk's master listing.

- 2) Some fixed assets are not properly numbered, tagged, or otherwise identified as county owned property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.
- 3) Additions are not recorded on the officials' property records in a timely manner. In addition, additions to the records are not periodically reconciled to equipment purchases. Recording additions as they occur would allow for more complete and up-to-date records and would allow the physical inventory to be used as a check against the fixed asset records.

Adequate general fixed asset records are necessary to meet statutory requirements, secure better internal controls over county property and provide a basis for determining proper insurance coverage of county property. Inventories and inspections 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.

Effective August 28, 1999, Section 49.093, RSMo, 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 the 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 does not require logs to be maintained documenting fuel costs and vehicle usage for road and bridge pickups, the flood plain director's vehicle, or the County Commission's car. We noted that a road and bridge vehicle was bought new in 1998 and now has over 104,000 miles on it. Without adequate usage logs, the county cannot effectively monitor that vehicles are used for official business only. These logs should indicate the date used, mileage driven, destination, and purpose of the trip and any associated fuel costs.

These records should be reviewed periodically to determine that the vehicles are being properly used and are cost efficient. Such procedures would help ensure the vehicles are not used for inappropriate purposes.

Similar conditions were noted in previous reports.

WE AGAIN 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. In addition, all general fixed assets should be tagged or otherwise identified as county-owned property.

- B. Require usage logs be maintained for all county assigned vehicles and perform a periodic review of such.

AUDITEE'S RESPONSE

The County Commission:

- A. *Concurs, and indicated they will work on adopting a policy regarding the handling and accounting for fixed assets before year end.*
- B. *Concurs, and indicated they will work on adopting a policy pertaining to vehicle usage before year end.*

5. Computer Operations and Controls
--

Our review of the computer operations and controls indicated the following areas where improvements are needed:

- A. Passwords are used on most systems within the offices of the various elected officials; however, the assessor, collector and the county clerk's passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords effectively limit access to the data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.
- B. The county does not have a formal emergency contingency plan for the computers within the offices of the Assessor, Collector, County Clerk, Prosecuting Attorney, Recorder, Treasurer, and Sheriff. As a result, the county has not made a formal arrangement for the use of backup facilities in the event of a disaster. Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. 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 benefit of a thorough disaster recovery plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might

cause considerable loss or disruption to the county. Because of the official's degree of reliance on data processing, the need for contingency planning is evident.

WE RECOMMEND the County Commission work with the:

- A. Assessor, Collector, and County Clerk to ensure passwords are periodically changed and remain confidential.
- B. The Assessor, Collector, County Clerk, Prosecuting Attorney, Recorder, Treasurer, and Sheriff to develop a formal contingency plan for the various computer systems.

AUDITEE'S RESPONSE

The County Commission:

- A. *Concurs, and indicated they will immediately discuss this with the county officials to ensure passwords are being changed on a periodic basis.*
- B. *Concurs, and indicated they will discuss with the county officials the possibilities of developing a formal contingency plan before year end.*

6. Circuit Clerk's Controls and Procedures

The Circuit Clerk receives approximately \$400,000 a year from fines and costs for criminal cases, filing fees for civil cases, bonds and court costs. Our review of the Circuit Clerk's controls and procedures disclosed the following concerns:

- A. Receipts are not deposited on a timely basis. Our cash count on February 5, 2002, indicated that there were six days of receipts totaling over \$1,100 on hand. Also, checks and money orders received for county fees are not restrictively endorsed immediately upon receipt by the Circuit Clerk's Office. They are endorsed when the deposit is prepared. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100 and checks and money orders should be restrictively endorsed immediately upon receipt.
- B. The Circuit Court does not adequately follow up on bonds posted by defendants who fail to make the required court appearances. During our review of court case files, we noted instances where a bond was not forfeited when the defendant failed to appear on the court date. Based on discussions with court personnel, it appears few, if any, bonds were forfeited during the audit period. Section 544.665, RSMo 2000, provides that failure to appear results in forfeiture of any security which was given or pledged for a persons release. The Circuit Judge indicated it was not his usual practice to require bonds to be forfeited; however, he was not aware that this was a

significant problem. The Circuit Judge indicated he would discuss implementing forfeiture procedures with the Prosecuting Attorney.

While we did not quantify the number of cases in which bond forfeitures were not made, the court does not have an adequate procedure in place to require bond forfeitures. Section 166.131, RSMo 2000, provides for bond forfeiture monies to be distributed to the various school districts in the county. The court's procedure results in less revenue to the various school districts.

- C. A listing of accrued costs owed to the court is maintained by the Circuit Clerk but the monitoring procedures related to accrued costs are not adequate. When a case is closed and the costs determined, the Circuit Clerk prepares and sends a cost bill to the defendant. A second bill is sent at the end of the month when the disposition is known. A third bill is sent 30 days after the second bill if payment has not been received. If payment is still not received, the Circuit Clerk does not initiate any further collection procedures. As of February 13, 2002, accrued case costs were approximately \$419,600.

The Circuit Clerk indicated that the majority of the cases with accrued costs are owed by individuals on probation, and that she documents the court costs owed on their Probation Order. The Circuit Clerk indicated that since these individuals often move and have unstable employment, she expects Probation and Parole to monitor the payment of court costs. The Circuit Judge indicated that he did not realize they had a problem with accrued costs.

By not adequately monitoring accrued costs, these costs could remain uncollected and might eventually result in lost revenue. To facilitate the collection of accrued costs, information regarding cases with delinquent payments and significant balances due should be provided to the Circuit Judge for review and assessment of the need for further collection efforts or other judicial action which may be necessary.

WE RECOMMEND:

- A. The Circuit Clerk deposit receipts intact daily or when accumulated receipts exceed \$100 and ensure all checks and money orders are restrictively endorsed immediately upon receipt.
- B. The Circuit Judge work with the Prosecuting Attorney to implement adequate procedures to forfeit bonds when appropriate.
- C. The Circuit Judge work with the Circuit Clerk and the Probation and Parole Office to establish adequate procedures to monitor and collect accrued costs. Procedures should include generating periodic reports of cases with delinquent payments and/or significant balances due for the Circuit Judge's review.

AUDITEE'S RESPONSE

A. *The Circuit Clerk indicated:*

I acknowledge that in the past, timely deposits were not always made. My clerks are very busy and sometimes did not get to the bank each day. We believe that checks and money orders are restrictively endorsed immediately in most cases. The matter of timely deposits has been corrected since we started Judicial Information System (JIS). One account has been established for the entire court and a schedule has been created whereby Associate 2 deposits on Monday and Tuesday, Associate 3 deposits on Wednesday, and Circuit Court deposits on Thursday and Friday.

B. *The Circuit Clerk indicated:*

The Circuit Clerk's office has followed every bond forfeiture order. We issue checks on bond forfeiture in accordance with court orders and not at our own discretion.

The Circuit Judge indicated:

I have discussed your concerns regarding the limited number of bond forfeitures with the prosecuting attorney. Steps will be taken to implement procedures to forfeit bonds when appropriate.

C. *The Circuit Clerk indicated:*

We show the amount of court costs on the Probation Order and will periodically (approximately on a quarterly basis) notify Probation and Parole of unpaid costs. We do not know of any further action that would be appropriate for the Circuit Clerk to take regarding this matter.

The Circuit Judge indicated:

I believe the steps outlined by the Circuit Clerk's Office to be adequate. The Circuit Clerk and I will attempt to work more closely with Probation and Parole to ensure procedures are adequate as to monitoring and collecting accrued costs.

7.

County Collector's Controls and Procedures

A. The County Collector accepts partial payments from taxpayers who are unable to pay their tax bill in full. The County Collector holds these funds in escrow until the tax bill is fully paid, whereupon he marks the taxes as paid in the tax book. During our review of the County Collector's partial payment records, we noted the following:

- 1) As of February 28, 2002, one taxpayer owed real estate taxes which dated back to 1998, totaling over \$85,000 (including interest and penalties). The owner had paid partial payments totaling only \$1,000 on this piece of property. Delinquent real estate taxes constitute a lien on the property. Section 140.160, RSMo 2000, provides that proceedings for the sale of land must be commenced within three years after the taxes become delinquent.
- 2) We noted an instance where the collector accepted payment in full on April 29, 2002, for 2000 personal property taxes when the taxpayer still owed approximately \$540 (including interest and penalties) for 1999 personal property taxes.
- 3) The Collector does not perform a reconciliation between the partial payment ledger and the reconciled bank balance. As a result, there were several accounts that appeared to contain taxpayer overpayments, which should have been refunded. Per our request, the Collector prepared a reconciliation as of December 31, 2001, which noted a difference of approximately \$260 between the partial payment ledger balance of \$13,307 and the reconciled bank balance of \$13,045.

The practice of accepting partial payments, combined with the problems which presently exist, increase the opportunity of errors and the loss of funds. Further, there is no statutory authority authorizing the County Collector to accept partial payments.

- B. Section 50.338.2, RSMo 2000 (Proposition C), provides that if a reduction in a school district's operating levy causes a loss of revenue to any county official or county fund, that official or fund shall retain an additional amount from the school district's property tax collections to offset the loss.

For the years ended February 28, 2002 and 2001, the County Collector did not correctly compute commissions and fees withheld from property taxes for the Elsberry R-II School District. An incorrect ratio was used when computing commissions and fees for the effect of Proposition C. As a result, approximately \$10,000 was over withheld from this school district and deposited into the General Revenue and Assessment Funds. This amount should be reimbursed to the Elsberry R-II School District and future Proposition C ratios should be computed correctly.

WE RECOMMEND the County Collector:

- A. Take action to pay out or otherwise resolve all the old partial payment accounts. In addition, the partial payment ledger should be reconciled to the bank balance periodically. Furthermore, the County Collector should consider discontinuing the practice of accepting partial payments. If the decision is made to continue this practice, proper records should be maintained and all partial payment accounts should be closed on a timely basis.

- B. Withhold \$10,000 from the General Revenue and Assessment Funds to be distributed to the Elsberry R-II School District, and ensure future Proposition C commissions are computed correctly.

AUDITEE'S RESPONSE

The County Collector indicated:

- A. *That they are in the process of reviewing the partial payment account book and working to reconcile the account book balance to the cash balance.*
- B. *That he will begin requesting the "Prop C" information from the County Clerk and will withhold the \$10,000 from the General Revenue and Assessment Funds beginning in November 2002 .*

8. Prosecuting Attorney's Controls and Procedures
--

The Prosecuting Attorney collects monies for bad checks and restitution ordered by the courts. The Prosecuting Attorney normally requires bad check offenders to remit two money orders or cashier's checks, one payable to the merchant for restitution and bank fees, and one payable to the County Treasurer for bad check fees, although he does occasionally accept checks. The restitution monies ordered by the court are deposited into a bank account. Our review of the Prosecuting Attorney's accounting controls and procedures over these monies disclosed the following areas of concern:

- A. Checks and money orders received for county fees are not restrictively endorsed immediately upon receipt by the Prosecuting Attorney's Office. They are endorsed by the office when the payments are transmitted to the County Treasurer for deposit. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- B. Bad check fees were only turned over to the Treasurer one or two times per month with most transmittals being over \$1,000 during the two years ended December 31, 2001. Our cash count on February 26, 2002, noted that there were eight days worth of receipts totaling \$2,667 on hand. The lack of timely transmittals increases the risk of loss, theft, or misuse of funds. To adequately safeguard assets, transmittals should be made daily or when accumulated receipts exceed \$100.
- C. Bank reconciliations for the restitution account are not performed on a timely basis. The December bank reconciliation was not completed until March when requested. Monthly bank reconciliations are necessary to ensure the bank account is in agreement with the accounting records and to detect errors on a timely basis.

- D. The Prosecuting Attorney does not reconcile the receipt slips issued to the restitution ledger. Monthly reconciliations between the receipt slips issued and the restitution ledger would provide assurance that the records are in balance.
- E. In March 2002, old outstanding checks written on the Prosecuting Attorney's account totaled \$751.

Outstanding checks should be investigated on a periodic basis. If the payees can be located, the old checks should be stopped and new checks issued. If payees cannot be located, the monies should be disbursed in accordance with Section 447.500 through 447.585, RSMo 2000, or other applicable statutes that allow for the disposition of unclaimed funds.

- F. The Prosecuting Attorney maintains an index card which shows the balance on hand for each case; however, we found no documentation that these cards are reconciled to the cash balance. The periodic reconciliation of liabilities with the cash balance provides assurance that the records are in balance and that sufficient cash is available to meet liabilities.

WE RECOMMEND the Prosecuting Attorney:

- A. Ensure all checks and money orders are restrictively endorsed immediately upon receipt. In addition, documentation should be maintained for any noncheck disbursements.
- B. Transmit all monies received daily or when the accumulation of receipts exceeds \$100.
- C. Perform monthly bank reconciliations on the restitution bank account in a timely manner.
- D. Perform monthly reconciliations of the receipt book and the restitution ledger to ensure all records are in agreement.
- E. Investigate outstanding checks on a periodic basis. Any old outstanding checks, which remain unclaimed, should be disposed of in accordance with the applicable statutes.
- F. Ensure the open items are reconciled to the cash balance on a monthly basis.

AUDITEE'S RESPONSE

The Prosecuting Attorney:

- A. Concurs, and indicated that a stamp has been given to the clerk to restrictively endorse the checks immediately upon receipt.*
- B. Indicated that he will begin making transmittals on a weekly basis starting in September 2002.*
- C. Concurs, and indicated that he and his staff are currently working on the timeliness of performing bank reconciliations.*
- D. Concurs, and indicated he will begin performing monthly reconciliations of the receipt book and the restitution ledger starting in December 2002.*
- E. Indicated that they have already implemented this recommendation.*
- F. Concurs, and indicated he will begin reconciling the open items to the cash balance on a monthly basis starting in September 2002.*

9. Sheriff's Controls and Procedures

- A. The Sheriff's Department collects bonds and other monies related to court proceedings. During our review of the controls and procedures related to these monies, we noted the following concerns:
 - 1) Checks and money orders received for county fees are not restrictively endorsed immediately upon receipt by the Sheriff's Department. They are endorsed by the office when the deposit is prepared. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt. In addition, receipt slips issued do not always indicate the method of payment received. To ensure receipts are deposited intact, receipt slips should indicate the method of payment and be reconciled to the composition of deposits.
 - 2) Approximately \$600 and numerous accounting records could not be located for the Record Check account. The former Sheriff's handwritten ledgers for the first six months of 2000 could not be located. During this time, there was no activity in the Record Check bank account. However, based on receipt slips issued, approximately \$600 in Record Check money was collected during this time. The former Sheriff's other bank accounts were searched for this money, but it could not be located. It is unclear if additional monies are missing since receipt slips were not issued in numerical sequence.

Retention of accounting records is essential to establishing accountability for financial activity and in demonstrating compliance with state law. Effective control of records requires all documents and records be safeguarded against loss due to fire or theft, be accessible to the appropriate city officials/employees, and upon reasonable request, be accessible to the public.

B. The Sheriff's Department maintains personal monies for inmates in a bank account and operates a commissary from the same account. During our review of the controls and procedures related to these monies, we noted the following concerns:

- 1) The Sheriff's department receives a commission based on the amount of sales made by prisoners. The Sheriff's commissions from the commissary account should be deposited into the county treasury and the County Commission should authorize the use of these funds. Section 50.370, RSMO 2000, requires every county official who receives any fees or other remuneration for official services to pay such money to the county treasury.
- 2) Monthly bank reconciliations are not performed and the monthly listing of open items (liabilities) is not being reconciled to the book balance. In addition, the total amount of prisoner monies in the Sheriff's commissary account is not reconciled to the individual prisoner balances.

Monthly reconciliations of open items and individual prisoner accounts to the reconciled bank balance are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis.

WE RECOMMEND the Sheriff:

- A.1. Ensure all checks and money orders are restrictively endorsed immediately upon receipt. In addition, the method of payment should be indicated on all receipt slips issued.
 2. Consult with the Prosecuting Attorney to determine the county's options in relation to any possible investigation of the unaccounted for cash, and ensure all records are properly retained and available for review and all receipts can be accounted for properly.
- B. Prepare monthly bank reconciliations and listings of open items for the commissary account. In addition, reconcile the individual prisoner balances to the total amount of prisoner monies in the account.

AUDITEE'S RESPONSE

The Sheriff:

- A.1. Concurs, and indicated the practice of restrictively endorsing checks upon receipt and documenting method of payment on the receipt slip will be implemented into policy immediately.*
- A.2. Concurs, and indicated he has talked with the Prosecuting Attorney about the county's options in regards to the unaccountable monies and is awaiting a decision from the Prosecuting Attorney.*
- B. Indicated that they have already implemented this recommendation.*

This report is intended for the information of the management of Lincoln 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

LINCOLN 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 Lincoln County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the two years ended December 31, 1997. 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. Federal Financial Assistance

A,B,

&D. See our audit report on Lincoln County, Missouri, for the two years ended December 31, 1999 (report number 2000-87).

C. The Sheriff's Department received funds from the U.S. Department of Justice, for the Community Policing (COPS) grant program. Reimbursement claims were not filed on a timely basis and follow-up was not performed to ensure amounts claimed were received.

E. The County Clerk maintained a bank account outside the county treasury for funding received from the Department of Economic Development (DED) under the Community Development Block Grant for the Industrial Development Authority.

F. The County Commission did not adequately monitor the flood plain program to ensure program receipts did not exceed program disbursements.

Recommendation:

The County Commission:

C. Work with the Sheriff's Department to ensure COPS reimbursement claims are submitted on a timely basis. In addition, all submitted requests should be monitored to ensure receipt.

E. Ensure all county funds are in the custody of the County Treasurer and disbursed through the county's disbursement system.

F. Establish records and procedures to properly account for flood plain program income and monitor program receipts and disbursements.

Status:

C,E,
&F. Implemented.

2. County Disbursements and Contracts

- A. The county did not have documentation regarding the consideration of at least three engineering firms for an office complex remodeling project.
- B. In 1992, the county bid and contracted for courthouse cleaning services. The service had not been rebid, and while the rate paid differed from the original contract, no amendment to the contract had been made.

Recommendation:

The County Commission:

- A. Obtain the required statutory information for professional services.
- B. Periodically rebid for cleaning services.

Status:

A&B. Implemented.

3. Budgetary Procedures and Financial Statements

- A. Formal budgets were not prepared for various county funds.
- B. Actual disbursements exceeded the originally budgeted amounts in various funds.

Recommendation:

The County Commission:

- A. Ensure budgets are prepared for all funds.
- B. Not authorize warrants in excess of budgeted expenditures. If valid reasons necessitate excess expenditures, the original budget should be formally amended and filed with the State Auditor's office.

Status:

- A. Partially implemented. The county has adopted a formal budget for all funds except the Federal Drug Forfeiture Fund. Although not repeated in our current MAR, our recommendation remains as stated above.
- B. Not implemented. See MAR No. 1.

4. Protection of County Funds

- A. The County Collector did not have adequate procedures to monitor and ensure monies in his various bank accounts were sufficiently collateralized.
- B. Several county employees from various offices with access to money were not covered by an employee bond.

Recommendation:

- A. The County Collector develop procedures to monitor and ensure adequate collateral securities are pledged by the depository banks for all funds on deposit in excess of FDIC coverage. Documentation of these efforts should be maintained.
- B. The County Commission evaluate obtaining adequate bond coverage for all employees with access to monies.

Status:

- A. Not implemented. See MAR No. 3.
- B. Implemented.

5. Flood Plain Receipts

- A. The duties of receiving, recording, and transmitting permits and lease income were not adequately segregated.
- B. Prenumbered permits were not issued for monies received.
- C. Receipts were not transmitted intact.

Recommendation:

The County Commission:

- A. Establish a documented review of flood plain records by an independent person.

- B. Require the flood plain director to issue prenumbered permits for all monies received, and periodically account for the numerical sequence of permits issued. In addition, the County Commission should ensure that the composition of permits issued is reconciled to transmittals.
- C. Require the flood plain director to transmit all receipts intact daily.

Status:

- A. Not implemented. Although not repeated in our current MAR, our recommendation remains as stated above.

B&C. Implemented.

6. County Highway Department Receipts

- A. The county used standard written agreements for services, which serve as receipts for the resident. The agreements were not prenumbered.
- B. Checks received were not restrictively endorsed by the County Highway Department until after they were transmitted to the County Treasurer.
- C. Receipts were not transmitted intact by the County Highway Department.
- D. Inventory records were not maintained for the culvert pipes.

Recommendation:

The County Commission:

- A. Require the use of prenumbered agreements to serve as receipt records. In addition, the amount and composition of monies transmitted should be reconciled to receipt records.
- B. Require all checks be restrictively endorsed immediately upon receipt.
- C. Establish a change fund for the Highway Department and require it to be maintained on an imprest basis, and require all receipts from sales be transmitted intact.
- D. Require the Highway Department to maintain a culvert pipe inventory record and periodically reconcile purchases, usage and culvert pipes on hand.

Status:

A,B,
C&D. Implemented.

7. Property Taxes

The County Clerk did not recalculate, on a test basis, the tax book extensions, page totals, or grand total of the tax books to verify the amounts charged to the County Collector.

Recommendation:

The County Clerk review the tax books for accuracy, test individual tax bills and tax book page totals for accuracy, and document all procedures performed.

Status:

Implemented.

8. Capital Improvement Sales Tax

See our audit report on Lincoln County, Missouri, for the two years ended December 31, 1999 (report number 2000-87).

9. General Fixed Asset and Vehicle Records

A.1. Property records did not always include all information applicable to the item.

2. Some fixed assets were not properly numbered, tagged, or otherwise identified as county owned property.

3. Additions were not recorded on the property records in a timely manner.

B. The county did not require logs to be maintained documenting fuel costs and vehicle usage for road and bridge pickups, the flood plain director's vehicle, or the County Commission's car.

Recommendation:

The County Clerk and County Commission:

A.1. Maintain fixed asset records with a detailed description of each item to include acquisition/disposition dates, serial number, property tag numbers, and the method of disposition.

2. Properly number or tag all fixed asset items.
 3. Maintain the general fixed asset records on a current basis by recording all additions as they occur. Additions should be periodically reconciled to disbursements.
- B. Require usage logs be maintained for all county assigned vehicles and perform a periodic review of such.

Status:

A&B. Not implemented. See MAR No. 4.

10. Ex Officio Recorder's Controls and Procedures

- A. The fee books and other financial records did not contain sufficient documentation to agree individual recordings to related deposits.
- B. Checks were sometimes not restrictively endorsed immediately upon receipt.

Recommendation:

The Ex Officio Recorder:

- A. Record fees in the fee book in sufficient detail to agree individual recordings to the related deposits. This would include documenting the method of payment in the fee book and transferring sufficient details to the accounts receivable records for identification purposes. In addition, the composition (cash, checks, and money orders) noted in the fee book should be reconciled to the composition of bank deposits.
- B. Restrictively endorse checks immediately upon receipt.

Status:

A&B. Implemented.

11. Sheriff's Controls and Procedures

- A.1. The duties of receiving, recording, and depositing bond monies were not adequately segregated.
2. Monthly bank reconciliations were not performed.
 3. A monthly listing of open items (liabilities) was not prepared.

4. Receipt slips were not issued for some bond monies received.
 5. The Sheriff accepted cash, checks, and money orders for the payment of bonds. Although the method of payment was noted on the receipt slips, it was not reconciled to the composition of bank deposits.
 6. Monies were not deposited intact.
 7. Voided bond receipts slips were not retained by the Sheriff.
- B.1. The Sheriff's Commissary account profits were not being deposited into the county treasury and the County Commission did not authorize their use.
2. Monthly bank reconciliations were not being performed and a monthly listing of open items (liabilities) was not prepared for the commissary account.

Recommendation:

The Sheriff:

- A.1. Establish a documented periodic review of bond records by an independent person.
 2. Perform monthly bank reconciliations.
 3. Prepare a monthly listing of open items and reconcile these listings to monies held in trust.
 4. Issue receipt slips for all bond monies received.
 5. Reconcile the composition of receipts slips issued to the composition of monies deposited.
 6. Deposit receipts intact.
 7. Retain all voided bond receipts.
- B.1. Discontinue the practice of maintaining commissary profits outside the county treasury. These profits should be turned over to the county treasury on a periodic basis.
 2. Prepare monthly bank reconciliations and listings of open items for the commissary account. In addition, reconcile the individual prisoner balances to the total amount of prisoner monies in the account.

Status:

A.1,2,
5,6&7. Implemented.

A.3

&4. Not implemented. Although not repeated in our current MAR, our recommendation remains as stated above.

B.1. Not implemented See MAR No. 9.

B.2. Partially implemented. An open items list is prepared monthly, but the list does not agree with the bank balance and is not reconciled with the account records. See MAR No. 9.

12. Prosecuting Attorney's Controls and Procedures

A. An adequate system to account for all bad check complaints received by the Prosecuting Attorney's office, as well as the subsequent disposition of these complaints had not been established.

B. Checks and money orders received for county fees were not restrictively endorsed immediately upon receipt by the Prosecuting Attorney's Office.

Recommendation:

The Prosecuting Attorney:

A. Implement procedures to adequately account for bad checks received, as well as the ultimate disposition.

B. Ensure all checks and money orders are restrictively endorsed immediately upon receipt.

Status:

A. Implemented.

B. Not implemented. See MAR No. 8.

STATISTICAL SECTION

History, Organization, and
Statistical Information

LINCOLN COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1818, the county of Lincoln was named after General Benjamin Lincoln of Massachusetts. Lincoln County is a county-organized, third-class county and is part of the 45th Judicial Circuit. The county seat is Troy.

Lincoln County's government is composed of a three-member county commission and separate elected officials performing various tasks. 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 Lincoln County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 1,490,577	20	1,320,605	21
Sales taxes	3,408,524	46	3,146,405	33
Federal and state aid	1,255,469	17	1,438,193	23
Fees, interest, and other	1,315,758	17	1,368,589	23
Total	\$ 7,470,328	100	7,273,792	100

The following chart shows how Lincoln County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 2,223,894	34	2,088,565	31
Public safety	516,672	8	455,823	7
Health and welfare	0	0	638,297	9
Highways and roads	3,866,990	58	3,559,762	53
Total	\$ 6,607,556	100	6,742,447	100

The county received \$2,967,307 and \$2,762,915 for the Law Enforcement Trust Fund for the years ended December 2001 and 2000, respectively, to be used for public safety purposes.

The county maintains approximately 87 county bridges and has 600 miles of county roads

The county's population was 18,041 in 1970, and 38,944 in 2000. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	2001	2000	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 241.3	222.6	88.7	45.8	25.8
Personal property	125.3	114.0	18.4	14.3	9.3
Railroad and utilities	42.4	41.2	39.1	14.6	10.4
Total	\$ 409.0	377.8	146.2	74.7	45.5

* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	2001	2000
General Revenue Fund	\$ 0.14	0.13
Special Road and Bridge Fund*	0.26	0.26
Hospital Maintenance Fund	0.17	0.17
Hospital Debt Service Fund	0.23	0.23
Community Opportunities Board	0.10	0.10
Health Center	0.20	0.13

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

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,	
	2002	2001
State of Missouri	\$ 121,954	111,501
General Revenue Fund	563,827	505,819
Road Funds	1,048,228	958,742
Assessment Fund	231,909	208,341
Health Center	772,256	447,312
Hospital	1,595,646	1,419,440
Communities Opportunities Board Fund	402,333	367,849
Schools	14,614,489	13,332,806
Fire Districts	959,646	828,757
Ambulance district	1,126,525	1,029,711
Surtax	116,714	105,194
Surplus Fund	10,953	10,964
Drainage Districts	102,230	83,879
Neighborhood Improvement Districts	43,494	42,130
Cities	558,105	500,916
County Clerk	512	430
County Employees' Retirement	93,150	69,737
Commissions and fees:		
Assessor	8,338	7,461
Collector	8,338	7,461
General Revenue Fund	437,147	380,003
	\$ <u>22,815,794</u>	<u>20,418,453</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	2002	2001
Real estate	93 %	92 %
Personal property	82	88
Railroad and utilities	99	100

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

	Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50 %
Road and Bridge Capital Improvement	.0050	2007	None
Law Enforcement	.0050	None	None
Law Enforcement Capital Improvement	.0025	2005	None

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

Officeholder	2002	2001	2000
County-Paid Officials:			
Russell Cox, Presiding Commissioner	\$	31,700	31,700
Edward J. Huber, Jr., Associate Commissioner		29,700	29,700
Marvin Himmel, Associate Commissioner		29,700	
David E. Oney, Jr., Associate Commissioner			29,700
Elaine Luck, County Clerk		45,000	45,000
G. John Richards, Prosecuting Attorney		96,000	96,000
Daniel Torres, Sheriff		50,000	
James C. Johnson, Sheriff			50,000
Betty McClellan, Treasurer		33,300	33,300
John Lenk, County Coroner		16,000	16,000
Sarah Burkemper, Public Administrator (1)		45,000	30,716
Claude Cox, Collector, year ended February 28, (2)	55,784	54,453	
Gary L. Hoffmann, County Assessor, year ended August 31, (3)		53,134	51,856
William Shea, Jr., County Surveyor (4)			

(1) Includes fees received from probate cases in 2000.

(2) Includes commissions from drainage districts and cities totaling \$10,784 and \$9,453 in 2002 and 2001, respectively.

(3) Includes \$475 and \$900 in state salary and \$7,659 and \$5,956 for printing city taxes, in 2001 and 2000, respectively.

(4) Compensation on a fee basis

State-Paid Officials:

Melba J. Houston, Circuit Clerk and Ex Officio Recorder of Deeds		47,300	46,127
Patrick Flynn, Associate Circuit Judge		96,000	97,382
T. Bennett Burkemper, Associate Circuit Judge (5)		26,400	

(5) Sworn in on September 7, 2001

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex-Officio Recorder of Deeds (1)	4	6
County Clerk	4	0
Prosecuting Attorney	8	0
Sheriff (2)	76	0
County Treasurer (1)	1	0
County Collector (3)	8	0
County Assessor	7	0
Associate Division II and Probate (1)	0	6
Associate Division III	0	1
Road and Bridge	28	0
Industrial Development and Flood Plain Management	1	0
911 Communication	24	0
Juvenile	3	5
County Coroner (1)	1	0
Public Administrator	1	0
Total	<u>166</u>	<u>18</u>

(1) Includes one part-time employee

(2) Includes four part-time employees

(3) Includes six part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Lincoln County's share of the Forty-Fifth Judicial Circuit's expenses is 64 percent.

The county entered into two lease purchase agreements with Peoples Bank and Trust on December 20, 2001. The terms of the agreement call for the county to lease the buildings for the new Detention Facility and the Judicial Center from Peoples Bank and Trust with lease payments equal to the amount due to retire indebtedness. The lease for the Detention Facility is scheduled to be paid off in 2005, and the Judicial Center in 2022. The remaining principal due on the leases at December 31, 2001, was \$1,500,000 and \$2,500,000, respectively.