



LIVINGSTON COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 1999

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

Report No. 2000-106
September 27, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2000

www.auditor.state.mo.us

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

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

This audit of Livingston 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 prepared a schedule of expenditures of federal awards for the years ended December 31, 1999 and 1998; however, the information presented for many of the programs did not agree with the county's expenditure records. Without an accurate schedule, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.
- The county has decentralized payroll procedures and the county's policies regarding overtime and compensatory time do not clearly support or describe current procedures. The County Clerk's office does not maintain records of vacation leave for any county employees and does not maintain records of compensatory time earned or subsequently taken by Sheriff's department employees. Payments, totaling approximately \$2,800, made to a Sheriff's department employee for accumulated compensatory time balances were made without sufficient review by the County Clerk's office and without adequate documentation to support the hours and amount.
- Numerous problems were noted regarding the Sheriff's accounting controls and procedures including; an inadequate segregation of duties; receipts not always being recorded or deposited intact in a timely manner; receipts slips not being issued for some inmate monies received; checks and money orders not being endorsed promptly, and, no reconciliation of the composition of receipt slips to the composition of bank deposits. In addition, bank reconciliations and

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comparisons of reconciled cash balances to related liabilities had not been performed for the Sheriff's general and inmate bank accounts since March 1998 and February 1999, respectively. The Sheriff also needs to improve procedures related to monitoring and collecting unpaid incarceration costs.

Also included in the audit are recommendations to improve the accounting controls and procedures for the Ex Officio County Collector, Juvenile Officer, and Public Administrator.

Copies of this audit are available upon request.

LIVINGSTON 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 Livingston County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Livingston County, Missouri, as of and for the years ended December 31, 1999 and 1998, 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 generally accepted auditing standards 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 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 Livingston 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 Livingston County.

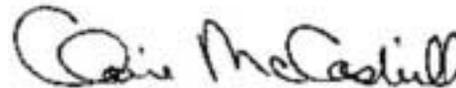
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Livingston County, Missouri, and comparisons of such information with the corresponding budgeted information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

1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 8, 2000, 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.

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 Livingston County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

August 8, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Regina Pruitt, CPA
In-Charge Auditor:	Joel Abeln
Audit Staff:	Terese Summers, CPA
	Christina Brown
	Ayanna Merchant



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 Livingston County, Missouri

We have audited the special-purpose financial statements of various funds of Livingston County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

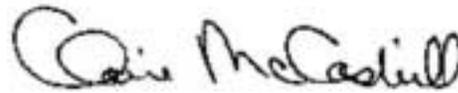
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Livingston County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an object 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*.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Livingston County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

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

This report is intended for the information of the management of Livingston 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, appearing to read "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 8, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 196,197	1,493,188	1,556,572	132,813
Special Road and Bridge	107,879	1,046,790	1,056,471	98,198
Assessment	48	144,597	144,604	41
Law Enforcement Training	2,403	7,716	8,382	1,737
Prosecuting Attorney Training	42	2,438	2,461	19
Recorder's User Fees	4,169	5,946	5,000	5,115
Prosecuting Attorney Bad Check	901	12,699	13,475	125
Child Abuse	2,707	693	2,801	599
Local Emergency Planning	10,921	2,973	657	13,237
911	69,228	344,335	367,401	46,162
Health Center	250,702	605,575	564,448	291,829
Senate Bill 40 Board	97,125	141,231	178,148	60,208
School Resource Officer (SRO)	4,826	73,165	62,421	15,570
Planning and Zoning	15,521	223	15,702	42
Law Library	737	4,640	5,092	285
Circuit Division Interest	11,173	4,364	1,352	14,185
Soybean Processing Study	0	16,000	16,000	0
Total	\$ 774,579	3,906,573	4,000,987	680,165

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

Exhibit A-2

LIVINGSTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 340,716	1,399,296	1,543,815	196,197
Special Road and Bridge	164,312	779,882	836,315	107,879
Assessment	4,493	170,671	175,116	48
Law Enforcement Training	4,779	6,769	9,145	2,403
Prosecuting Attorney Training	1,139	2,542	3,639	42
Recorder's User Fees	2,513	6,656	5,000	4,169
Prosecuting Attorney Bad Check	3,754	10,015	12,868	901
Child Abuse	2,014	693	0	2,707
Local Emergency Planning	11,497	364	940	10,921
911	39,879	160,452	131,103	69,228
Health Center	223,792	553,587	526,677	250,702
Senate Bill 40 Board	88,492	137,706	129,073	97,125
SRO	0	35,777	30,951	4,826
Planning and Zoning	543	22,025	7,047	15,521
Law Library	82	5,320	4,665	737
Circuit Division Interest	9,136	7,704	5,667	11,173
Total	\$ 897,141	3,299,459	3,422,021	774,579

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

Exhibit B

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 5,500	3,806	(1,694)	5,200	5,480	280
Sales taxes	752,000	745,342	(6,658)	775,000	723,372	(51,628)
Intergovernmental	385,086	403,250	18,164	330,095	360,759	30,664
Charges for services	227,400	201,639	(25,761)	220,100	202,857	(17,243)
Interest	11,000	11,794	794	22,000	18,198	(3,802)
Other	102,100	97,357	(4,743)	114,400	88,630	(25,770)
Transfers in	30,000	30,000	0	0	0	0
Total Receipts	<u>1,513,086</u>	<u>1,493,188</u>	<u>(19,898)</u>	<u>1,466,795</u>	<u>1,399,296</u>	<u>(67,499)</u>
DISBURSEMENTS						
County Commission	98,552	86,399	12,153	80,622	60,748	19,874
County Clerk	76,899	74,161	2,738	74,206	69,378	4,828
Elections	35,202	33,090	2,112	68,327	60,394	7,933
Buildings and grounds	99,240	74,262	24,978	109,117	89,961	19,156
Employee fringe benefits	224,037	215,695	8,342	208,000	198,523	9,477
County Treasurer and Ex Officio County Collector	52,944	52,354	590	53,462	53,442	20
Ex Officio Recorder of Deeds	35,282	33,902	1,380	43,750	36,042	7,708
Circuit Clerk	17,705	13,581	4,124	22,475	9,452	13,023
Associate Circuit Court	11,449	10,269	1,180	17,299	10,952	6,347
Probate Court	6,600	2,745	3,855	6,400	4,365	2,035
Court administration	41,000	7,084	33,916	40,600	4,146	36,454
Public Administrator	25,784	25,995	(211)	27,900	18,188	9,712
Sheriff	292,848	290,381	2,467	285,036	285,004	32
Jail	377,614	389,878	(12,264)	367,283	367,272	11
Prosecuting Attorney	72,010	73,423	(1,413)	59,922	59,922	0
Juvenile Officer	83,313	56,992	26,321	82,687	61,700	20,987
County Coroner	12,964	16,107	(3,143)	8,964	8,964	0
Other	87,155	75,919	11,236	118,786	86,067	32,719
Court Reporter	350	348	2	375	193	182
Public health and welfare services	2,850	1,304	1,546	2,850	0	2,850
Transfers out	9,215	11,791	(2,576)	30,674	25,755	4,919
Emergency Fund	45,392	10,892	34,500	98,776	33,347	65,429
Total Disbursements	<u>1,708,405</u>	<u>1,556,572</u>	<u>151,833</u>	<u>1,807,511</u>	<u>1,543,815</u>	<u>263,696</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(195,319)	(63,384)	131,935	(340,716)	(144,519)	196,197
CASH, JANUARY 1	196,197	196,197	0	340,716	340,716	0
CASH, DECEMBER 31	\$ <u>878</u>	<u>132,813</u>	<u>131,935</u>	<u>0</u>	<u>196,197</u>	<u>196,197</u>

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

Exhibit C

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 57,000	62,933	5,933	58,000	57,709	(291)
Intergovernmental	1,518,500	973,497	(545,003)	894,500	708,858	(185,642)
Interest	6,000	6,312	312	15,000	11,665	(3,335)
Other	6,500	4,048	(2,452)	1,500	1,650	150
Total Receipts	<u>1,588,000</u>	<u>1,046,790</u>	<u>(541,210)</u>	<u>969,000</u>	<u>779,882</u>	<u>(189,118)</u>
DISBURSEMENTS						
Salaries	61,915	57,915	4,000	60,228	56,228	4,000
Employee fringe benefits	16,600	14,877	1,723	16,045	15,106	939
Supplies	15,750	7,627	8,123	11,600	7,856	3,744
Insurance	10,000	5,228	4,772	9,000	9,708	(708)
Road and bridge materials	100,000	89,811	10,189	130,000	133,317	(3,317)
Equipment repairs	8,000	3,691	4,309	12,000	13,239	(1,239)
Rentals	27,500	21,354	6,146	18,000	40,317	(22,317)
Equipment purchases	35,000	0	35,000	42,900	22,765	20,135
Construction, repair, and maintenance	1,383,400	849,716	533,684	817,500	458,503	358,997
Other	13,750	6,252	7,498	15,150	79,276	(64,126)
Total Disbursements	<u>1,671,915</u>	<u>1,056,471</u>	<u>615,444</u>	<u>1,132,423</u>	<u>836,315</u>	<u>296,108</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(83,915)	(9,681)	74,234	(163,423)	(56,433)	106,990
CASH, JANUARY 1	107,879	107,879	0	164,312	164,312	0
CASH, DECEMBER 31	<u>\$ 23,964</u>	<u>98,198</u>	<u>74,234</u>	<u>889</u>	<u>107,879</u>	<u>106,990</u>

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

Exhibit D

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSESSMENT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 137,976	131,690	(6,286)	141,500	142,513	1,013
Charges for services	2,000	950	(1,050)	2,500	1,897	(603)
Interest	500	531	31	750	506	(244)
Transfers in	9,215	11,426	2,211	30,674	25,755	(4,919)
Total Receipts	149,691	144,597	(5,094)	175,424	170,671	(4,753)
DISBURSEMENTS						
Assessor	149,691	144,604	5,087	179,917	175,116	4,801
Total Disbursements	149,691	144,604	5,087	179,917	175,116	4,801
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(7)	(7)	(4,493)	(4,445)	48
CASH, JANUARY 1	48	48	0	4,493	4,493	0
CASH, DECEMBER 31	\$ 48	41	(7)	0	48	48

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

Exhibit E

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,997	7,430	1,433	5,000	6,624	1,624
Interest	100	51	(49)	100	80	(20)
Other	1,500	235	(1,265)	0	65	65
Total Receipts	7,597	7,716	119	5,100	6,769	1,669
DISBURSEMENTS						
Sheriff	10,000	8,382	1,618	9,879	9,145	734
Total Disbursements	10,000	8,382	1,618	9,879	9,145	734
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,403)	(666)	1,737	(4,779)	(2,376)	2,403
CASH, JANUARY 1	2,403	2,403	0	4,779	4,779	0
CASH, DECEMBER 31	\$ 0	1,737	1,737	0	2,403	2,403

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

Exhibit F

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 2,500	2,423	(77)	2,500	2,506	6
Interest	30	15	(15)	30	36	6
Total Receipts	<u>2,530</u>	<u>2,438</u>	<u>(92)</u>	<u>2,530</u>	<u>2,542</u>	<u>12</u>
DISBURSEMENTS						
Prosecuting Attorney	<u>2,565</u>	<u>2,461</u>	<u>104</u>	<u>3,639</u>	<u>3,639</u>	<u>0</u>
Total Disbursements	<u>2,565</u>	<u>2,461</u>	<u>104</u>	<u>3,639</u>	<u>3,639</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35)	(23)	12	(1,109)	(1,097)	12
CASH, JANUARY 1	42	42	0	1,139	1,139	0
CASH, DECEMBER 31	<u>\$ 7</u>	<u>19</u>	<u>12</u>	<u>30</u>	<u>42</u>	<u>12</u>

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

Exhibit G

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEES FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 6,500	5,700	(800)	5,900	6,461	561
Interest	200	246	46	100	195	95
Total Receipts	<u>6,700</u>	<u>5,946</u>	<u>(754)</u>	<u>6,000</u>	<u>6,656</u>	<u>656</u>
DISBURSEMENTS						
Ex Officio Recorder of Deeds	5,000	5,000	0	5,000	5,000	0
Total Disbursements	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,700	946	(754)	1,000	1,656	656
CASH, JANUARY 1	4,169	4,169	0	2,513	2,513	0
CASH, DECEMBER 31	<u>\$ 5,869</u>	<u>5,115</u>	<u>(754)</u>	<u>3,513</u>	<u>4,169</u>	<u>656</u>

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

Exhibit H

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY BAD CHECK FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 12,593	12,308	(285)	9,000	9,935	935
Interest	80	26	(54)	80	80	0
Transfers in	0	365	365	0	0	0
Total Receipts	12,673	12,699	26	9,080	10,015	935
DISBURSEMENTS						
Prosecuting Attorney	13,574	13,475	99	12,834	12,868	(34)
Total Disbursements	13,574	13,475	99	12,834	12,868	(34)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(901)	(776)	125	(3,754)	(2,853)	901
CASH, JANUARY 1	901	901	0	3,754	3,754	0
CASH, DECEMBER 31	\$ 0	125	125	0	901	901

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

Exhibit I

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CHILD ABUSE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 675	650	(25)	750	615	(135)
Interest	80	43	(37)	50	78	28
Total Receipts	<u>755</u>	<u>693</u>	<u>(62)</u>	<u>800</u>	<u>693</u>	<u>(107)</u>
DISBURSEMENTS						
Green Hills Women's Shelter	3,400	2,801	599	2,813	0	2,813
Total Disbursements	<u>3,400</u>	<u>2,801</u>	<u>599</u>	<u>2,813</u>	<u>0</u>	<u>2,813</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,645)	(2,108)	537	(2,013)	693	2,706
CASH, JANUARY 1	2,707	2,707	0	2,014	2,014	0
CASH, DECEMBER 31	<u>\$ 62</u>	<u>599</u>	<u>537</u>	<u>1</u>	<u>2,707</u>	<u>2,706</u>

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

Exhibit J

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LOCAL EMERGENCY PLANNING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	0	2,607	2,607	0	0	0
Interest	375	366	(9)	300	364	64
Total Receipts	375	2,973	2,598	300	364	64
DISBURSEMENTS						
Emergency planning	11,000	657	10,343	11,797	940	10,857
Total Disbursements	11,000	657	10,343	11,797	940	10,857
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,625)	2,316	12,941	(11,497)	(576)	10,921
CASH, JANUARY 1	10,921	10,921	0	11,497	11,497	0
CASH, DECEMBER 31	\$ 296	13,237	12,941	0	10,921	10,921

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

Exhibit K

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 911 FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	5,329	5,329	0	0	0
Charges for services	160,000	161,856	1,856	149,622	157,962	8,340
Interest	2,000	2,150	150	5,588	2,490	(3,098)
Loan proceeds	165,000	175,000	10,000	0	0	0
Total Receipts	<u>327,000</u>	<u>344,335</u>	<u>17,335</u>	<u>155,210</u>	<u>160,452</u>	<u>5,242</u>
DISBURSEMENTS						
Salaries	52,983	50,772	2,211	0	8,874	(8,874)
Employee fringe benefits	8,792	5,871	2,921	0	1,293	(1,293)
Office expenditure	2,409	1,306	1,103	0	233	(233)
Equipment purchases	255,407	255,192	215	0	25,835	(25,835)
Equipment repairs	9,209	4,048	5,161	0	0	0
Contracted services	7,944	20,818	(12,874)	155,550	94,868	60,682
Mileage and training	15,000	9,697	5,303	0	0	0
Telephone network charge	26,719	19,697	7,022	0	0	0
Total Disbursements	<u>378,463</u>	<u>367,401</u>	<u>11,062</u>	<u>155,550</u>	<u>131,103</u>	<u>24,447</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(51,463)	(23,066)	28,397	(340)	29,349	29,689
CASH, JANUARY 1	69,228	69,228	0	39,879	39,879	0
CASH, DECEMBER 31	\$ <u>17,765</u>	<u>46,162</u>	<u>28,397</u>	<u>39,539</u>	<u>69,228</u>	<u>29,689</u>

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

Exhibit L

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 280,742	280,755	13	267,776	265,988	(1,788)
Intergovernmental	201,489	263,707	62,218	207,240	199,139	(8,101)
Charges for services	46,000	45,318	(682)	47,000	73,150	26,150
Interest	15,000	14,593	(407)	14,000	14,973	973
Other	0	1,202	1,202	750	337	(413)
Total Receipts	<u>543,231</u>	<u>605,575</u>	<u>62,344</u>	<u>536,766</u>	<u>553,587</u>	<u>16,821</u>
DISBURSEMENTS						
Salaries	448,000	446,399	1,601	412,949	412,442	507
Office expenditures	47,410	42,924	4,486	46,490	45,419	1,071
Equipment	12,000	8,856	3,144	12,000	14,865	(2,865)
Mileage and training	10,200	10,369	(169)	10,000	8,628	1,372
Insurance	30,925	30,876	49	27,000	27,309	(309)
Community health	23,900	20,785	3,115	16,900	14,437	2,463
Other	10,000	4,239	5,761	10,000	3,577	6,423
Total Disbursements	<u>582,435</u>	<u>564,448</u>	<u>17,987</u>	<u>535,339</u>	<u>526,677</u>	<u>8,662</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,204)	41,127	80,331	1,427	26,910	25,483
CASH, JANUARY 1	250,662	250,702	40	218,416	223,792	5,376
CASH, DECEMBER 31	<u>\$ 211,458</u>	<u>291,829</u>	<u>80,371</u>	<u>219,843</u>	<u>250,702</u>	<u>30,859</u>

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

Exhibit M

LIVINGSTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SENATE BILL 40 BOARD FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 107,880	115,778	7,898	103,500	113,657	10,157
Intergovernmental	15,000	17,592	2,592	14,440	16,727	2,287
Interest	3,000	3,273	273	2,800	3,816	1,016
Other	2,940	4,588	1,648	2,350	3,506	1,156
Total Receipts	<u>128,820</u>	<u>141,231</u>	<u>12,411</u>	<u>123,090</u>	<u>137,706</u>	<u>14,616</u>
DISBURSEMENTS						
Salaries	33,935	33,935	0	32,946	33,589	(643)
Employee fringe benefits	2,800	2,724	76	2,800	2,735	65
Office expenditures	8,171	9,755	(1,584)	8,135	10,699	(2,564)
Purchase of services	120,052	131,734	(11,682)	78,622	73,950	4,672
Capital outlay	0	0	0	2,000	8,100	(6,100)
Total Disbursements	<u>164,958</u>	<u>178,148</u>	<u>(13,190)</u>	<u>124,503</u>	<u>129,073</u>	<u>(4,570)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(36,138)	(36,917)	(779)	(1,413)	8,633	10,046
CASH, JANUARY 1	97,125	97,125	0	88,492	88,492	0
CASH, DECEMBER 31	<u>\$ 60,987</u>	<u>60,208</u>	<u>(779)</u>	<u>87,079</u>	<u>97,125</u>	<u>10,046</u>

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

Exhibit N

LIVINGSTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SRO FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 58,691	73,065	14,374
Charges for services	0	100	100
Total Receipts	<u>58,691</u>	<u>73,165</u>	<u>14,474</u>
DISBURSEMENTS			
Salaries	26,750	26,036	714
Employee fringe benefits	6,767	6,385	382
Transfers out	30,000	30,000	0
Total Disbursements	<u>63,517</u>	<u>62,421</u>	<u>1,096</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,826)	10,744	15,570
CASH, JANUARY 1	4,826	4,826	0
CASH, DECEMBER 31	<u>\$ 0</u>	<u>15,570</u>	<u>15,570</u>

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

Exhibit O

LIVINGSTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PLANNING AND ZONING FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 50	223	173
Processing Fees	10,000	0	(10,000)
Total Receipts	10,050	223	(9,827)
DISBURSEMENTS			
Conditional use permit refunds and costs	25,571	15,200	10,371
Re-zoning costs	0	502	(502)
Total Disbursements	25,571	15,702	9,869
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15,521)	(15,479)	42
CASH, JANUARY 1	15,521	15,521	0
CASH, DECEMBER 31	\$ 0	42	42

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

Exhibit P

LIVINGSTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW LIBRARY FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	2,000	4,640	2,640
Total Receipts	2,000	4,640	2,640
DISBURSEMENTS			
Office expenditures	2,000	5,092	(3,092)
Total Disbursements	2,000	5,092	(3,092)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(452)	(452)
CASH, JANUARY 1	0	737	737
CASH, DECEMBER 31	\$ 0	285	285

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

Exhibit Q

LIVINGSTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CIRCUIT CLERK INTEREST FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 0	4,364	4,364
Total Receipts	0	4,364	4,364
DISBURSEMENTS			
Office expenditures	11,202	1,352	9,850
Total Disbursements	11,202	1,352	9,850
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,202)	3,012	14,214
CASH, JANUARY 1	11,202	11,173	(29)
CASH, DECEMBER 31	\$ 0	14,185	14,185

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

Notes to the Financial Statements

LIVINGSTON 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 Livingston County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, 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 SRO Fund, Planning and Zoning Fund, Law Library Fund, and Circuit Division Interest Fund for the year ended December 31, 1998, and Soybean Processing Study Fund for the year ended December 31, 1999.

Warrants issued were in excess of budgeted amounts for the Prosecuting Attorney Bad Check Fund for the year ended December 31, 1998, the Law Library Fund for the year ended December 31, 1999, and the Senate Bill 40 Board Fund for the years ended December 31, 1999 and 1998. Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, 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 statement for the year ended December 31, 1998, did not include the Planning and Zoning Fund, the Law Library Fund, and the Circuit Division Interest Fund.

2. Cash

Section 110.270, RSMo 1994, 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 Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than depository 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, Health Center Board's, and Senate Bill 40 Board's deposits at December 31, 1999 and 1998, were entirely covered by federal depository insurance or by collateral securities held by the county's, Health Center Board's, or Senate Bill 40 Board's respective custodial bank in the county's, Health Center Board's, or Senate Bill 40 Board's name, respectively.

3. Prior Period Adjustment

The Senate Bill 40 Board cash balance at January 1, 1998, as previously stated has been increased by \$14,278 to reflect a certificate of deposit balance not previously included.

Supplementary Schedule

Schedule 1

LIVINGSTON 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,	
			1999	1998
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-9159	\$ 47,130	43,518
Office of Administration -				
U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION				
Direct program -				
11.303	Economic Development - Technical Assistance		16,000	0
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	97-UM-WX-0010	62,422	30,951
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,335	1,509
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-059 (9)	0	68,669
		BRO-059 (12)	16,805	0
		BRO-059 (13)	9,825	0
		BRO-059 (14)	21,610	0
	Program Total		<u>48,240</u>	<u>68,669</u>
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	MO-16-0030	0	25,704
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.544	Emergency Management - Public Assistance Grants	FEMA-1253-DR-MO	340,896	22,185
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct program -				
93.268	Immunization Grants		9,510	344

Schedule 1

LIVINGSTON 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,	
			1999	1998
Passed through state:				
93.268	Immunization Grants	PG0064-9159	48,726	30,344
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	3,824	3,248
	Department of Health -			
93.575	Child Care and Development Block Grant	ER0146-9159	3,395	4,668
93.991	Preventative Health and Health Services Block Grant	N/A	557	561
93.994	Maternal and Child Health Services Block Grant to the States	ER0146-9159	19,231	19,815
	Total Expenditures of Federal Awards		\$ <u>601,266</u>	<u>251,516</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

LIVINGSTON 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 Livingston 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.

The direct program amounts for Immunization Grants (CFDA number 93.268) represent the original acquisition cost of varicella (chicken pox) vaccine provided to the Health Center through the Centers for Disease Control of the U.S. Department of

Health and Human Services. Of the pass-through amounts for that program, \$46,746 and \$21,614 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$557 and \$561 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$2,783 and \$1,965 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1999 and 1998.

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 Livingston County, Missouri

Compliance

We have audited the compliance of Livingston County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, Livingston County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. 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 99-1.

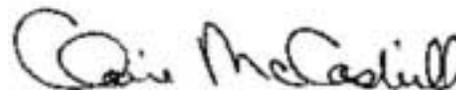
Internal Control Over Compliance

The management of Livingston 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 99-1.

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 Livingston County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

August 8, 2000 (fieldwork completion date)

Schedule

LIVINGSTON COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? _____ yes x no

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

Noncompliance material to the financial statements noted? _____ yes x no

Federal Awards

Internal control over major program(s):

Material weakness identified? _____ yes x no

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

Type of auditor's report issued on compliance for major program(s): 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 programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
83.544	Emergency Management – Public Assistance Grants

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

Auditee qualified as a low-risk auditee? _____ yes x no

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

99-1. Schedule of Expenditures and Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity	
Identifying Number:	ER0045-9159
Award Years:	1999 and 1998
Questioned Costs:	Not Applicable

Federal Grantor:	Federal Emergency Management Agency
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	83.544
Program Title:	Emergency Management–Public Assistance Grants
Pass-Through Entity	
Identifying Number:	FEMA-1253-DR-MO
Award Years:	1999 and 1998
Questioned Costs:	Not Applicable

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

The county prepared a SEFA for each of the two years ended December 31, 1999. However, the information presented by the County Clerk for most of the programs did not agree with

the county's expenditure records. In addition, one program reported did not represent federal assistance monies. As a result, the county over reported expenditures on their SEFA schedule by approximately \$97,000 for 1999 and \$28,000 for 1998.

Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

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

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

A continued effort will be made to obtain the appropriate federal grant information from all applicable county departments and prepare an accurate schedule of expenditures of federal awards to be included with the county's 2001 budget.

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

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

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

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

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

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

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

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Livingston County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 8, 2000. We also have audited the compliance of Livingston County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 8, 2000.

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

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

Our review was made in accordance with applicable generally accepted government auditing standards 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 review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review 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 review 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 audits of the special-purpose financial statements of Livingston County but do not meet the criteria for inclusion in the written reports on compliance and on internal control

over financial reporting or compliance that is required for audits performed in accordance with *Government Auditing Standards*.

1. Personnel Policies and Procedures

Although county employees are required to prepare and submit time sheets to the County Clerk, records of vacation leave earned or subsequently taken by county employees are not maintained. In addition, the County Clerk's office does not maintain records of compensatory time earned or subsequently taken by Sheriff's department employees. Rather, employees of the Sheriff's department are responsible for maintaining these records. We also noted that the county's policies regarding overtime and compensatory time are very general and do not clearly support or describe the county's current practices.

During 1999 and 1998, payments, totaling approximately \$2,800, were made by the county to a Sheriff's department employee for accumulated compensatory time balances. The County Clerk relied upon payroll vouchers prepared and approved by the Sheriff's department as support for these payroll expenditures. The Sheriff's department could not provide a detailed record to support the voucher hours and amount or show how the voucher information related to timesheets. In addition, there was no comparison of voucher information to previously submitted timesheets by the County Clerk's office.

It appears that unexplained discrepancies, errors, and inconsistencies are more likely to occur given the county's decentralized payroll procedures and vague overtime and compensatory time policies. Without centralized records, the County Commission cannot ensure that employees' vacation leave and compensatory time balances are accurate, leave taken is appropriate, and payments of accumulated compensatory time are accurate. Centralized records aid in determining final compensation and better document compliance with the Fair Labor Standards Act. The County Commission needs to establish more clear and comprehensive policies regarding overtime and compensatory time. Improved oversight of the payroll process by the County Clerk is necessary and could be better accomplished, at least in part, by establishing centralized vacation leave and compensatory time records.

A similar condition was noted in the prior two reports.

WE RECOMMEND the County Commission establish a comprehensive overtime and compensatory time policy. In addition, the County Commission should have the County Clerk maintain centralized records of vacation leave and compensatory time earned, taken, and paid for all county employees. Furthermore, the County Commission needs to ensure that there is a thorough review and adequate support for any future payments of accumulated compensatory time balances.

AUDITEE'S RESPONSE

The County Commission has adopted a new personnel policy which is currently in the final approval phase. A new timesheet has been developed which will better illustrate beginning balances, hours accrued, hours used, and ending balances for sick leave, vacation leave, and compensatory time. Effective January 1, 2001, this timesheet will be used by all county employees, except for Sheriff's department employees. The County Commission will be working with the Sheriff to adopt a formal overtime and compensatory time policy. In addition, beginning January 1, 2001, the County Clerk's office will attempt to calculate beginning balances, hours accrued, hours used, and ending balances for sick leave, vacation leave, and compensatory time for Sheriff's department employees.

2. Ex Officio County Collector's Accounting Controls and Procedures

The Ex Officio County Collector maintains two primary bank accounts. One is used for the deposit of surtax collections which are accumulated and distributed once a year. The other bank account is used for the deposit and distribution of all other tax collections. The Ex Officio County Collector accumulates interest in both bank accounts and distributes interest once a year.

Although differences have been noted and recommendations have been made in the prior two reports, the Ex Officio County Collector still does not adequately reconcile the cash balances to existing liabilities. The Ex Officio County Collector performs monthly reconciliations of his bank accounts. However, no check register balance or other book balance is maintained. As a result, the reconciled cash balance is not compared to any book balance or existing liabilities. The reconciled cash balance at February 29, 2000 exceeded the total identified liabilities by approximately \$300. Additionally, unidentified amounts fluctuated during various months of the audit period.

The maintenance of a book balance and adequate reconciliations are necessary to ensure receipts and disbursements are properly accounted for and cash balances can be properly identified to appropriate liabilities and other reconciling items.

WE AGAIN RECOMMEND the Ex Officio County Collector maintain a book balance and reconcile bank accounts to related liabilities and other reconciling items on a monthly basis. Any differences should be investigated and explained on the reconciliations.

AUDITEE'S RESPONSE

The Ex Officio County Collector indicated a checkbook balance has been determined and will continue to be maintained. The bank account is being reconciled each month and compared to the checkbook balance, the receipt ledger balance, and liabilities. Any differences will be investigated and explained on the monthly bank reconciliation.

3.**Juvenile Officer's Accounting Control and Procedures**

During 1999 and 1998 the Juvenile Officer collected restitution monies totaling approximately \$5,800 and \$1,700, respectively. Our review of the Juvenile Officer's accounting controls and procedures revealed the following concerns:

- A. Receipts, which include cash, checks, and money orders, are not deposited on a timely basis. Restitution monies collected are frequently held for more than a month prior to being deposited. For example, we noted restitution receipts totaling \$1,382 received between November 7, 1999 and November 19, 1999 that were not deposited until December 20, 1999. In addition, the Deputy Juvenile Officer does not restrictively endorse checks and money orders until the deposit is prepared. To adequately safeguard monies and reduce the risk of loss or misuse of funds, checks, and money orders should be restrictively endorsed immediately upon receipt and deposits should be made daily or when daily accumulated receipts exceed \$100.
- B. Receipt slips issued by the Deputy Juvenile Officer are not prenumbered and do not indicate the method of payment (cash, check, money order). In addition, the composition of receipts is not reconciled to the composition of deposits. To ensure receipts are deposited intact, the method of payment should be recorded and reconciled to the composition of bank deposits.
- C. While the Juvenile Officer marks the checks and deposits in his cash control as they clear the bank, he does not prepare formal written bank reconciliations. In addition, monthly listings of open items (liabilities) are not prepared. Monthly bank reconciliations and the identification of month-end liabilities are necessary to ensure all receipts and disbursements are properly accounted for, that cash in the bank account is adequate to meet liabilities, and that errors are detected and corrected timely.

Similar conditions were noted in the prior two reports.

WE AGAIN RECOMMEND the Juvenile Officer:

- A. Restrictively endorse checks immediately upon receipt and deposit receipts daily or when accumulated receipts exceed \$100.
- B. Require the Deputy Juvenile Officer to utilize prenumbered receipt slips and record the method of payment for all monies received and reconcile cash, checks, and money orders received to the composition of bank deposits.
- C. Perform bank reconciliations and identify month-end liabilities, and reconcile to the

cash control balance on a monthly basis.

AUDITEE'S RESPONSE

- A. *Checks are now being endorsed upon receipt. Efforts will be made to deposit receipts more timely; however, it is unlikely we will have time to go to the bank daily.*
- B. *This recommendation has been implemented.*
- C. *The ledger book is balanced on a monthly basis. I think the current procedure is adequate and do not plan to implement changes at this time.*

4. Sheriff's Accounting Controls and Procedures
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The Sheriff's department is responsible for collecting incarceration costs, civil and criminal process fees, garnishment payments and fees, gun permit fees, and cash bonds. These monies are deposited to and disbursed from the Sheriff's general account. The Sheriff also maintains a separate checking account to handle personal inmate monies and operate a commissary for inmates. A record is maintained for each inmate which reflects monies received on the inmate's behalf, purchases made from the commissary, and the available cash balance. When an inmate purchases commissary items, the purchase amount is deducted from that inmate's account balance. Invoices for the replenishment of commissary inventory are paid by the county and proceeds from the commissary sales are paid to the County Treasurer monthly for credit to the General Revenue Fund. Significant concerns were noted in our review of general account and inmate account records and procedures.

- A. Accounting duties are not adequately segregated. The Sheriff's office manager has primary responsibility for the general bank account, whereas another individual has primary responsibility for the inmate bank account. Their responsibilities include receipting and recording monies, preparing deposits, preparing and signing checks, and performing month-end reconciliations. The Sheriff's deputies and dispatchers may also receipt money. There is no independent review of the accounting records and reconciliations.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving, recording, disbursing, and reconciling cash. If the duties cannot be adequately segregated, at a minimum, there should be a supervisory review of reconciliations between receipts and deposits and an independent review of month-end reconciliations.

- B. Checks and money orders received are not restrictively endorsed immediately upon receipt. Endorsements are applied at the time deposits are prepared. To adequately

safeguard receipts, all check and money orders to be deposited should be restrictively endorsed immediately upon receipt.

- C. General account monies received are not always receipted or recorded in a timely manner. For example, a July 12, 2000, cash count identified monies on hand totaling \$710 for which receipt slips had not been issued, or the amounts recorded in the cash control ledger. As a result of such time lags the transaction dates recorded on the receipts slips and in the cash control ledger are not always accurate.

Receipt slips are not issued for some inmate account monies received. Currently, receipt slips are not issued for monies received through the mail, monies taken from an inmate when initially booked into jail, and monies collected from Sheriff's department employees for purchases of commissary goods.

To adequately account receipts, prenumbered receipt slips should be promptly issued for all monies received and the numerical sequence accounted for properly. In addition, information needs to be recorded in the cash control ledger in a timely manner. An immediate record of receipts is necessary to properly safeguard, document, and account for monies received.

- D. General account receipts are not always deposited timely or intact and information itemized on deposit slips is not always accurate. For example, we noted an instance where a check for \$600 was receipted on October 12, 1999, but not deposited until December 28, 1999, although other deposits had been made prior to December 28, 1999. In addition, we noted an instance in which a receipt slip number was noted on both the October 14, 1998, and October 23, 1998 deposit slips; however, the corresponding amounts differed. Other similar errors were also noted

Inmate account receipts are not deposited on a timely basis. Deposits are usually made once or twice a month and monies are not always deposited in the order received. For example, we noted inmate receipts totaling \$1,140 received between November 23, 1999 and November 29, 1999 that were not deposited until December 7, 1999. In addition, we noted one receipt issued in December 1999 and one receipt issued in December 1998 for \$10 and \$20 respectively, which do not appear to have been deposited into the inmate account. Several other deposits including receipts surrounding these were made during these time periods. The receipt records do not provide a summary of which receipts are included in deposits and the deposit slips do not list receipt numbers.

In addition, neither general nor inmate account monies received are held in a secure location prior to being recorded and deposited.

The various depositing problems and receipting concerns (discussed in part C), plus the fact that monies are not maintained in a secure location, greatly increase the

possibility that errors can be made and remain undetected. To 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 receipts should be stored in a secure location until deposited. Care needs to be taken to ensure deposit slip information is sufficiently detailed, accurate, and correctly represents transactions actually included in the deposit.

- E. While the method of payment is generally noted on general account receipt slips, it is not reconciled to the composition of bank deposits. Inmate account receipt slips do not always indicate the method of payment; therefore, the composition of receipts cannot be reconciled to the composition of deposits. To ensure all monies are deposited intact, and to reduce the potential for loss, theft, or misuse of funds, the method of payment should be noted on all receipt slips and the composition of receipt slips should be reconciled to the composition of bank deposits.
- F. Bank reconciliations have not been performed for the general account since March 1998. The Sheriff's office manager indicated she stopped performing bank reconciliations when the reconciled cash balance no longer equaled the open items balance. Consequently, there is less assurance that accounting records are in agreement with bank records, liabilities are not adequately reconciled with cash balances, and identifying reasons for differences becomes more difficult.

Only by preparing timely bank reconciliations and comparing the reconciled bank balance to identified open items can the Sheriff be assured that records are in balance and that sufficient cash is available for the payment of all liabilities.

- G. Bank reconciliations have not been performed on the inmate bank account since February 1999. Upon discussing this with the Sheriff's department, bank reconciliations were completed for each month through July 31, 2000. However, the total amount of monies in the inmate account was not reconciled to the individual inmate balances and the commissary sales for the month. We obtained a listing of individual inmate account balances as of August 7, 2000, and compared this information to the bank account balance at that date. After adjusting for amounts due to the County Treasurer for commissary purchases, the total of the inmate account balances exceeded the reconciled bank balance by approximately \$1,500. The office manager has identified a couple of instances where amounts were improperly disbursed twice from the inmate account and is continuing to search for reasons for the discrepancies.

To ensure proper accountability over inmate and commissary monies, and improve the likelihood of identifying and correcting errors in a timely manner, the individual inmate account balances and amounts due to the County Treasurer should be compared to the reconciled bank balance on a monthly basis. Any discrepancies should be followed up on and resolved.

- H. The Sheriff has not established formal procedures to ensure unpaid incarceration costs are adequately identified and followed up on. Summary records of amounts due from inmates who have been released are not maintained and monitoring procedures are not adequate. Other than informing inmates of amounts due upon their release, amounts due are not periodically determined and there is no follow up with individuals.

To adequately account for all incarceration billings due and to maximize county revenues, adequate summary records of amounts due should be maintained, and formal procedures for monitoring and billing delinquent incarceration amounts should be established. Such procedures should consist of generating periodic reports of billings with balances due and follow up on those for which payments have not been received.

WE RECOMMEND the Sheriff:

- A. Adequately segregate the accounting duties or, at a minimum, ensure that periodic independent reviews of the accounting records are performed and documented.
- B. Restrictively endorse checks and money orders immediately upon receipt.
- C. Issue prenumbered receipt slips promptly for all monies received and account for the numerical sequence of receipt slips issued. In addition, information should be recorded in the cash control ledger in a timely manner.
- D. Deposit all monies intact daily or when accumulated receipts exceed \$100, store monies in a secure location prior to deposit, and ensure deposit slips include complete and accurate information. In addition, the Sheriff needs to follow up further on amounts that do not appear to have been deposited and repay any undeposited amounts to his official bank account.
- E. Ensure the method of payment is recorded on receipt slips and reconcile the composition of receipt slips to the composition of bank deposits.
- F. Perform monthly bank reconciliations for the general account. In addition, prepare a monthly listing of open items and reconcile it to the reconciled bank balance.
- G. Perform monthly bank reconciliations for the inmate account. In addition, prepare a monthly listing of individual inmate account balances and the commissary sales for the month, and reconcile these amounts to the reconciled bank balance. Any differences identified need to be investigated and resolved in a timely manner.
- H. Maintain a complete and accurate listing of delinquent incarceration amounts. In

addition, formal procedures should be established and implemented for pursuing the collection of such delinquent amounts.

AUDITEE'S RESPONSE

- A. *I have begun reviewing the bank reconciliations and am signing them to document this review. The general and inmate account responsibilities are being assigned to two staff members. These individuals will perform some independent reviews of one another's records.*
- B. *We now request that all money orders and checks be made payable to the Livingston County Sheriff's Department. These will be endorsed upon receipt.*
- C. *All receipts issued are now prenumbered and these numbers will be accounted for. In addition, information is being recorded in the cash control ledger daily.*
- D. *We have begun making daily deposits and reconciling deposit details to receipt records. In addition, we are currently considering ways to better secure inmate monies received and will ensure general account monies are locked up when we are away from the office. Efforts are being made to follow up on monies which appear to be undeposited and how this might have occurred. Any amounts which remain unresolved after our follow up will be repaid to the official account.*
- E. *We are currently attempting to indicate the method of payment for all receipts and reconcile this information to the composition of bank deposits. In addition, one-write receipt ledgers have been ordered and they provide for the indication of method of payment.*
- F. *As time allows the general account will be reconciled back to April 1998. This process should be completed within the next six months.*
- G. *We are currently doing bank reconciliations for the inmate account. Beginning with the September 2000 bank reconciliation, we will reconcile the bank balance to commissary sales and individual inmate account balances.*
- H. *We will discuss this area with the courts and review current procedures, and then consider options for improving incarceration billing records and follow up on delinquent accounts. This process will start immediately.*

5. Public Administrator's Procedures

The Public Administrator acts as the court appointed guardian or personal representative for approximately 60 wards of the Probate Division. Our review of the Public Administrator's records and procedures disclosed some concerns.

Monthly bank reconciliations are not performed. In addition, a review of the check registers maintained for some cases indicated that they do not always represent a complete listing of receipt and disbursement activity and cash balances. Incomplete records may require more annual settlement preparation time, possibly resulting in increased costs to the various cases.

Periodic bank reconciliations are necessary to ensure the accounting records are in agreement with the bank and that any errors are identified and corrected on a timely basis. Furthermore, to provide an appropriate record of bank account activity and to facilitate the preparation of bank reconciliations and settlements, the Public Administrator should ensure check registers maintained for each case present all receipts, disbursements, and cash balances.

WE RECOMMEND the Public Administrator maintain a complete check register for each case and perform monthly bank reconciliations.

AUDITEE'S RESPONSE

Beginning October 1, 2000, I will make sure my check registers are up-to-date and begin reconciling my bank accounts.

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

LIVINGSTON 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 Livingston County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1997. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. County Surveyor

The county paid the County Surveyor approximately \$4,200 for planning and zoning services without a written contract. Invoices submitted to the county by the Surveyor did not provide adequate information regarding the services performed. Because the county did not obtain information from other qualified individuals, this situation presented the appearance of a potential conflict of interest.

Recommendation:

The County Commission enter into a written agreement with the County Surveyor detailing the planning and zoning services to be performed and the amount of compensation to be paid. In addition, the County Commission should continue to work with the Prosecuting Attorney regarding any potential conflict of interest. Information from more than one qualified individual should be considered for any similar future arrangements.

Status:

Partially implemented. The County Commission contacted one other qualified individual, however, this individual declined to offer services to the county. The County Commission continues to pay the County Surveyor without a written agreement. Although not repeated in the current report, our recommendation remains as stated above.

2. Personnel Policies and Procedures

The County Clerk's office did not maintain records of county employees' vacation leave or records of Sheriff's department employees' compensatory time.

Recommendation:

The County Commission require the County Clerk to maintain centralized records of vacation leave and compensatory time earned, taken, and paid for all county employees.

Status:

Not implemented. See MAR No. 1.

3. Federal Financial Assistance

The county received \$11,489 of federal monies and held it approximately eleven weeks before disbursing it to the engineer. Section 6.2.2 of the Cash Management Improvement Act between the State of Missouri and the Secretary of the Treasury, United States Department of the Treasury, states that funds shall be requested such that they are received not more than two days prior to disbursement of a payment.

Recommendation:

The County Commission establish procedures to minimize the time elapsed between the receipt of federal monies and disbursement of such funds.

Status:

Implemented. The county's depository bank now notifies the County Treasurer when a direct deposit has been made into the county's bank account. The County Treasurer then notifies the County Clerk that funds are available for disbursement.

4. Ex Officio County Collector's Accounting Controls and Procedures

- A. The Ex Officio County Collector did not reconcile month-end cash balances to existing liabilities. At February 28, 1998, excess cash of approximately \$590 existed in the collector's bank accounts. A portion of the excess in the bank accounts was due to a failure to distribute \$152 to the Jackson Township.
- B. The Ex Officio County Collector collected a fee of \$25 on merchants' licenses issued. One-fifth of the amount collected was to be paid into the General Revenue Fund and four-fifths into the County Employees' Retirement Fund (CERF). During December 1996, \$700 was incorrectly distributed to CERF, rather than to the General Revenue Fund.
- C. Surtax collections for the years ended February 28, 1998 and 1997, were improperly allocated to the various political subdivisions. In addition, a mathematical error in the calculation made to distribute surtax collections for the year ended February 28, 1998, resulted in approximately \$4,400 more to one school district and \$4,400 less to the various other political subdivisions.

Recommendation:

The Ex Officio County Collector:

- A. Reconcile bank accounts to related liabilities and other reconciling items on a monthly basis. Any differences should be investigated and explained on the reconciliations. In addition, the Ex Officio County Collector should distribute the \$152 to the Jackson Township and determine the disposition of the remaining unidentified amounts in his bank accounts.
- B. Withhold \$700 from future distributions to the CERF and distribute this amount to the General Revenue Fund.
- C. Calculate the percentages which should have been used for each of the two years ended February 28, 1998, and apply these percentages to the respective surtax collections. The newly calculated distributions should be compared to the actual distributions for material variances. Future distributions of surtax collections should be made in accordance with state law. In addition, the Ex Officio County Collector should review surtax distributions for accuracy and reasonableness.

Status:

- A. Partially implemented. The \$152 was distributed to the Jackson Township on July 23, 1998. However, the Ex Officio County Collector still does not reconcile bank accounts to related liabilities and other reconciling items on a monthly basis. See MAR No. 2.

B&C. Implemented.

5. Associate Circuit Division's Accounting Controls and Procedures

- A. Receipts were not deposited on a timely basis.
- B. The method of payment was not always accurately indicated on the one-write ledger. In addition, when fines and costs were paid by someone other than the defendant, that information was not consistently indicated on the one-write ledger.

Recommendation:

The Associate Circuit Division Judge:

- A. Require monies be deposited daily or when daily accumulated receipts exceed \$100.
- B. Require the method of payment and the name of the payor be indicated for all receipts and reconcile total cash, checks, and money orders to bank deposits.

Status:

- A. Implemented.
- B. Partially implemented. The Associate Circuit Division Clerk currently indicates the name of the payor for all receipts; however, the method of payment is not always indicated on the one-write receipt ledger. Although not repeated in the current report, our recommendation remains as stated above.

6. Prosecuting Attorney's Accounting Controls and Procedures

- A. Receipt slips were not issued for money orders and cashier's checks made payable directly to the merchant or the County Treasurer.
- B. Restitution payments made payable to the Prosecuting Attorney were not deposited on a timely basis. In addition, money orders and cashier's checks were not restrictively endorsed immediately upon receipt.
- C. Monthly listings of liabilities (open items) for the bank account were not prepared. In addition, some restitution amounts had been held for more than two years.

Recommendation:

The Prosecuting Attorney:

- A. Issue prenumbered receipt slips for all monies received.
- B. Deposit restitution monies daily or when daily accumulated receipts exceed \$100. In addition, the Prosecuting Attorney should restrictively endorse money orders and cashier's checks immediately upon receipt.
- C. Prepare a monthly listing of liabilities and reconcile it to the cash balance. Any differences should be investigated and explained on the reconciliations. In addition, procedures should be adopted to routinely follow-up on liabilities remaining over a period of time to determine the proper disposition.

Status:

- A,B,
&C. Implemented.

7. Juvenile Officer's Accounting Controls and Procedures

- A. Receipts were not deposited on a timely basis. In addition, checks and money orders were not restrictively endorsed until the deposit was prepared.

- B. Receipt slips issued by the Deputy Juvenile Officer did not indicate the method of payment.
- C. Bank balances were not reconciled with the accounting records on a monthly basis.
- D. Problems related to the Chief Deputy Juvenile Officer's 1997 expense reimbursement reports were found. The concerns included unusual mileage amounts, invoice dates differing from expense report entries, meal expenses claimed on days for which no travel was indicated, and a failure to document the purpose for the travel. There was no documented review by the Juvenile Officer.

Recommendation:

The Juvenile Officer:

- A. Restrictively endorse checks immediately upon receipt and deposit receipts daily or when daily accumulated receipts exceed \$100.
- B. Require the Deputy Juvenile Officer to record the method of payment for all monies received and reconcile cash, checks, and money orders received to the composition of bank deposits.
- C. Perform bank reconciliations and reconcile to the cash control balance on a monthly basis.
- D. Perform documented reviews of all expense reports, ensure the purpose of travel and other necessary details are indicated on expense reports, and follow up on all unusual items.

Status:

- A,B,
&C. Not implemented. See MAR No 3.
- D. Implemented.

8. Sheriff's Accounting Controls and Procedures

- A. Accounting and bookkeeping duties were not adequately segregated.
- B. Bank reconciliations for the general account were not prepared since prior to May 1997.
- C.1. Receipt slips were not issued when inmate monies were received.

2. Monies held in the commissary checking account were not reconciled to the individual inmate balances and the commissary sales for the month.
3. No inventory records were maintained to account for the items purchased and sold through the commissary.
4. The Sheriff's department did not establish official inventory prices for commissary goods. The jail administrator determined the price upon each sale.

Recommendation:

The Sheriff:

- A. Adequately segregate the record keeping duties or perform periodic reviews of the accounting records.
- B. Perform bank reconciliations and reconcile to related open items on a monthly basis. Any differences should be investigated and explained on the reconciliations. In addition, the Sheriff should distribute the \$204 garnishment to the appropriate party.
- C.1. Issues prenumbered receipt slips for all inmate monies received.
 2. Prepare a monthly listing of the individual inmate balances and the commissary sales for the month, and reconcile it to the cash balance in the account.
 3. Maintain perpetual inventory records for all commissary inventory items and ensure a physical count of inventory is performed periodically by an employee independent of daily commissary operations. The results of the physical count should be compared to the perpetual inventory records and discrepancies should be investigated in a timely manner.
 4. Establish a price list and a policy to regulate the mark up of commissary inventory. In addition, the Sheriff's department should monitor the commissary revenues and cost of goods sold to ensure an adequate profit is received from the operations of the commissary.

Status:

- A,B,
C.1
&C.2. Not implemented. See MAR No 4.

C.3
&C.4. Implemented.

9. Senate Bill 40 Board

- A. Monies in the Senate Bill 40 Board's bank accounts were not adequately covered by collateral securities.
- B. The Senate Bill 40 Board did not adequately monitor the use of monies provided to various organizations.

Recommendation:

The Senate Bill 40 Board:

- A. Ensure adequate collateral securities are pledged for all funds on deposit in excess of FDIC coverage.
- B. Ensure various NFP organizations submit information documenting how funding has been used and the number of developmentally disabled individuals receiving services.

Status:

A&B. Implemented

10. Health Center

Monies in the Health Center's bank accounts were not adequately covered by collateral securities.

Recommendation:

The Health Center Board of Trustees ensure adequate collateral securities are pledged for all funds on deposit in excess of FDIC coverage.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

LIVINGSTON COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1837, the county of Livingston was named after Edward Livingston, Secretary of State. Livingston County is a township-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Chillicothe.

Livingston 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 Livingston County received its money in 1999 and 1998 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 66,739	3	63,189	3
Sales taxes	745,342	29	723,372	33
Federal and state aid	1,406,747	55	1,069,617	49
Fees, interest, and other	321,150	13	323,000	15
Total	\$ 2,539,978	100	2,179,178	100

The following chart shows how Livingston County spent monies in 1999 and 1998 from the General Revenue and Special Road and Bridge Funds:

USE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 729,791	28	760,953	32
Public safety	826,781	32	782,862	33
Highways and roads	1,056,471	40	836,315	35
Total	\$ 2,613,043	100	2,380,130	100

The county maintains approximately 160 county bridges and 612 miles of county roads.

The county's population was 15,368 in 1970 and 14,592 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	1999	1998	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 77.6	75.1	61.2	36.8	24.1
Personal property	33.7	31.3	12.8	11.4	7.3
Railroad and utilities	10.6	10.0	8.9	7.7	7.0
Total	\$ 121.9	116.4	82.9	55.9	38.4

* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	1999	1998
Health Center Fund	\$ 0.24	0.24
Senate Bill 40 Board Fund	0.10	0.10

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 and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28(29),	
	2000	1999
State of Missouri	\$ 37,110	35,872
General Revenue Fund	7,382	6,784
Special Road and Bridge Fund	60,936	58,202
Assessment Fund	65,765	63,914
Health Center Fund	289,136	280,005
Senate Bill 40 Board Fund	119,068	115,604
School districts	4,383,052	4,237,923
Library district	316,287	306,016
Ambulance district	238,305	231,576
Nursing Home District	183,590	177,247
North Central Missouri College	350	431
Watershed District	1,256	1,246
Fire Districts	22,119	22,813
Townships	578,895	560,435
Cities	48,426	54,631
County Clerk	1,813	2,704
County Employees' Retirement	23,706	23,627
Other	1,597	1,446
Commissions and fees:		
Township Collectors	50,850	49,337
General Revenue Fund	44,623	44,331
Total	\$ 6,474,266	6,274,144

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),	
	2000	1999
Real estate	94.2 %	95.2 %
Personal property	91.4	91.5
Railroad and utilities	100.0	99.0

Livingston 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 %

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

Officeholder	2000	1999	1998
County-Paid Officials:			
Eva Danner, Presiding Commissioner	\$	26,077	18,000
Max Smith, Associate Commissioner		22,000	18,000
Kenneth E. Lauhoff, Associate Commissioner		22,000	18,000
Kelly Christopher, County Clerk		36,480	30,500
Douglas S. Roberts, Prosecuting Attorney		43,200	35,000
Gary D. Calvert, Sheriff		38,782	38,782
J. Scott Lindley, County Coroner		6,464	6,464
Joyce E. Laurence, Public Administrator *		25,480	15,354
Gordon Smith, Treasurer and Ex Officio County Collector, year ended March 31,	31,336	31,247	
Cindy Ireland, County Assessor, year ended August 31,**		37,380	37,380
Joe J. Shy Jr., County Surveyor ***		2,285	2,048

* Includes fees received from probate cases.

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

*** Compensation on a fee basis. In addition, \$2,285, and \$2,048 was paid by the county for planning and zoning services for the years ended December 31, 1999 and 1998, respectively.

State-Paid Officials:

Brenda Timmons, Circuit Clerk and Ex Officio Recorder of Deeds		44,292	42,183
Barbara Lame, Associate Circuit Judge		87,235	85,158

A breakdown of employees (excluding the elected officials) by office at December 31, 1999, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	3	0
Circuit Clerk and Ex Officio Recorder of Deeds	2 *	4 *
County Clerk	4	0
Prosecuting Attorney	3	0
Sheriff	20	0
Treasurer and Ex Officio County Collector	2	0
County Assessor	5 *	0
Associate Division	0	2
Probate Division	0	1
Road and Bridge	2	0
Health Center	20 **	0
Senate Bill 40	1	0
Total	<u>62</u>	<u>7</u>

* Includes 1 part time employee

** Includes 12 part time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Livingston County's share of the Forty-Third Judicial Circuit's expenses is 25.42 percent.