



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

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

**Report No. 2002-98
September 26, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2002

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

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

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

- Reconciliations between the County Clerk's and County Treasurer's financial records are not adequate. The County Treasurer periodically attempts to reconcile the computerized accounting records to the manual fund ledger; however, instead of determining reasons for differences, adjusting entries are made to make the two records agree. In addition, the County Treasurer often posts revenues as a reduction in expenditures, resulting in both revenues and expenditures being understated and inaccurate financial statement presentation.
- Numerous inaccuracies and deficiencies as a result of poor bookkeeping were noted in the information presented in the county's budget documents for 2001 and 2000. This inaccurate financial information did not provide the County Commission with sufficient information to make informed decisions for the county and did not provide citizens of Christian County with reliable information about the county's finances.

Procedures are not in place to ensure the county's budget documents are properly prepared and that they accurately present financial activities of the county. In numerous instances it was not clear where amounts presented in the county's budgets were obtained, as they did not agree with any records maintained by the County Clerk or the County Treasurer.

(over)

YELLOW SHEET

- The county entered into a lease agreement with a not-for-profit corporation to issue leasehold revenue bonds totaling \$9,875,000 to construct the new judicial center. The county pays the lease payments with the proceeds from a one-quarter cent sales tax passed by voters. The County Commission did not bid the underwriter services or retain documentation regarding other underwriters reviewed and their respective fees. In addition, the county did not solicit proposals for bond counsel services or the bond insurer. These professional services totaled more than \$308,000.
- The County Commission does not maintain adequate minutes of its meetings. Unofficial, handwritten minutes are kept by the County Commission's secretary and are used to prepare the typewritten official County Commission minutes. As of June 12, 2002 the last entry in the official record book was for the August 16, 2001 meeting. In addition, several of the unofficial minutes appear to be incomplete and are generally vague.
- The county distributed sales tax and county aid road trust (CART) monies totaling more than \$3 million during the two years ended December 31, 2001 to special road districts and cities. Since 1998, the county has accounted for Sales Tax and CART monies in several different ways, but still has not provided a clear picture of all the monies received and how these monies are distributed in the county's budget. While the County Commission has contracts with the political subdivisions which require the monies to be used for the construction and repair of roads, the contracts are not current and do not provide the County Commission with a system of monitoring the political subdivision's use of the county funds. In addition, the County Commission does not require the cities and special road districts to submit sufficiently detailed financial information regarding the actual uses of the funds provided.
- The County Collector's annual settlements contained errors in amounts reported which caused differences between total collections and distributions. In addition, the main bank account balance is not reconciled to existing liabilities. As a result, the County Collector had approximately \$10,900 in unidentified monies in his account at February 28, 2002.

The audit also included some matters related to budgetary practices, published financial statements, reporting of federal funds, county expenditures and procedures, county officials compensation, general fixed assets, and the Senate Bill 40 Board. The audit also included recommendations to improve the accounting controls and procedures for the County Assessor, County Collector, County Clerk, Ex Officio Recorder of Deeds, Sheriff, and the Planning and Zoning Department.

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

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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 Christian County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Christian County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Christian 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 Christian County.

As more fully discussed in Note 1 to the financial statements, the county's financial statements do not include statements of receipts, disbursements, and changes in cash - budget and actual for various funds totaling \$1,801,383 in receipts and \$1,704,460 in disbursements for the year ended December 31, 2000. Statements of receipts, disbursements, and changes in cash - budget and actual are required by the comprehensive basis of accounting discussed in Note 1.

In addition, the records of receipts and disbursements maintained by the County Treasurer and County Clerk contained numerous inaccuracies. Financial records maintained by the County Treasurer and the County Clerk, as well as the county's budget documents did not agree. As a result, we were unable to satisfy ourselves with respect to proper classification or value of receipts and disbursements reported in various funds.

In our opinion, except for the effects, if any, on the financial statements of the omission discussed in the fourth paragraph and except for the effects, if any, on the financial statements of the matter discussed in the preceding paragraph, 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 Christian County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 29, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Christian 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 29, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

| | |
|---------------------|-----------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager: | Donna Christian, CPA |
| In-Charge Auditor: | Jody Vernon, CPA |
| Audit Staff: | Ted Fugitt, CPA |
| | Sandi Ohern, CPA |
| | Donald Troy Royer |
| | Rachel Simons |
| | Jeffrey Hawkins |



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 Christian County, Missouri

We have audited the special-purpose financial statements of various funds of Christian County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 29, 2002. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Christian County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 01-1 through 01-3. We also noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Christian 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 01-1 and 01-2.

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. Our consideration of the internal control over financial reporting 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 consider the reportable conditions described above, finding numbers 01-1 and 01-2 to be material weaknesses. We also 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 Christian 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 29, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

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

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|---|--------------------|------------|---------------|----------------------|
| General Revenue | \$ 1,279,893 | 2,589,045 | 2,777,297 | 1,091,641 |
| Special Road and Bridge | 726,526 | 3,437,943 | 3,166,892 | 997,577 |
| Assessment | 4,196 | 460,493 | 457,460 | 7,229 |
| Law Enforcement Training | 1,819 | 10,759 | 4,829 | 7,749 |
| Prosecuting Attorney Training | 2,975 | 3,694 | 3,279 | 3,390 |
| CART | 2,977 | 328,846 | 328,823 | 3,000 |
| County Law Enforcement | 11,255 | 1,963,547 | 1,964,521 | 10,281 |
| Emergency 911 | 174,356 | 387,977 | 510,832 | 51,501 |
| Federal Forfeiture #1 | 63,795 | 12,488 | 46,617 | 29,666 |
| Family Violence | 0 | 2,420 | 2,420 | 0 |
| Prosecuting Attorney Administrative Fee | 31,366 | 12,074 | 0 | 43,440 |
| Building | 8,880,659 | 295,821 | 5,741,027 | 3,435,453 |
| Recycling | (232) | 21,870 | 22,514 | (876) |
| Local Emergency Planning Commission | 10,184 | 3,637 | 4,703 | 9,118 |
| Sales Tax | 0 | 1,303,647 | 1,303,647 | 0 |
| Building Bond Retirement | 78,985 | 1,063,855 | 608,890 | 533,950 |
| Record Retention | 25,155 | 41,465 | 37,499 | 29,121 |
| Family Access | 374 | 48 | 0 | 422 |
| Sheriff Civil Fee | 100 | 0 | 0 | 100 |
| Federal Forfeiture #2 | 0 | 1,077 | 0 | 1,077 |
| Record Technology | 0 | 11,594 | 0 | 11,594 |
| Health Center | 338,968 | 700,058 | 593,329 | 445,697 |
| Senate Bill 40 Board | 105,394 | 455,590 | 333,187 | 227,797 |
| Senior Services Board | 0 | 24,286 | 555 | 23,731 |
| Associate Circuit Division I Interest | 4,225 | 957 | 242 | 4,940 |
| Associate Circuit Division II Interest | 4,230 | 1,788 | 1,494 | 4,524 |
| Law Library | 18,576 | 4,790 | 6,693 | 16,673 |
| Probate Division Interest | 906 | 105 | 50 | 961 |
| Total | \$ 11,766,682 | 13,139,874 | 17,916,800 | 6,989,756 |

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

Exhibit A-2

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

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|---|--------------------|------------|---------------|----------------------|
| General Revenue | \$ 1,136,662 | 2,417,134 | 2,273,903 | 1,279,893 |
| Special Road and Bridge | 637,217 | 3,329,135 | 3,239,826 | 726,526 |
| Assessment | 499 | 421,585 | 417,888 | 4,196 |
| Law Enforcement Training | 1,808 | 11,642 | 11,631 | 1,819 |
| Prosecuting Attorney Training | 781 | 5,214 | 3,020 | 2,975 |
| CART | 4,250 | 15,789 | 17,062 | 2,977 |
| County Law Enforcement | 71,060 | 1,726,653 | 1,786,458 | 11,255 |
| Emergency 911 | 104,791 | 317,779 | 248,214 | 174,356 |
| Federal Forfeiture #1 | 11,390 | 139,805 | 87,400 | 63,795 |
| Family Violence | 0 | 2,325 | 2,325 | 0 |
| Prosecuting Attorney Administrative Fee | 17,960 | 13,833 | 427 | 31,366 |
| Building | 893,479 | 9,763,750 | 1,776,570 | 8,880,659 |
| Recycling | 4,790 | 16,148 | 21,170 | (232) |
| Local Emergency Planning Commission | 6,262 | 4,878 | 956 | 10,184 |
| Direct Sales Tax Distribution | 0 | 1,228,127 | 1,228,127 | 0 |
| Direct CART Distribution | 0 | 311,162 | 311,162 | 0 |
| Building Bond Retirement | 0 | 78,985 | 0 | 78,985 |
| Record Retention | 57,867 | 34,291 | 67,003 | 25,155 |
| Family Access | 305 | 69 | 0 | 374 |
| Sheriff Civil Fee | 100 | 0 | 0 | 100 |
| Health Center | 302,817 | 665,061 | 628,910 | 338,968 |
| Senate Bill 40 Board | 35,641 | 379,084 | 309,331 | 105,394 |
| Associate Circuit Division I Interest | 3,352 | 913 | 40 | 4,225 |
| Associate Circuit Division II Interest | 1,194 | 3,063 | 27 | 4,230 |
| Law Library | 24,274 | 4,864 | 10,562 | 18,576 |
| Probate Division Interest | 941 | 104 | 139 | 906 |
| Total | \$ 3,317,440 | 20,891,393 | 12,442,151 | 11,766,682 |

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

Exhibit B

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

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|-------------|----------------------------------|-------------|------------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| TOTALS - VARIOUS FUNDS | | | | | | |
| RECEIPTS | \$ 12,670,689 | 13,095,277 | 424,588 | 15,218,456 | 19,090,010 | 3,871,554 |
| DISBURSEMENTS | 14,457,085 | 17,907,766 | (3,450,681) | 16,104,222 | 10,737,691 | 5,366,531 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,786,396) | (4,812,489) | (3,026,093) | (885,766) | 8,352,319 | 9,238,085 |
| CASH, JANUARY 1 | 3,997,207 | 11,738,645 | 7,741,438 | 3,217,178 | 3,218,017 | 839 |
| CASH, DECEMBER 31 | 2,210,811 | 6,926,156 | 4,715,345 | 2,331,412 | 11,570,336 | 9,238,924 |
| GENERAL REVENUE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,040,000 | 1,063,965 | 23,965 | 960,000 | 991,225 | 31,225 |
| Intergovernmental | 296,000 | 252,427 | (43,573) | 180,000 | 239,133 | 59,133 |
| Charges for services | 959,000 | 1,112,651 | 153,651 | 870,500 | 944,304 | 73,804 |
| Interest | 100,000 | 64,269 | (35,731) | 40,000 | 105,292 | 65,292 |
| Other | 95,000 | 95,733 | 733 | 122,500 | 137,180 | 14,680 |
| Total Receipts | 2,490,000 | 2,589,045 | 99,045 | 2,173,000 | 2,417,134 | 244,134 |
| DISBURSEMENTS | | | | | | |
| County Commission | 115,100 | 122,136 | (7,036) | 115,816 | 111,891 | 3,925 |
| County Clerk | 126,902 | 114,365 | 12,537 | 125,600 | 113,906 | 11,694 |
| Elections | 145,854 | 74,288 | 71,566 | 174,944 | 163,764 | 11,180 |
| Buildings and grounds | 120,655 | 73,353 | 47,302 | 80,780 | 68,826 | 11,954 |
| Employee fringe benefits | 302,000 | 231,932 | 70,068 | 282,000 | 248,290 | 33,710 |
| County Treasurer | 56,400 | 56,082 | 318 | 54,977 | 53,653 | 1,324 |
| County Collector | 145,300 | 139,561 | 5,739 | 151,300 | 122,415 | 28,885 |
| Ex Officio Recorder of Deeds | 144,528 | 130,119 | 14,409 | 125,900 | 109,585 | 16,315 |
| Associate Circuit Court | 26,100 | 19,009 | 7,091 | 22,300 | 17,058 | 5,242 |
| Associate Circuit (Probate) | 48,250 | 40,061 | 8,189 | 49,360 | 34,114 | 15,246 |
| Court administration | 95,875 | 62,291 | 33,584 | 73,328 | 50,448 | 22,880 |
| Public Administrator | 60,100 | 54,918 | 5,182 | 36,000 | 45,496 | (9,496) |
| University Extension Office | 53,950 | 50,447 | 3,503 | 48,650 | 56,790 | (8,140) |
| Planning and Zoning | 109,050 | 98,899 | 10,151 | 113,085 | 75,275 | 37,810 |
| Other | 106,393 | 216,817 | (110,424) | 94,398 | 80,614 | 13,784 |
| Prosecuting Attorney | 291,800 | 285,418 | 6,382 | 276,927 | 267,925 | 9,002 |
| Juvenile Officer | 123,230 | 79,825 | 43,405 | 121,129 | 87,692 | 33,437 |
| County Coroner | 38,380 | 30,684 | 7,696 | 22,000 | 21,063 | 937 |
| Emergency Management | 7,831 | 5,895 | 1,936 | 7,500 | 5,417 | 2,083 |
| Transfers out | 790,056 | 854,424 | (64,368) | 1,109,054 | 538,000 | 571,054 |
| Emergency Fund | 100,000 | 36,773 | 63,227 | 100,000 | 1,681 | 98,319 |
| Total Disbursements | 3,007,754 | 2,777,297 | 230,457 | 3,185,048 | 2,273,903 | 911,145 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (517,754) | (188,252) | 329,502 | (1,012,048) | 143,231 | 1,155,279 |
| CASH, JANUARY 1 | 1,275,000 | 1,279,893 | 4,893 | 1,136,662 | 1,136,662 | 0 |
| CASH, DECEMBER 31 | 757,246 | 1,091,641 | 334,395 | 124,614 | 1,279,893 | 1,155,279 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|------------------|----------------------------------|------------------|------------------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SPECIAL ROAD AND BRIDGE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 550,000 | 619,265 | 69,265 | 391,150 | 556,434 | 165,284 |
| Sales taxes | 1,825,453 | 1,888,250 | 62,797 | 1,720,000 | 1,745,547 | 25,547 |
| Intergovernmental | 832,022 | 859,456 | 27,434 | 821,600 | 931,241 | 109,641 |
| Interest | 95,000 | 36,767 | (58,233) | 25,000 | 51,936 | 26,936 |
| Other | 25,000 | 34,205 | 9,205 | 25,000 | 43,977 | 18,977 |
| Total Receipts | 3,327,475 | 3,437,943 | 110,468 | 2,982,750 | 3,329,135 | 346,385 |
| DISBURSEMENTS | | | | | | |
| Salaries | 600,000 | 412,072 | 187,928 | 385,000 | 360,090 | 24,910 |
| Employee fringe benefits | 177,300 | 140,810 | 36,490 | 123,000 | 138,440 | (15,440) |
| Supplies | 163,000 | 114,145 | 48,855 | 120,000 | 92,788 | 27,212 |
| Insurance | 20,000 | 11,321 | 8,679 | 20,000 | 11,641 | 8,359 |
| Road and bridge materials | 1,003,758 | 1,447,628 | (443,870) | 1,612,000 | 1,699,773 | (87,773) |
| Equipment repairs | 110,000 | 123,011 | (13,011) | 110,000 | 117,597 | (7,597) |
| Rentals | 31,000 | 4,036 | 26,964 | 21,000 | 276 | 20,724 |
| Equipment purchases | 310,000 | 152,565 | 157,435 | 255,000 | 189,294 | 65,706 |
| Construction, repair, and maintenance | 622,629 | 96,552 | 526,077 | 390,000 | 48,856 | 341,144 |
| Distribution to special road districts | 0 | 616,821 | (616,821) | 0 | 553,196 | (553,196) |
| Other | 275,000 | 47,931 | 227,069 | 57,500 | 27,875 | 29,625 |
| Total Disbursements | 3,312,687 | 3,166,892 | 145,795 | 3,093,500 | 3,239,826 | (146,326) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 14,788 | 271,051 | 256,263 | (110,750) | 89,309 | 200,059 |
| CASH, JANUARY 1 | 861,458 | 726,526 | (134,932) | 637,217 | 637,217 | 0 |
| CASH, DECEMBER 31 | 876,246 | 997,577 | 121,331 | 526,467 | 726,526 | 200,059 |
| <u>ASSESSMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 410,000 | 377,907 | (32,093) | 317,360 | 359,605 | 42,245 |
| Interest | 2,000 | 2,126 | 126 | 2,000 | 1,812 | (188) |
| Other | 1,200 | 460 | (740) | 0 | 168 | 168 |
| Transfers in | 80,000 | 80,000 | 0 | 134,054 | 60,000 | (74,054) |
| Total Receipts | 493,200 | 460,493 | (32,707) | 453,414 | 421,585 | (31,829) |
| DISBURSEMENTS | | | | | | |
| Assessor | 497,308 | 457,460 | 39,848 | 453,414 | 417,888 | 35,526 |
| Total Disbursements | 497,308 | 457,460 | 39,848 | 453,414 | 417,888 | 35,526 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (4,108) | 3,033 | 7,141 | 0 | 3,697 | 3,697 |
| CASH, JANUARY 1 | 4,196 | 4,196 | 0 | 499 | 499 | 0 |
| CASH, DECEMBER 31 | 88 | 7,229 | 7,141 | 499 | 4,196 | 3,697 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|---------|----------------------------------|--------|---------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>LAW ENFORCEMENT TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 4,000 | 4,588 | 588 | 5,000 | 4,005 | (995) |
| Charges for services | 8,000 | 6,016 | (1,984) | 8,000 | 7,545 | (455) |
| Interest | 90 | 155 | 65 | 100 | 92 | (8) |
| Total Receipts | 12,090 | 10,759 | (1,331) | 13,100 | 11,642 | (1,458) |
| DISBURSEMENTS | | | | | | |
| Sheriff | 15,000 | 4,829 | 10,171 | 13,000 | 11,631 | 1,369 |
| Total Disbursements | 15,000 | 4,829 | 10,171 | 13,000 | 11,631 | 1,369 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,910) | 5,930 | 8,840 | 100 | 11 | (89) |
| CASH, JANUARY 1 | 3,235 | 1,819 | (1,416) | 1,808 | 1,808 | 0 |
| CASH, DECEMBER 31 | 325 | 7,749 | 7,424 | 1,908 | 1,819 | (89) |
| <u>PROSECUTING ATTORNEY TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 3,200 | 2,040 | (1,160) | 3,000 | 3,057 | 57 |
| Charges for services | 2,000 | 1,504 | (496) | 2,000 | 1,891 | (109) |
| Interest | 100 | 150 | 50 | 20 | 266 | 246 |
| Total Receipts | 5,300 | 3,694 | (1,606) | 5,020 | 5,214 | 194 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 8,275 | 3,279 | 4,996 | 5,000 | 3,020 | 1,980 |
| Total Disbursements | 8,275 | 3,279 | 4,996 | 5,000 | 3,020 | 1,980 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,975) | 415 | 3,390 | 20 | 2,194 | 2,174 |
| CASH, JANUARY 1 | 2,975 | 2,975 | 0 | 781 | 781 | 0 |
| CASH, DECEMBER 31 | 0 | 3,390 | 3,390 | 801 | 2,975 | 2,174 |
| <u>CART FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 343,529 | 328,741 | (14,788) | 15,000 | 15,590 | 590 |
| Interest | 0 | 105 | 105 | 100 | 199 | 99 |
| Total Receipts | 343,529 | 328,846 | (14,683) | 15,100 | 15,789 | 689 |
| DISBURSEMENTS | | | | | | |
| Road signs | 25,000 | 10,294 | 14,706 | 15,000 | 17,062 | (2,062) |
| Distribution to special road districts | 318,529 | 318,529 | 0 | 0 | 0 | 0 |
| Total Disbursements | 343,529 | 328,823 | 14,706 | 15,000 | 17,062 | (2,062) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 23 | 23 | 100 | (1,273) | (1,373) |
| CASH, JANUARY 1 | 2,977 | 2,977 | 0 | 4,250 | 4,250 | 0 |
| CASH, DECEMBER 31 | 2,977 | 3,000 | 23 | 4,350 | 2,977 | (1,373) |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|------------------|----------------------------------|------------------|------------------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| COUNTY LAW ENFORCEMENT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,000,000 | 1,066,105 | 66,105 | 960,000 | 992,427 | 32,427 |
| Intergovernmental | 146,302 | 113,070 | (33,232) | 78,151 | 88,006 | 9,855 |
| Interest | 1,500 | 1,715 | 215 | 200 | 1,529 | 1,329 |
| Other | 25,000 | 5,342 | (19,658) | 6,000 | 19,691 | 13,691 |
| Transfers in | 740,000 | 777,315 | 37,315 | 640,000 | 625,000 | (15,000) |
| Total Receipts | 1,912,802 | 1,963,547 | 50,745 | 1,684,351 | 1,726,653 | 42,302 |
| DISBURSEMENTS | | | | | | |
| Salaries | 955,250 | 1,022,288 | (67,038) | 983,843 | 1,011,974 | (28,131) |
| Fringe benefits | 302,858 | 239,437 | 63,421 | 300,000 | 283,547 | 16,453 |
| Board of prisoners | 219,260 | 277,806 | (58,546) | 111,500 | 203,520 | (92,020) |
| Office expenditures | 58,750 | 54,813 | 3,937 | 67,000 | 56,945 | 10,055 |
| Insurance | 46,600 | 50,528 | (3,928) | 45,000 | 43,187 | 1,813 |
| Equipment | 201,000 | 287,350 | (86,350) | 112,000 | 161,700 | (49,700) |
| Mileage and training | 15,000 | 20,789 | (5,789) | 15,000 | 13,505 | 1,495 |
| Other | 105,273 | 11,510 | 93,763 | 55,276 | 12,080 | 43,196 |
| Total Disbursements | 1,903,991 | 1,964,521 | (60,530) | 1,689,619 | 1,786,458 | (96,839) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 8,811 | (974) | (9,785) | (5,268) | (59,805) | (54,537) |
| CASH, JANUARY 1 | 7,865 | 11,255 | 3,390 | 71,060 | 71,060 | 0 |
| CASH, DECEMBER 31 | 16,676 | 10,281 | (6,395) | 65,792 | 11,255 | (54,537) |
| EMERGENCY 911 FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 300,000 | 382,199 | 82,199 | 290,000 | 312,439 | 22,439 |
| Interest | 3,000 | 5,735 | 2,735 | 2,000 | 5,340 | 3,340 |
| Other | 0 | 43 | 43 | 0 | 0 | 0 |
| Transfers in | 182,251 | 0 | (182,251) | 0 | 0 | 0 |
| Total Receipts | 485,251 | 387,977 | (97,274) | 292,000 | 317,779 | 25,779 |
| DISBURSEMENTS | | | | | | |
| Salaries | 267,751 | 244,393 | 23,358 | 16,000 | 15,999 | 1 |
| Employee fringe benefits | 98,000 | 69,011 | 28,989 | 5,000 | 6,029 | (1,029) |
| Phone line charges | 70,000 | 40,250 | 29,750 | 95,000 | 70,835 | 24,165 |
| Office expenditures | 9,000 | 2,487 | 6,513 | 1,150 | 1,257 | (107) |
| Equipment | 155,000 | 109,585 | 45,415 | 12,500 | 3,674 | 8,826 |
| Mileage and training | 3,000 | 3,721 | (721) | 850 | 420 | 430 |
| Other | 17,500 | 18,495 | (995) | 0 | 0 | 0 |
| Transfers out | 0 | 22,890 | (22,890) | 165,000 | 150,000 | 15,000 |
| Total Disbursements | 620,251 | 510,832 | 109,419 | 295,500 | 248,214 | 47,286 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (135,000) | (122,855) | 12,145 | (3,500) | 69,565 | 73,065 |
| CASH, JANUARY 1 | 135,000 | 174,356 | 39,356 | 104,791 | 104,791 | 0 |
| CASH, DECEMBER 31 | 0 | 51,501 | 51,501 | 101,291 | 174,356 | 73,065 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|---------------|----------------------------------|---------------|---------------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>FEDERAL FORFEITURE #1</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 138,000 | 10,952 | (127,048) | | | |
| Interest | 2,000 | 1,536 | (464) | | | |
| Total Receipts | <u>140,000</u> | <u>12,488</u> | <u>(127,512)</u> | | | |
| DISBURSEMENTS | | | | | | |
| Sheriff | 95,000 | 46,617 | 48,383 | | | |
| Total Disbursements | <u>95,000</u> | <u>46,617</u> | <u>48,383</u> | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 45,000 | (34,129) | (79,129) | | | |
| CASH, JANUARY 1 | 65,768 | 63,795 | (1,973) | | | |
| CASH, DECEMBER 31 | <u>110,768</u> | <u>29,666</u> | <u>(81,102)</u> | | | |
| <u>FAMILY VIOLENCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 2,500 | 2,420 | (80) | 2,500 | 2,325 | (175) |
| Total Receipts | <u>2,500</u> | <u>2,420</u> | <u>(80)</u> | <u>2,500</u> | <u>2,325</u> | <u>(175)</u> |
| DISBURSEMENTS | | | | | | |
| Domestic violence shelter | 2,500 | 2,420 | 80 | 2,500 | 2,325 | 175 |
| Total Disbursements | <u>2,500</u> | <u>2,420</u> | <u>80</u> | <u>2,500</u> | <u>2,325</u> | <u>175</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH, JANUARY 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH, DECEMBER 31 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>PROSECUTING ATTORNEY ADMINISTRATIVE FEE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 13,000 | 10,798 | (2,202) | 10,000 | 12,548 | 2,548 |
| Interest | 1,200 | 1,276 | 76 | 400 | 1,285 | 885 |
| Total Receipts | <u>14,200</u> | <u>12,074</u> | <u>(2,126)</u> | <u>10,400</u> | <u>13,833</u> | <u>3,433</u> |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 45,000 | 0 | 45,000 | 15,000 | 427 | 14,573 |
| Total Disbursements | <u>45,000</u> | <u>0</u> | <u>45,000</u> | <u>15,000</u> | <u>427</u> | <u>14,573</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (30,800) | 12,074 | 42,874 | (4,600) | 13,406 | 18,006 |
| CASH, JANUARY 1 | 31,367 | 31,366 | (1) | 17,960 | 17,960 | 0 |
| CASH, DECEMBER 31 | <u>567</u> | <u>43,440</u> | <u>42,873</u> | <u>13,360</u> | <u>31,366</u> | <u>18,006</u> |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|-------------|----------------------------------|-----------|-----------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>BUILDING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Bond proceeds | 0 | 0 | 0 | 6,000,000 | 9,593,255 | 3,593,255 |
| Interest | 20,000 | 295,821 | 275,821 | 30,000 | 170,245 | 140,245 |
| Other | 0 | 0 | 0 | 0 | 250 | 250 |
| Transfers in | 0 | 0 | 0 | 500,000 | 0 | (500,000) |
| Total Receipts | 20,000 | 295,821 | 275,821 | 6,530,000 | 9,763,750 | 3,233,750 |
| DISBURSEMENTS | | | | | | |
| Buildings and grounds | 1,080,291 | 5,721,824 | (4,641,533) | 6,262,500 | 1,776,570 | 4,485,930 |
| Debt service | 0 | 19,203 | (19,203) | 0 | 0 | 0 |
| Total Disbursements | 1,080,291 | 5,741,027 | (4,660,736) | 6,262,500 | 1,776,570 | 4,485,930 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,060,291) | (5,445,206) | (4,384,915) | 267,500 | 7,987,180 | 7,719,680 |
| CASH, JANUARY 1 | 1,060,291 | 8,880,659 | 7,820,368 | 893,479 | 893,479 | 0 |
| CASH, DECEMBER 31 | 0 | 3,435,453 | 3,435,453 | 1,160,979 | 8,880,659 | 7,719,680 |
| <u>RECYCLING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 5,000 | 0 | (5,000) | 12,000 | 13,043 | 1,043 |
| Interest | 0 | 136 | 136 | 200 | 105 | (95) |
| Other | 0 | 1,734 | 1,734 | 2,000 | 0 | (2,000) |
| Transfers in | 10,056 | 20,000 | 9,944 | 0 | 3,000 | 3,000 |
| Total Receipts | 15,056 | 21,870 | 6,814 | 14,200 | 16,148 | 1,948 |
| DISBURSEMENTS | | | | | | |
| Salaries | 6,656 | 12,000 | (5,344) | 0 | 0 | 0 |
| Employee fringe benefits | 0 | 1,562 | (1,562) | 0 | 382 | (382) |
| Equipment | 5,500 | 2,747 | 2,753 | 12,510 | 17,497 | (4,987) |
| Mileage and training | 400 | 200 | 200 | 500 | 390 | 110 |
| Office | 2,500 | 6,005 | (3,505) | 5,000 | 2,901 | 2,099 |
| Total Disbursements | 15,056 | 22,514 | (7,458) | 18,010 | 21,170 | (3,160) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | (644) | (644) | (3,810) | (5,022) | (1,212) |
| CASH, JANUARY 1 | 0 | (232) | (232) | 4,790 | 4,790 | 0 |
| CASH, DECEMBER 31 | 0 | (876) | (876) | 980 | (232) | (1,212) |
| <u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 2,500 | 3,322 | 822 | 2,100 | 4,440 | 2,340 |
| Interest | 350 | 315 | (35) | 250 | 358 | 108 |
| Other | 0 | 0 | 0 | 0 | 80 | 80 |
| Total Receipts | 2,850 | 3,637 | 787 | 2,350 | 4,878 | 2,528 |
| DISBURSEMENTS | | | | | | |
| Office expenditures | 500 | 105 | 395 | 450 | 90 | 360 |
| Equipment | 11,300 | 4,598 | 6,702 | 1,000 | 0 | 1,000 |
| Mileage and training | 700 | 0 | 700 | 500 | 866 | (366) |
| Total Disbursements | 12,500 | 4,703 | 7,797 | 1,950 | 956 | 994 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (9,650) | (1,066) | 8,584 | 400 | 3,922 | 3,522 |
| CASH, JANUARY 1 | 10,184 | 10,184 | 0 | 6,262 | 6,262 | 0 |
| CASH, DECEMBER 31 | 534 | 9,118 | 8,584 | 6,662 | 10,184 | 3,522 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|---|-------------------------|-----------|----------------------------------|--------|--------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SALES TAX FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,303,647 | 1,303,647 | 0 | | | |
| Total Receipts | 1,303,647 | 1,303,647 | 0 | | | |
| DISBURSEMENTS | | | | | | |
| Distribution to special road districts and cities | 1,303,647 | 1,303,647 | 0 | | | |
| Total Disbursements | 1,303,647 | 1,303,647 | 0 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 0 | 0 | | | |
| CASH, JANUARY 1 | 0 | 0 | 0 | | | |
| CASH, DECEMBER 31 | 0 | 0 | 0 | | | |
| <u>BUILDING BOND RETIREMENT</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,000,000 | 1,053,683 | 53,683 | | | |
| Interest | 0 | 10,172 | 10,172 | | | |
| Total Receipts | 1,000,000 | 1,063,855 | 63,855 | | | |
| DISBURSEMENTS | | | | | | |
| Equipment | 200,000 | 0 | 200,000 | | | |
| Debt service | 727,000 | 608,890 | 118,110 | | | |
| Transfers out | 140,000 | 0 | 140,000 | | | |
| Total Disbursements | 1,067,000 | 608,890 | 458,110 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (67,000) | 454,965 | 521,965 | | | |
| CASH, JANUARY 1 | 67,000 | 78,985 | 11,985 | | | |
| CASH, DECEMBER 31 | 0 | 533,950 | 533,950 | | | |
| <u>RECORD RETENTION</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 35,000 | 40,672 | 5,672 | | | |
| Interest | 1,000 | 793 | (207) | | | |
| Total Receipts | 36,000 | 41,465 | 5,465 | | | |
| DISBURSEMENTS | | | | | | |
| Ex Officio Recorder of Deeds | 61,000 | 37,499 | 23,501 | | | |
| Total Disbursements | 61,000 | 37,499 | 23,501 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (25,000) | 3,966 | 28,966 | | | |
| CASH, JANUARY 1 | 25,155 | 25,155 | 0 | | | |
| CASH, DECEMBER 31 | 155 | 29,121 | 28,966 | | | |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|---------|----------------------------------|----------|---------|----------------------------------|
| | 2001 | | | 2000 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>FAMILY ACCESS FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 50 | 33 | (17) | | | |
| Interest | 20 | 15 | (5) | | | |
| Total Receipts | 70 | 48 | (22) | | | |
| DISBURSEMENTS | | | | | | |
| Family access | 400 | 0 | 400 | | | |
| Total Disbursements | 400 | 0 | 400 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (330) | 48 | 378 | | | |
| CASH, JANUARY 1 | 374 | 374 | 0 | | | |
| CASH, DECEMBER 31 | 44 | 422 | 378 | | | |
| <u>HEALTH CENTER FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 210,000 | 222,813 | 12,813 | 198,000 | 194,960 | (3,040) |
| Intergovernmental | 309,707 | 321,683 | 11,976 | 346,121 | 322,417 | (23,704) |
| Charges for services | 122,500 | 127,311 | 4,811 | 117,500 | 120,451 | 2,951 |
| Interest | 16,000 | 22,765 | 6,765 | 12,000 | 22,973 | 10,973 |
| Other | 4,750 | 5,486 | 736 | 4,250 | 4,260 | 10 |
| Total Receipts | 662,957 | 700,058 | 37,101 | 677,871 | 665,061 | (12,810) |
| DISBURSEMENTS | | | | | | |
| Salaries | 521,711 | 472,952 | 48,759 | 504,699 | 477,913 | 26,786 |
| Office expenditures | 22,700 | 23,298 | (598) | 24,700 | 22,049 | 2,651 |
| Equipment | 59,200 | 55,525 | 3,675 | 80,410 | 78,107 | 2,303 |
| Mileage and training | 3,000 | 3,189 | (189) | 3,100 | 3,075 | 25 |
| Buildings and grounds | 14,000 | 11,858 | 2,142 | 20,000 | 15,354 | 4,646 |
| Other | 42,346 | 26,507 | 15,839 | 44,962 | 32,412 | 12,550 |
| Total Disbursements | 662,957 | 593,329 | 69,628 | 677,871 | 628,910 | 48,961 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 106,729 | 106,729 | 0 | 36,151 | 36,151 |
| CASH, JANUARY 1 | 338,968 | 338,968 | 0 | 301,978 | 302,817 | 839 |
| CASH, DECEMBER 31 | 338,968 | 445,697 | 106,729 | 301,978 | 338,968 | 36,990 |
| <u>SENATE BILL 40 BOARD</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 350,000 | 392,901 | 42,901 | 350,000 | 343,110 | (6,890) |
| Intergovernmental | 0 | 2,977 | 2,977 | 0 | 22 | 22 |
| Interest | 8,000 | 9,312 | 1,312 | 9,000 | 7,835 | (1,165) |
| Loan proceeds | 45,762 | 50,400 | 4,638 | 3,400 | 28,117 | 24,717 |
| Total Receipts | 403,762 | 455,590 | 51,828 | 362,400 | 379,084 | 16,684 |
| DISBURSEMENTS | | | | | | |
| Contractual services | 401,564 | 331,875 | 69,689 | 374,110 | 308,238 | 65,872 |
| Office expenditures | 1,375 | 1,312 | 63 | 2,200 | 1,093 | 1,107 |
| Total Disbursements | 402,939 | 333,187 | 69,752 | 376,310 | 309,331 | 66,979 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 823 | 122,403 | 121,580 | (13,910) | 69,753 | 83,663 |
| CASH, JANUARY 1 | 105,394 | 105,394 | 0 | 35,641 | 35,641 | 0 |
| CASH, DECEMBER 31 | 106,217 | 227,797 | 121,580 | 21,731 | 105,394 | 83,663 |

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

Notes to the Financial Statements

CHRISTIAN 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 Christian 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, the Senate Bill 40 Board, or the Senior Services Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

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

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

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|---|---------------------------------|
| Federal Forfeiture #1 Fund | 2000 |
| Direct Sales Tax Distribution Fund | 2000 |
| Direct CART Distribution Fund | 2000 |
| Building Bond Retirement Fund | 2000 |
| Record Retention Fund | 2000 |
| Family Access Fund | 2000 |
| Sheriff Civil Fee Fund | 2001 and 2000 |
| Federal Forfeiture #2 Fund | 2001 |
| Record Technology Fund | 2001 |
| Senior Services Board Fund | 2001 |
| Associate Circuit Division I Interest Fund | 2001 and 2000 |
| Associate Circuit Division II Interest Fund | 2001 and 2000 |
| Law Library Fund | 2001 and 2000 |
| Probate Division Interest Fund | 2001 and 2000 |

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

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|------------------------------|---------------------------------|
| Special Road and Bridge Fund | 2000 |
| CART Fund | 2000 |
| County Law Enforcement Fund | 2001 and 2000 |
| Building Fund | 2001 |
| Recycling Fund | 2001 and 2000 |

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

D. Published Financial Statements

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

However, the county's published financial statements did not include the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|---|---------------------------------|
| Building Bond Retirement Fund | 2000 |
| Sheriff Civil Fee Fund | 2001 and 2000 |
| Associate Circuit Division I Interest Fund | 2001 and 2000 |
| Associate Circuit Division II Interest Fund | 2001 and 2000 |
| Law Library Fund | 2001 and 2000 |
| Probate Division Interest Fund | 2001 and 2000 |

Additionally, for the Senate Bill 40 Board Fund and the Health Center Fund, the county's published financial statements for the years ended December 31, 2001 and 2000, included only those amounts that passed through the County Treasurer. For the Senior Services Board Fund, the county's published financial statement for the year ended December 31, 2001, included only those amounts that passed through the County Treasurer.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than 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 deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the custodial bank in the Board's name.

The Senate Bill 40 Board's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the custodial bank in the Board's name.

The Senior Services Board's deposits at December 31, 2001, were entirely covered by federal depository insurance. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

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

3. Prior Period Adjustments

The Family Access Fund's cash balance of \$305 at January 1, 2000, was not previously reported, but has been added so the county's financial statements will include this fund.

At December 31, 1999, the Circuit Clerk Interest Fund had a balance of \$59,382. The Circuit Clerk has determined that these funds represent interest earned on condemnation monies associated with various civil cases and should be credited to these cases. As a result, these monies are not included in the audited financial statements.

Supplementary Schedule

Schedule

CHRISTIAN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|--|--|---|-------------------------|----------------|
| | | | Year Ended December 31, | |
| | | | 2001 | 2000 |
| U.S. DEPARTMENT OF NATIONAL DRUG CONTROL POLICY | | | | |
| Passed through State Department of Public Safety | | | | |
| 07.unknown | High Intensity Drug Trafficking Area - Task Forces | 99-HIDTA-551-07 | \$ 0 | 7,794 |
| | | 00-HIDTA-551-07 | 0 | 37,773 |
| | | IOPMWP551 | 23,344 | 0 |
| | | IIPMWP551 | 39,038 | 0 |
| | Program Total | | <u>62,382</u> | <u>45,567</u> |
| U. S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through state: | | | | |
| Department of Health - | | | | |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children | ERO045-0121 | 0 | 90,754 |
| | | ERS045-1121W | 90,483 | 28,945 |
| | | ERS045-2121 | 29,594 | 0 |
| | Program Total | | <u>120,077</u> | <u>119,699</u> |
| 10.559 | Summer Food Service Program for Children | ERS146-0121I | 0 | 57 |
| | | ERS146-1121I | 180 | 0 |
| | Program Total | | <u>180</u> | <u>57</u> |
| 10.564 | Nutrition Education and Training Program | SDA42300008 | 3,935 | 20,645 |
| Office of Administration - | | | | |
| 10.665 | Schools and Roads - Grants to States | N/A | 16,245 | 73,992 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Direct programs: | | | | |
| 16.710 | Public Safety Partnership and Community Policing Grants | 97-UM-WX-0638 | 0 | 31,523 |
| 16.unknown | Equitable Sharing of Seized and Forfeited Property | N/A | 46,617 | 87,400 |
| Passed through: | | | | |
| State Department of Public Safety - | | | | |
| 16.579 | Byrne Formula Grant Program | 98-NCD10-068 | 0 | 4,332 |
| 16.592 | Local Law Enforcement Block Grants Program | 2000-LBG-016 | 8,860 | 0 |
| Missouri Sheriffs' Association - | | | | |
| 16.unknown | Domestic Cannabis Eradication/Suppression Program | N/A | 1,008 | 0 |
| Cape Girardeau County Sheriff's Office - | | | | |
| 16.580 | Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program | 2000DDVX0055 | 43,113 | 0 |

Schedule

CHRISTIAN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|--|--|---|-------------------------|--------------|
| | | | Year Ended December 31, | |
| | | | 2001 | 2000 |
| U.S. DEPARTMENT OF LABOR | | | | |
| Passed through State Department of Labor and Industrial Relations: | | | | |
| 17.225 | Unemployment Insurance | N/A | 25 | 0 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through state: | | | | |
| Highway and Transportation Commission - | | | | |
| 20.205 | Highway Planning and Construction | BRO-022(6) | 38,749 | 0 |
| Department of Public Safety - | | | | |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grants | N/A | 465 | 0 |
| GENERAL SERVICES ADMINISTRATION | | | | |
| Passed through state Office of Administration - | | | | |
| 39.003 | Donation of Federal Surplus Personal Property | N/A | 383 | 0 |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | |
| Passed through state Department of Public Safety: | | | | |
| 83.534 | Emergency Management - State and Local Assistance | N/A | 0 | 2,521 |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through state: | | | | |
| Department of Health - | | | | |
| 93.268 | Immunization Grants | N/A | 63,685 | 65,524 |
| Department of Social Services - | | | | |
| 93.563 | Child Support Enforcement | N/A | 19,430 | 33,194 |
| Department of Health - | | | | |
| 93.575 | Child Care and Development Block Grant | PGA067-0121S | 0 | 4,140 |
| | | PGA067-1121S | 4,285 | 895 |
| | | PGA067-2121S | 775 | 0 |
| | | PGA067-0121C | 0 | 3,409 |
| | | PGA067-1121C | 1,560 | 440 |
| | | PGA067-2121C | 280 | 0 |
| | Program Total | | <u>6,900</u> | <u>8,884</u> |
| Department of Social Services - | | | | |
| 93.667 | Social Services Block Grant | N/A | 60 | 50 |
| | | ERO172081 | 416 | 188 |
| | | ERO172082 | 1,160 | 1,232 |
| | | ERO172118 | 1,580 | 3,842 |
| | Program Total | | <u>3,216</u> | <u>5,312</u> |

Schedule

CHRISTIAN COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|---------------------------|--|---|-------------------------|----------------|
| | | | Year Ended December 31, | |
| | | | 2001 | 2000 |
| Department of Health - | | | | |
| 93.919 | Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs | ERS161-10053 | 1,793 | 2,129 |
| 93.940 | HIV Prevention Activities - Health Department Based | N/A | 0 | 167 |
| 93.991 | Preventive Health and Health Services Block Grant | N/A | 0 | 688 |
| 93.994 | Maternal and Child Health Services Block Grant to the States | N/A | 5,418 | 3,438 |
| | | ERS175-0121F | 0 | 11,075 |
| | | ERS175-1121F | 10,143 | 5,072 |
| | | ERS175-2014F | 5,589 | 0 |
| | Program Total | | <u>21,150</u> | <u>19,585</u> |
| | Total Expenditures of Federal Awards | | <u>\$ 458,213</u> | <u>521,219</u> |

N/A - Not applicable

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

Notes to the Supplementary Schedule

CHRISTIAN 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 Christian County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health for the years ended December 31, 2001 and 2000. Amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991) include both cash disbursements and the original acquisition cost of vaccines during the year ended December 31, 2000.

2. Subrecipients

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

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Christian County, Missouri

Compliance

We have audited the compliance of Christian 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, 2001 and 2000. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Christian 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, 2001 and 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-4.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-4.

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 weaknesses.

This report is intended for the information of the management of Christian 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 29, 2002 (fieldwork completion date)

Schedule

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

Section I Summary of Auditor's Results

Financial Statements

| | |
|---|--|
| Type of auditor's report issued: | <u>Qualified</u> |
| Internal control over financial reporting: | |
| Material weaknesses identified? | <u> x </u> yes <u> </u> no |
| Reportable conditions identified that are not considered to be a material weaknesses? | <u> </u> yes <u> x </u> none reported |
| Noncompliance material to the financial statements noted? | <u> x </u> yes <u> </u> no |

Federal Awards

| | |
|---|--|
| Internal control over major programs: | |
| Material weakness identified? | <u> </u> yes <u> x </u> no |
| Reportable conditions identified that are not considered to be material weaknesses? | <u> x </u> yes <u> </u> none reported |

| | |
|---|--------------------|
| Type of auditor's report issued on compliance for major programs: | <u>Unqualified</u> |
|---|--------------------|

| | |
|---|-----------------------------------|
| Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? | <u> x </u> yes <u> </u> 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 |
| 10.665 | Schools and Roads – Grants to States |
| 16.unknown | Equitable Sharing of Seized and Forfeited Property |
| 20.205 | Highway Planning and Construction |

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 the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

| |
|---|
| 01-1. Reconciliation of County Records |
|---|

Reconciliations between the County Clerk's and County Treasurer's records are not adequate. The County Clerk posts all expenditures and the County Treasurer posts all revenues to the computerized accounting records. The County Treasurer also maintains a manual fund ledger of all revenues and expenditures. The County Treasurer periodically attempts to reconcile the computerized accounting records to the manual fund ledger; however, instead of determining reasons for differences, adjusting entries are made in the computerized records to make the two records agree. For example, during our review we noted an adjustment in the computerized accounting records of \$74,891 to decrease revenues of the Special Road and Bridge Fund. Rather than to determine the cause of the differences, this adjustment was made to agree the two records. As a result, the county's computerized accounting system does not accurately reflect detailed revenue information.

In addition, the County Treasurer does not always record revenues in the same manner in the manual fund ledger and computerized records, resulting in differences. The County Treasurer often posts revenues to the computerized accounting records as a reduction in expenditures. This practice causes both revenues and expenditures to be understated, resulting in inaccurate financial statement presentation. Adjustments have been made to the audited financial statements to correct the understatement of revenues and expenditures.

Further, the County Treasurer files a copy of his semi-annual settlements with the County Clerk, but it is not reviewed by the County Commission. Section 54.150, RSMo 2000, provides the County Treasurer shall settle his accounts with the County Commission semiannually.

Section 51.150.1, RSMo 2000, requires the County Clerk to keep regular accounts with the County Treasurer. To provide the type of check-and-balance system required by state law, to ensure errors and omissions are detected on a timely basis, and to provide accurate financial reporting, the County Clerk and the County Treasurer should regularly reconcile their accounting records.

WE RECOMMEND the accounting records of the County Clerk and County Treasurer be periodically reconciled and all reconciling items documented and fully investigated. In addition, the County Commission should review and approve the Treasurer's semi-annual settlements.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission provided the following response:

The County Clerk and County Treasurer are now reconciling their records on a monthly basis. The County Commission is now reviewing and approving the County Treasurer's semi-annual settlements.

| | |
|--------------|--|
| 01-2. | County Financial Records and Procedures |
|--------------|--|

The County Clerk and County Commission are responsible for preparing and approving a county budget which serves as a complete financial plan for the county. Numerous inaccuracies and deficiencies as a result of poor bookkeeping were noted in the information presented in the county's budget documents for 2001 and 2000. (See Finding number 01-1). This inaccurate financial information did not provide the County Commission with sufficient information to make informed decisions for the county and did not provide the citizens of Christian County with reliable information about the county's finances. During our review we noted the following concerns:

- A. The county does not have procedures in place to ensure the county's budget documents are properly prepared and that they accurately present financial activities of the county. In numerous instances it was not clear where amounts presented in the county's budgets were obtained, as they did not agree with any records maintained by the County Clerk or the County Treasurer.

For example, actual revenues and expenditures were understated in various budgets prepared by the County Clerk by the amounts shown in the following table:

| Fund | Year Ending December 31, | | | |
|------------------------|--------------------------|------------------|------------------|------------------|
| | 2001 | | 2000 | |
| | Revenues | Expenditures | Revenues | Expenditures |
| General Revenue | \$ 9,299 | 68,016 | 66,747 | 358,592 |
| County Law Enforcement | 19,795 | 49,361 | 153 | 20,990 |
| Emergency 911 | 43 | - | 316,829 | 248,214 |
| Building | 256,757 | 5,619,018 | 8,844,712 | 1,010,777 |
| Summary Totals | <u>285,894</u> | <u>5,736,395</u> | <u>9,228,441</u> | <u>1,638,573</u> |

In addition, beginning cash balances were incorrect for 9 of 18 funds presented in the county's 2001 budget. Differences in beginning cash balances are as follows:

| Year Ending December 31, 2001 | | | | |
|-------------------------------|--------------|--|-----------|------------|
| Fund | Presented in | | Actual | Difference |
| | Budget | | | |
| General Revenue | \$ 1,275,000 | | 1,279,893 | 4,893 |
| Special Road and Bridge | 861,458 | | 726,526 | (134,932) |
| Law Enforcement Training | 3,235 | | 1,819 | (1,416) |
| County Law Enforcement | 7,865 | | 11,255 | 3,390 |
| Emergency 911 | 135,000 | | 174,356 | 39,356 |
| Federal Forfeiture #1 | 65,768 | | 63,795 | (1,973) |
| Building | 1,060,291 | | 8,880,659 | 7,820,368 |
| Recycling | - | | (232) | (232) |
| Building Bond Retirement | 67,000 | | 78,985 | 11,985 |

The largest differences occurred in the Building Fund, resulting from the county's failure to include the activity of the revenue bond monies used to construct the judicial center.

The County Clerk could not identify where beginning balances presented in the budget were obtained. These errors could have been detected if reconciliations between the County Clerk's and County Treasurer's revenues, expenditures, and cash balances had been properly performed and if a thorough review of the final budget

had been performed by the County Clerk and County Commission.

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

- B. The county did not prepare budgets for some county funds. The County Clerk failed to include budgetary information for the Direct Sales Tax Distribution Fund and the Direct CART (County Aid Road Trust) Distribution Fund for 2000. The distribution of these funds to cities and special road districts was omitted from budgetary information, resulting in significant errors in the financial statements.

Sales Tax and CART monies are received by the county and distributed to cities and special road districts at the County Commission's discretion. As such, the distribution of these funds should be budgeted. In contrast, the county also collects and distributes property taxes and other funds for the special road districts; however, these funds are not distributed at the discretion of the County Commission, and therefore, are not required to be budgeted. Since 1998, the county has accounted for the Sales Tax and CART monies in several different ways but still has not provided a clear picture of all the monies received and how these monies are distributed in the county's budget.

In February 1998, the county attempted to eliminate unnecessary transfers between funds and began distributing Sales Tax and CART funds directly to the special road districts and cities which were previously accounted for in the Sales Tax Fund and CART Fund. As a result, Sales Tax and CART proceeds distributed directly to the special road districts and cities were no longer controlled and monitored within budgeted county funds. We have identified the omission in 2000 on Exhibit A as the Direct Sales Tax Distribution Fund and the Direct CART Distribution Fund.

In 2001, the County Commission attempted to properly report Sales Tax and CART revenues in the related funds; however, budgeted sales tax revenues were included in both the Sales Tax Fund and the Special Road and Bridge Fund, significantly over-estimating sales tax revenues. In addition, the distribution of sales taxes to the cities and special road districts was not included in the budgeted expenditures. Similar problems were noted with CART funds budgeted by the county. Adjustments have been made to the audited financial statements to correct these errors.

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

C. Actual expenditures exceeded budgeted amounts in several county funds as follows:

| Fund | Year Ended December 31, | |
|-------------------------|-------------------------|----------------|
| | 2001 | 2000 |
| Special Road and Bridge | \$ N/A | 146,326 |
| CART | N/A | 2,062 |
| County Law Enforcement | 60,530 | 96,839 |
| Building | 4,660,736 | N/A |
| TOTAL | <u>4,721,266</u> | <u>245,227</u> |

During 2000 the county budgeted \$6.2 million, but only spent \$1.7 million for the construction for the new judicial center. In the 2001 budget the County Commission indicated they forgot to include the remaining construction costs and only budgeted \$1 million but spent \$5.7 million.

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

D. The estimated ending cash balance was significantly understated for several large county funds.

For example, the estimated ending cash balance of the county's General Revenue Fund was understated by approximately \$334,000 and \$1.1 million for 2001 and 2000, respectively. It appears the County Commission significantly over estimated expenditures for those years.

By not adequately estimating all expected receipts and disbursements, it is difficult for the County Commission to analyze operations and to accurately project the ending financial condition of the County. In addition, for the budget documents to be of maximum assistance to the County Commission, the budget should reflect

accurate and complete estimates of receipts and disbursements.

WE RECOMMEND the County Commission:

- A. Ensure the budget document contains complete and accurate information about the county's finances and agrees to the County Treasurer's records. In addition, the County Commission and County Clerk should thoroughly review the budget document before it is finalized and filed with the State Auditor's Office.
- B. Ensure budgets are prepared for all county funds as required by state law.
- C. Ensure expenditures are kept within the amounts budgeted. If additional funds are received which could not be estimated when the budget was adopted, the County Commission should amend the budget by following the procedures required by state law.
- D. Estimate receipts and disbursements to closely reflect anticipated actual amounts so that the budget documents present a reasonable estimate of the county's financial plan and ending balances.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission provided the following responses:

- A. *We were not aware that this information was incorrect. We will now request financial information from the County Clerk and County Treasurer monthly. We will ensure the 2003 budget document is complete and accurate to the best of our ability.*
- B. *We will comply with this recommendation.*
- C. *We are currently monitoring the funds and have amended budgets for some funds for the current year.*
- D. *Since the County Clerk and County Treasurer are now reconciling their financial information to ensure the financial information we receive is correct, we will be able to prepare more reasonable budget estimates.*

01-3.

Published Financial Statements

Our review of the annual financial statements published by the county noted the following concerns:

- A. The county's annual published financial statements did not include financial activity for several county funds. In addition, bond proceeds to construct the new judicial center were not included in the county's published financial statements for the two years ended December 31, 2001. As a result, revenues of approximately \$9.7 million and expenditures of approximately \$6.6 million were omitted. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included. This is a significant violation of state law which is intended to inform the public of the county's financial activity on an annual basis.
- B. The 2001 and 2000 annual financial statements were published on April 4, 2002 and March 26, 2001, respectively. Sections 50.800 and 50.810, RSMo 2000, require annual financial statements be prepared and published in a local newspaper on or before the first Monday in March and show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

The publishing of complete and timely financial statements besides meeting statutory requirements, will provide information to citizens as to the operations of their county government and how dollars are spent.

WE RECOMMEND the County Commission:

- A. Ensure financial information for all county funds is properly reported in the annual published financial statements in accordance with state law.
- B. Ensure financial statements are published by the first Monday in March of each year.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

County Clerk Blunt provided the following response:

The financial information will be published in a timely manner and will include all county funds in 2003.

Section III - Federal Award Findings and Questioned Costs

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

01-4. Schedule of Expenditures of Federal Awards

| | |
|-----------------------|--------------------------------|
| Federal Grantor: | U.S. Department of Agriculture |
| Pass-Through Grantor: | Department of Health |

Federal CFDA Number: 10.557
Program Title: Special Supplemental Nutrition Program for Women, Infants, and Children

Pass-Through Entity
Identifying Number: ERO045-0121, ERS045-1121W, ERS045-2121
Award Year: 2001 and 2000
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Office of Administration
Federal CFDA Number: 10.665
Program Title: Schools and Roads – Grants to States
Pass-Through Entity
Identifying Number: Not applicable
Award Year: 2001 and 2000
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Justice
Pass-Through Grantor: Not applicable
Federal CFDA Number: 16.unknown
Program Title: Equitable Sharing of Seized and Forfeited Property
Pass-Through Entity
Identifying Number: Not applicable
Award Year: 2001 and 2000
Question Costs: Not applicable

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: State Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass-Through Entity
Identifying Number: BRO-022(6)
Award Year: 2001
Questioned Costs: Not applicable

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

The county does not have specific procedures in place to track federal assistance for preparation of the SEFA. For the years ended December 31, 2001 and 2000, the county's SEFA contained numerous errors and omissions. For example, expenditures relating to

several federal grants were reported incorrectly or not included on the schedules and the County Clerk failed to include the required pass-through grantor's number on the programs that were reported. In addition, some non-federal programs were included in the schedule. In 2001 and 2000, the county only reported expenditures for six of 19 and seven of 18 federal programs, respectively. As a result expenditures were understated by approximately \$339,000 for the two years. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. Considering the overall incompleteness of the SEFA, it appears the County Clerk's efforts to prepare an accurate and complete SEFA were inadequate.

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

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

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

County Clerk Blunt provided the following response:

For the 2003 budget, I will comply so that the schedule is complete and accurate.

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

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

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

99-1. Omission of Budgetary Information

The county did not budget various county funds.

Recommendation:

The County Commission and other applicable officials ensure budgets are prepared for all county funds as required by state law.

Status:

Not implemented. See finding number 01-2.

99-2. Published Financial Statements

The county did not publish a financial statement for the year ended December 31, 1999 and the financial statement for the year ended December 31, 1998 did not include several county funds.

Recommendation:

The County Commission ensure complete financial statements are prepared and published annually.

Status:

Partially implemented. While the county published financial statements for the years ending December 31, 2001 and 2000, they did not publish the financial statements timely and did not include financial information for all funds. See finding number 01-3.

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

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

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

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

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

99-3. Schedule of Expenditures of Federal Awards

| | |
|-----------------------|---|
| Federal Grantor: | U.S. Department of Agriculture |
| Pass-Through Grantor: | Department of Health |
| Federal CFDA Number: | 10.557 |
| Program Title: | Special Supplemental Nutrition Program for Women, Infants, and Children |
| Pass-through Entity | |
| Identifying Number: | ERO45-6121 |
| Award Year: | 1999 and 1998 |
| Questioned Costs: | Not applicable |
| Federal Grantor: | U.S. Department of Justice |
| Pass-Through Grantor: | Not applicable |
| Federal CFDA Number: | 16.unknown |
| Program Title: | Equitable Sharing of Seized and Forfeited Property |
| Pass-Through Entity | |
| Identifying Number: | Not applicable |
| Award Year: | 1999 and 1998 |
| Questioned Costs: | Not applicable |

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: State Highway and Transportation Commission
Federal CFDA Number: 20.205
Pass-Through Entity
Identifying Number: BRO-022-5
Award Year: 1998
Questioned Costs: Not applicable

The county did not have specific procedures in place to track federal assistance for preparation of the schedule of expenditures of federal awards (SEFA). During the years ended December 31, 1999 and 1998, the county's SEFA contained numerous errors and omissions.

Recommendation:

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

Status:

Not implemented. See finding number 01-4.

99-4. Federal Sharing Program

Federal Grantor: U.S. Department of Justice
Pass-Through Grantor: Not applicable
Federal CFDA Number: 16.unknown
Program Title: Equitable Sharing of Seized and Forfeited Property
Pass-Through Entity
Identifying Number: Not applicable
Award Year: 1999 and 1998
Questioned Costs: \$24,315

The Sheriff's Department purchased a truck (\$15,500) and lie detector (\$8,815) without soliciting bids or proposals or retaining documentation to support the solicitation of bids. The Sheriff's Department indicated that the lie detector was purchased from a sole source provider; however, this was not documented.

Recommendation:

The County Commission and Sheriff work with applicable federal grantor agencies to resolve questioned costs. In the future, bids should be solicited for applicable purchases.

Status:

Not implemented. The County Commission and Sheriff have not contacted the grantor agency regarding questioned costs. However, during our review of this program in the current audit period, the Sheriff properly advertised for bids on the selected expenditures we reviewed.

99-5. Federal Bridge Program

| | |
|-----------------------|---|
| Federal Grantor: | U.S. Department of Transportation |
| Pass-Through Grantor: | State Highway and Transportation Commission |
| Federal CFDA Number: | 20.205 |
| Pass-Through Entity | |
| Identifying Number: | BRO-022-5 |
| Award Year: | 1998 |
| Questioned Costs: | Not applicable |

One reimbursement claim in the amount of \$111,147 was submitted to the Missouri Department of Transportation (MODOT) for reimbursement for highway planning and construction. However, reimbursement was not received by the county.

Recommendation:

The County Commission and County Clerk establish records and procedures to adequately monitor program expenditures and reimbursements. In addition, the county should pursue collection of the reimbursement request with the Missouri Department of Transportation.

Status:

Implemented. The County Commission contacted MODOT and received the reimbursement in 2000.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Christian County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 29, 2002. That report expressed a qualified opinion on the special-purpose financial statements. We also have audited the compliance of Christian 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, 2001 and 2000, and have issued our report thereon dated August 29, 2002.

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

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

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

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

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

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings

resulted from our audit of the special-purpose financial statements of Christian County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

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| 1. County Expenditures and Mileage Logs |
|--|

- A. Bids were not always solicited nor was bid documentation always retained for various purchases made by the county during the audit period. Examples of items purchased for which no evidence of bidding could be located are as follows:

| <u>Item or Service</u> | <u>Amount</u> |
|--|---------------|
| File system for the County Assessor | \$18,954 |
| Professional pay-scale consultation services | 10,000 |
| Printing and mailing services | 7,622 |
| Planetary camera | 7,450 |
| Scanning machine | 5,099 |

We also noted that documentation was not maintained by the county to substantiate situations in which the low bid was not accepted. Examples of the purchases include software for the E-911 system (\$76,361), road work (\$12,233), and a record retention system (\$62,000). While the County Commission informed us of various reasons for not selecting the low bid, these reasons were not documented and may have been the result of poor bidding practices.

Section 50.660, RSMO 2000 requires the advertisement of bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all interested parties are given an equal opportunity to participate in county business.

Documentation of bids should always be retained as evidence the county's established purchasing procedures as well as statutory requirements are being followed. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice, a copy of all bids received, a summary of the basis and justification for awarding the bid, and documentation of all discussions with vendors.

- B. The county owns numerous vehicles utilized by the Road and Bridge department, Assessor's office, Sheriff's office, and Planning and Zoning department. The county maintains both diesel and gasoline fuel tanks for use by Road and Bridge vehicles;

however, the Assessor's office, Sheriff's office, and the Planning and Zoning department each obtain gasoline from local businesses. While mileage or usage logs which document vehicle usage are maintained for some vehicles, we noted that the logs do not contain adequate information and are not reconciled to fuel purchases. In addition, we noted that mileage and usage logs are not maintained for some county vehicles.

- The county spent approximately \$115,000 on fuel for the Road and Bridge fuel tanks for the two years ended December 31, 2001. While the Road and Bridge department maintains fuel logs for each of their tanks, maintenance logs and mileage and usage logs are not maintained for each vehicle. In addition, fuel usage is not reconciled to fuel purchases.
- The county spent over \$3,000 on fueling and maintaining Planning and Zoning vehicles for the two years ended December 31, 2001. We noted that the Planning and Zoning department does not maintain mileage or usage logs which document vehicle usage. In addition, maintenance logs are not maintained for these vehicles.
- In October 2001 the County Assessor's office obtained a vehicle. A mileage log is maintained documenting beginning and ending odometer readings, but detailed information such as destination and purpose are not included on the log. In addition, vehicle maintenance logs are not maintained.
- The county spent approximately \$180,000 on fueling and maintaining county-owned patrol cars for the two years ended December 31, 2001. However, we noted that vehicle mileage logs and maintenance logs are not adequately maintained by the Sheriff's office for the patrol cars. While car number and odometer readings are recorded on the daily activity reports maintained by the deputies, no detailed record by vehicle is maintained, and maintenance logs are not maintained for each vehicle.

Logs are necessary to document appropriate use of the vehicles and to support fuel charges. The logs should include the date, vehicle operator, purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by the County Commission or applicable official to ensure all mileage is recorded, the vehicles are being properly utilized, and help identify vehicles which should be replaced. Information on the logs should be reconciled to fuel purchases and other maintenance charges.

- C. During the two years ended December 31, 2001, the County Commission authorized expenditures to local restaurants from the General Revenue Fund totaling \$3,042 for their annual Christmas luncheons for county employees. These expenditures do not

appear to be a prudent use of county funds. The County Commission should ensure county funds are spent only on items which are necessary and beneficial to county residents.

Conditions similar to Parts A and B were noted in our prior report.

WE RECOMMEND the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain adequate documentation of bids. If bids cannot be obtained and sole source procurement is necessary, or the low bid is not selected, these circumstances should be documented in the commission minutes.
- B. Require the Road and Bridge Department, Planning and Zoning Department, Assessor's office, and Sheriff's office to maintain usage logs on all county vehicles which identify the vehicle operator, dates of use, miles driven, destination and purpose of trips, and the fuel and maintenance expenses incurred. In addition, fuel usage should be compared to the number of miles driven to evaluate reasonableness and the fuel efficiency of the county's vehicles, and Road and Bridge fuel usage should be reconciled to fuel purchases.
- C. Ensure all expenditures of county monies are a necessary and prudent use of public funds.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *We have always encouraged compliance with state statutes. We have implemented a purchasing agent and this should eliminate some of the problems.*
- B. *We will require logs with all applicable information in all county vehicles. We will look into a central location for purchasing fuel for all county vehicles.*
- C. *We believe that it is a morale booster and we will continue to do this.*

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| 2. County Procedures and Written Agreements |
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- A. Additions and abatements of personal property taxes are not approved or reviewed by the County Commission. A listing of personal property additions and abatements is prepared by the Assessor monthly and submitted to the County Clerk.

Section 137.260, RSMo 2000, requires that the tax book only be changed by the

Clerk of the County Commission under order of the County Commission. For the County Commission to properly monitor additions and abatements, each should be reviewed and approved before changes are made to the tax book information.

- B. The county distributes sales tax monies to the special road districts and the cities within the county and distributes county aid road trust (CART) monies to the special road districts. During the two years ended December 31, 2001, amounts distributed to the political subdivisions totaled over \$3 million. The County Commission has obtained contracts with the political subdivisions which require the county sales tax monies to be used for the construction and repair of roads. However, the contracts do not provide the County Commission with a system of monitoring the political subdivisions' use of the county funds and the County Commission does not require the cities and special road districts to submit sufficiently detailed financial information regarding the actual uses of the funds provided. Additionally, the contracts have not been updated for several years. While the County Commission indicated they review the budgets received from the political subdivisions, this review is not documented. In addition, we noted several of the budgets did not include the prior years actual revenues and expenditures.

To ensure county sales tax and CART monies are used only for road-related purposes, the County Commission should obtain written agreements with the political subdivisions which include provisions for the County Commission to monitor their use of county funds. This would include requiring the cities and special road districts to provide prior years actual revenues and expenditures on the budget documents. In addition, the County Commission should document their review of the financial information submitted.

- C. The county shares the cost of chipping and sealing roads with county residents requesting road projects. Based on an unwritten policy, residents present a petition to the County Commission for review and approval for road projects. Upon approval, payments are made to the county treasury and are receipted into the Special Road and Bridge Fund. The residents pay \$400 per 1/10 mile for county roads to be chipped and sealed; however the county does not have a written policy defining the amounts to be charged for county road projects and how road projects are prioritized.

The County Commission should develop formal written policies to document the provision of these services. In addition, the County Commission should ensure that the county is receiving adequate reimbursement for these services to recover all associated costs.

A condition similar to Part B was noted in our prior report.

WE RECOMMEND the County Commission:

- A. Review and approve all additions and abatements, as they occur, prior to changes

being made to the tax book information.

- B. Obtain written agreements with the special road districts and the cities which allow the County Commission to monitor the political subdivisions' expenditures of the county monies, and document the review of financial information regarding the use of these monies.
- C. Establish a formal written policy for providing chipping and sealing services and develop a system to ensure that the county is receiving adequate reimbursement for such services.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *We are now approving all additions and abatements.*
- B. *We will change the contracts to include a provision which allows us to monitor the expenditures. We will withhold funds if the political subdivisions do not comply with the contract.*
- C. *We are working on establishing a written policy.*

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|-------------------------------------|
| 3. County Commission Minutes |
|-------------------------------------|

The County Commission does not maintain adequate minutes of its meetings. Unofficial, handwritten minutes from meetings are kept by the County Commission's secretary and are used to prepare the typewritten County Commission minutes in the official record book. As of June 12, 2002, the last entry in the official record book was for the August 16, 2001 meeting. In addition, several of the unofficial minutes appear to be incomplete and are generally vague. For instance, the unofficial minutes from May 9, 2002 do not indicate which County Commissioners were in attendance or if any discussions were held.

Section 610.023(2), RSMo 2000, states that each public governmental body shall make available for inspection and copying by the public of that body's public records. By not updating the official minute book in a timely manner, the only record of County Commission meetings available to the public is the unofficial notes. By maintaining an accurate record of County Commission proceedings the county demonstrates compliance with statutory provisions related to issues such as budget approval, the Sunshine Law (Chapter 610, RSMo), bidding, and purchasing decisions.

Pursuant to Section 51.120, RSMo 2000, the County Clerk is to maintain an accurate record of orders, rulings, and proceedings of the County Commission. Accurately documenting the

members present provides assurance as to the accuracy and authenticity of the official County Commission minutes. Timely approval not only adds assurance to the authenticity of official minutes, but allows a review of the contents to ensure the minutes include all important information regarding the meetings held.

WE RECOMMEND the County Commission ensure a formal and complete record of County Commission meetings is made and approved on a timely basis.

AUDITEE'S RESPONSE

The County Commission provided the following response:

We are currently in the process of updating our minute books and the methods used to keep the minutes up to date.

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| 4. County Officials' Compensation and Bonding |
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A. Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that the associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Christian County's Associate County Commissioners salaries were each increased approximately \$6,700 yearly, according to information provided by the County Clerk. However, salary increases resulting from increases in the assessed valuation were approved by the salary commission in 1993, but never given to elected officials. Therefore, the exact amount is unclear.

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

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$13,400 for the two years ended December 31, 2000, should be repaid.

B. Several county employees from various offices with access to money are not covered by an employee bond. As a means of safeguarding assets and reducing the county's risk if a misappropriation of funds would occur, all employees handling monies should be adequately bonded.

WE RECOMMEND the County Commission:

- A. Review the impact of this court decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Obtain adequate bond coverage for all county employees with access to monies.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *We do not intend to take any action to obtain repayment. The county relied on the law in place at the time the raises were given and accepted.*
- B. *We are looking into obtaining a blanket bond to cover all county employees.*

| |
|--------------------------------|
| 5. General Fixed Assets |
|--------------------------------|

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. Currently, the County Clerk maintains a manual inventory listing of fixed assets held by county officials. However, during our review of equipment purchases, we noted 18 of 19 items were not recorded on the county's general fixed asset listing. These items were purchased for approximately \$420,000. Additions to the inventory listing are not reconciled to equipment expenditures to ensure all fixed assets are properly recorded.

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

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk.

A similar condition was noted in our prior report.

WE RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address

important dates, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

AUDITEE'S RESPONSE

The County Commission provided the following response:

We will establish a written policy regarding general fixed assets.

6.

Construction of New Judicial Center

In April 2000, the county passed a one-quarter cent sales tax for the purpose of constructing a new judicial center. The county entered into a lease agreement with the Public Building Corporation of Christian County, Missouri, a not-for-profit corporation, on September 1, 2000. The terms of the agreement were for the corporation to issue leasehold revenue bonds of \$9,875,000 for the purpose of constructing the judicial center and for the corporation to lease the judicial center back to the county for payments totaling the principal and interest due on the outstanding bonds. The county pays the lease payments with proceeds from the one-quarter cent sales tax, which the county began receiving in November 2000. The bonds were issued on September 1, 2000. The proceeds are maintained by a trustee bank and are disbursed for payments of project costs upon receipt of requisition certificates signed by the Presiding Commissioner and the project architect.

Although the County Commission indicated they interviewed several underwriters, and decided to select an underwriter located within the state, they did not bid these services or retain documentation regarding other underwriters reviewed and their respective fees. In addition, they did not solicit proposals for bond counsel services or the bond insurer. The bond counsel and bond insurer were chosen based upon a recommendation by the underwriter. Payments to the underwriter, which includes the underwriters discount, totaled approximately \$105,000, payments to the bond counsel totaled \$37,000, and the financial guaranty insurance policy premium totaled approximately \$166,600.

The County Commission should always seek proposals for professional services and document the basis for selection to ensure the county is receiving quality service at a reasonable price.

WE RECOMMEND the County Commission ensure proposals are solicited for professional services and maintain adequate documentation of the various proposals received.

AUDITEE'S RESPONSE

The County Commission provided the following response:

We will solicit proposals of professional services related to bond issues in the future.

The Assessor transmitted approximately \$4,800 and \$5,800 to the County Treasurer during the years ended December 31, 2001 and 2000, respectively, from the sale of maps and photocopies. Our review indicated that the Assessor does not maintain adequate records to account for monies received.

- A. Concerns noted regarding the Assessor's procedures for handling receipts are as follows:
1. Receipt slips are not issued for some monies received. In addition, receipt slips are not prenumbered, nor do they consistently indicate the method of payment. To ensure receipts are accounted for properly, official prenumbered receipt slips should be issued for all monies received.
 2. The Assessor allows her employees to cash personal checks from receipts. To ensure all receipts are accounted for and transmitted to the County Treasurer intact, personal checks should not be cashed with official receipts.
 3. The Assessor does not transmit receipts to the County Treasurer on a timely basis. We noted some instances in which receipts were held for almost two months before being transmitted to the County Treasurer. For example, the turnover made on July 1, 2002, included \$1,035 in receipts with some dating back to May 6, 2002. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be transmitted to the County Treasurer daily or when accumulated receipts exceed \$100.
 4. Checks are not restrictively endorsed immediately upon receipt. Endorsements are applied after monies are turned over to the County Treasurer. To adequately safeguard receipts, all checks should be restrictively endorsed immediately upon receipt.
- B. The Assessor does not transmit receipts to the County Treasurer intact. Some cash receipts are retained for use as a change fund, however, the change fund is not maintained at a constant amount. In addition, the amount of monies transmitted to the County Treasurer does not always agree to the amount of monies received per the Assessor's receipt slips.

During 2000, the Assessor included a copy of all applicable receipt slips with the transmittal to the County Treasurer. However, the amount transmitted was sometimes more or less than the total of the receipt slips. No reconciliation of receipt slips to the amount and composition of monies transmitted to the County Treasurer is

performed by the County Assessor or the County Treasurer. Without performing this reconciliation, the Assessor has no assurance that all receipts are properly transmitted to the County Treasurer.

During 2001 individual receipts were recorded on the computer, but printouts were not produced and the computer files were not properly backed up. As a result, when computer problems occurred, most of the receipt information for 2001 was lost. In addition, fees transmitted to the County Treasurer were approximately 18% less in 2001 than fees transmitted in 2000. Despite increases in some prices during 2001, the County Assessor and office personnel could not explain the decrease in receipts, and receipt records were not available to determine if a reasonable explanation existed.

Transmitting receipts to the County Treasurer intact is necessary to ensure proper recording and accountability of receipts and to lessen the possibility of loss or misuse of funds. If a change fund is determined to be necessary, it should be maintained at a constant amount. In addition, retention of records is necessary to ensure the validity of transactions and provide an audit trail to account for all monies received. Section 109.270, RSMo 2000, provides that all records made or received by an official in the course of their public duties are public property and are not to be disposed of except as provided by law.

- C. Accounting duties for the Assessor's office are not adequately segregated. One employee is primarily responsible for receiving, recording, and transmitting monies to the County Treasurer. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are properly segregated. At a minimum, there should be a documented independent comparison of receipt slips issued to amounts transmitted to the County Treasurer.

WE RECOMMEND the Assessor:

- A.1. Issue official prenumbered receipt slips for all monies received.
- 2. Discontinue the practice of cashing personal checks for employees.
- 3. Transmit all monies to the County Treasurer daily or when accumulated receipts exceed \$100.
- 4. Restrictively endorse checks immediately upon receipt.
- B. Transmit all monies received to the County Treasurer intact and reconcile monies transmitted to receipt records. If a change fund is needed it should be maintained at a constant amount, and records should be retained in accordance with state law.

- C. Adequately segregate duties among available employees and/or establish a documented periodic review of the accounting records by an independent person.

AUDITEE'S RESPONSE

The Assessor provided the following response:

- A.1. *Prenumbered receipt slips are now being issued for all monies received.*
2. *Personal checks are no longer cashed.*
3. *Monies will be turned over daily depending on the amount of monies received.*
4. *We now have a stamp to endorse checks as they are received.*
- B. *A change fund has been established. Monies are transmitted to the Treasurer intact and reconciled to receipt slips.*
- C. *Duties are now segregated.*

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| 8. County Collector's Procedures and Commissions |
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The County Collector's office processed property taxes totaling in excess of \$45 million for the two years ended February 28, 2002. Our review noted the following concerns:

- A. The County Collector's annual settlements contained errors in amounts reported which caused differences between total collections and distributions. For the year ended February 28, 2001, collections totaling more than \$418,000 were omitted from the total collections reported on the annual settlement summary, and interest totaling \$66,570 was omitted from distribution amounts. For the year ended February 28, 2002, many of the distributions to the political subdivisions were incorrectly reported. Several other small errors were also noted.

The county's computer operator maintains an account book for the County Clerk; however, the County Clerk and County Commission do not review the account book to help verify the accuracy of the County Collector's annual settlements.

Prior audit reports have noted similar problems with the County Collector's annual settlements. The County Collector previously responded that a computer program had been implemented to correct the problems; however, problems still exist. In addition, the County Commission responded to a prior audit that they will compare the account book to the Collector's annual settlement; however, this comparison is

not performed.

Section 139.160, RSMo 2000, states that “. . . the collector shall . . . settle his accounts of all monies received by him on account of taxes and other sources of revenue . . .” By incorrectly reporting collections and distributions, the County Collector has not provided the County Commission with an accurate and complete settlement.

- B. The County Collector maintains bank accounts for the deposit of property tax collections and surtax. Collections are distributed monthly, except for interest earnings and surtax which are distributed once a year.

The County Collector reconciles the main bank account to his check register balance but does not reconcile the cash balances to existing liabilities. As a result, the County Collector has not been properly monitoring his account and his records indicate that an unidentified excess of approximately \$10,900 existed in his main bank account at February 28, 2002. We identified approximately \$5,200 in railroad taxes, \$1,875 in publication fees, and \$100 in bad check fees collected during the year that were not distributed. These errors could have been identified by the County Collector if cash balances were reconciled to existing liabilities. The remaining \$3,725 in the bank account has not been identified.

In addition, the County Collector does not maintain a complete record of deposits or a book balance for the surtax account and does not reconcile the bank account. Preparing proper bank reconciliations is an essential part of properly accounting for property tax collections. Without these reconciliations, the County Collector has no assurance that all transactions have been properly recorded in the bank accounts. To provide this assurance, book balances should be maintained for all accounts and should be reconciled to the bank balances each month. In addition, book balances should be properly identified to appropriate liabilities and other reconciling items.

- C. Section 50.332, RSMo 2000, allows county officials, with the approval of the County Commission, to perform services for cities that they normally provide to the county for additional compensation. The county has written contracts which provide for the county to collect property taxes for most cities in the county, however, these contracts have not been updated for several years. The contracts provide for the County Collector to receive a fee of one percent withheld from all taxes collected, and to receive penalties on delinquent taxes as prescribed by law which are collected from the taxpayers. In addition, the county receives a fee of two percent withheld from all taxes collected for providing the use of county employees and equipment in collecting the taxes.

As noted above, the contracts provide for the County Collector to receive penalties on delinquent taxes as prescribed by law. The County Collector assesses a penalty on

delinquent city tax payments in accordance with Section 52.290.1, RSMo 2000, which provides for a 5 percent penalty to be collected from the taxpayer, and the proceeds are to be distributed two-fifths to the county general fund and three-fifths to the county employees' retirement fund. However, the County Collector personally retains these penalties, and during the two years ended February 28, 2002, the County Collector collected and retained approximately \$6,700 in 5 percent penalties collected for city taxes.

Any add on fee or penalty charged to taxpayers must be based on state law or city ordinance. The contracts with the cities should clearly define the amount of penalties to be assessed on delinquent taxes and how these amounts should be distributed. This comment was included in a prior audit report and the County Collector responded that the recommendation would be implemented; however, no action has been taken to resolve this issue.

- D. At February 28, 2002, the Collector's bank accounts had \$1,024 in outstanding checks that were over one year old. These old outstanding checks create additional and unnecessary record keeping responsibilities. Procedures should be adopted to routinely follow up on old outstanding checks. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

Conditions similar to Parts A, B, and C were noted in our prior report.

WE RECOMMEND the County Collector:

- A. File complete and accurate annual settlements. In addition, the County Clerk and County Commission should compare the amounts on the annual settlements to the County Clerk's account book to ensure the annual settlements are accurate.
- B. Reconcile the amounts in the bank accounts to related liabilities and other reconciling items on a monthly basis. Any differences should be investigated and resolved. In addition, a book balance should be maintained for the surtax account.
- C. And the County Commission amend the contracts with the cities to specifically define the amount of penalties to be collected on delinquent city taxes and how the penalties are to be distributed. The penalty amounts should be based on applicable state laws and city ordinances.
- D. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.

AUDITEE'S RESPONSE

The County Collector provided the following responses:

- A. *In discussion with the state auditor, all collections and distributions were properly handled, only an error in totaling for the annual settlement. I will work to correct the problem.*
- B. *A book balance for surtax will be put in place. The bank accounts have been reconciled to the bank statement and to the office register, I will reconcile further.*
- C. *I will verify penalties with the cities to specifics of collections and distributions.*
- D. *I will establish a procedure for outstanding checks in a reasonable time period.*

The County Commission provided the following responses:

- A. *We will compare the annual settlements to the County Clerk's account book.*
- C. *We will meet with the Collector and amend the contracts.*

The County Clerk provided the following response:

- A. *I will compare the annual settlements to the account book.*

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| 9. | County Clerk's Accounting Controls and Procedures |
|-----------|--|

The County Clerk's office receives approximately \$4,000 annually. Our review noted the following concerns:

- A. The County Clerk does not transmit receipts to the County Treasurer intact. Some cash receipts are retained for use as a change fund, however, the change fund is not maintained at a constant amount. Transmitting receipts to the County Treasurer intact is necessary to ensure proper recording and accountability of receipts. If a change fund is determined to be necessary, it should be established by the County Commission and maintained at a constant amount.
- B. Receipt slips are not issued for some monies received. To ensure receipts are accounted for properly, official prenumbered receipt slips should be issued for all monies received.

WE RECOMMEND the County Clerk:

- A. Transmit all monies received to the County Treasurer intact. In addition, if a change fund is needed it should be established by the County Commission and maintained at a constant amount.

- B. Issue official prenumbered receipt slips for all monies received.

AUDITEE'S RESPONSE

The County Clerk provided the following response:

- A. *All monies are now transmitted intact. A \$25 change fund has been established and maintained at a constant amount.*
- B. *Receipt slips are now issued for all monies received.*

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| 10. Ex Officio Recorder of Deeds |
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- A. Adequate bank reconciliations are not performed for the recorder's bank account, and a book balance is not maintained in the check register. The Ex Officio Recorder of Deeds maintains a list of checks that have not cleared, but does not reconcile the bank balance to the book balance and liabilities. The December 31, 2001 reconciled bank balance exceeded liabilities by \$326.

To ensure all differences between the bank and book balances are noted in a timely manner, bank reconciliations should be performed monthly and a book balance should be maintained in the check register.

- B. At December 31, 2001, the recorder's bank account had \$135 in outstanding checks that were over a year old. These old outstanding checks create additional and unnecessary record-keeping responsibilities.

Procedures should be adopted to routinely follow up on old outstanding checks and reissue them if the payees can be located. If the payees cannot be located or identified, these monies should be disposed of in accordance with state law.

Similar conditions were noted in a prior report.

WE AGAIN RECOMMEND the Ex Officio Recorder of Deeds:

- A. Prepare monthly bank reconciliations and maintain a current check register balance.
- B. Follow up on the old outstanding checks. If the payees cannot be located, the monies should be disposed of in accordance with state law. In addition, procedures to routinely follow up on outstanding checks should be adopted.

AUDITEE'S RESPONSE

The Ex Officio Recorder of Deeds provided the following responses:

- A. *I felt I was keeping an adequate bank reconciliation, but I will try to reconcile the differences in the bank balance and liabilities in the future.*
- B. *I will write a check to the county for the outstanding checks that are over a year old.*

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| 11. Sheriff's Accounting Procedures and Controls |
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The Sheriff's department is responsible for collecting civil and criminal process fees, gun permit fees and cash bonds. The Sheriff's Department handled receipts totaling \$284,153 and \$285,444 during the years ended December 31, 2001 and 2000, respectively. Fees are deposited to the Sheriff's main account and remitted to the County Treasurer monthly. Our review of the Sheriff's accounting controls and procedures noted the following areas in need of improvement:

- A. Accounting duties are not adequately segregated. One individual is responsible for receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the accounting records. There is no documentation that an independent review of deposits and accounting records is performed.

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

- B. Pre-numbered receipt slips are not issued for civil process receipts. In addition, checks and money orders received for all types of receipts are not restrictively endorsed immediately upon receipt. Endorsements are applied at the time deposits are prepared.

To adequately account for and safeguard receipts, pre-numbered receipt slips should be issued for all monies received and all checks and money orders should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting duties or ensure periodic supervisory reviews are performed and documented.

- B. Issue pre-numbered receipt slips for all monies received and ensure checks and money orders are restrictively endorsed immediately upon receipt.

AUDITEE'S RESPONSE

The Sheriff provided the following responses:

- A. *We have implemented this recommendation. The Sheriff reviews and signs off on the end of the month bank reconciliations. We will improve internal controls by having another person perform a periodic supervisory review of the accounting records.*
- B. *We have implemented this recommendation. Pre-numbered receipts are now issued. Also, endorsements on checks are applied to checks at the time of receipt by the receptionist.*

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| 12. Planning and Zoning Accounting Controls and Procedures |
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Planning and Zoning transmitted approximately \$110,000 and \$95,000 to the County Treasurer during the years ended December 31, 2001 and 2000, respectively, from the sale of building permits, sign permits, code books, plan books, and copies. Our review indicated that the Planning and Zoning office does not maintain adequate records to account for monies received.

- A. The Planning and Zoning office does not transmit receipts to the County Treasurer intact. Some cash receipts are retained for use as a change fund; however, the change fund is not maintained at a constant amount and some receipts were used for petty cash purchases. In addition, the method of payment is not always indicated on the receipt slips, and the composition of receipt slips is not reconciled to the composition of transmittals.

Reconciling the composition of receipt slips to the composition of transmittals, and transmitting receipts to the County Treasurer intact are necessary to ensure proper recording and accountability of receipts and to lessen the possibility of loss or misuse of funds. If a change fund is determined to be necessary, it should be maintained at a constant amount.

- B. The cash control ledger is not adequately maintained. The Planning and Zoning office issues receipt slips for monies received, and then posts the receipts to the cash control ledger; however, we noted instances in which it appears monies were properly receipted and transmitted, but the amounts were not recorded in the cash control ledger. In addition, the cash control ledger is not reconciled to the monies transmitted to the County Treasurer. An adequately maintained cash control ledger helps to ensure all transactions are properly accounted for and facilitates periodic reconciliations.

WE RECOMMEND the County Commission:

- A. Ensure Planning and Zoning receipts are transmitted to the County Treasurer intact, and that monies transmitted are reconciled to receipt records. If a change fund is needed it should be maintained at a constant amount
- B. Ensure all Planning and Zoning receipts are posted to the cash control ledger.

AUDITEE'S RESPONSE

The County Commission provided the following response:

- A. *Planning and zoning is currently transmitting receipts intact and reconciling receipt records. A change fund has been established and is being maintained at a constant amount.*
- B. *This has been implemented.*

13.

Senate Bill 40 Board

The chairperson and secretary of the Senate Bill 40 Board also served together on the board of a not-for-profit (NFP) organization which received funding from the Senate Bill 40 Board. The chairperson also served on the board of a second NFP which received funding from the Senate Bill 40 Board. The Senate Bill 40 Board members indicated that they abstain from voting on issues related to the NFP's they serve; however, these abstentions are not documented in the Senate Bill 40 Board's minutes. This situation results in a potential conflict of interest.

To provide maximum assurance the Senate Bill 40 Board is acting independently and in the best interest of the taxpayers, no administrative or financial ties should exist between members of the Board and its funding recipients. Any abstentions should be clearly documented in the Board minutes.

WE RECOMMEND the Senate Bill 40 Board ensure members do not have administrative or financial ties with its funding recipients. If Senate Bill 40 Board members serve on the boards of funding recipients, they should either remove themselves from one of the boards or ensure that minutes of board meetings clearly indicate that they are abstaining from voting on funding requests for these entities and have no involvement in monitoring their NFP board's activities on behalf of the Senate Bill 40 Board.

AUDITEE'S RESPONSE

The Senate Bill 40 Board provided the following response:

There are currently no conflicts of interest on the board. We have taken steps to correct the problem and in the future all issues concerning conflict of interests will be documented in the minutes and abstentions will cover discussions and voting.

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

CHRISTIAN 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 Christian County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the two years ended December 31, 1997.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. County Sales Tax

- A. See our audit report on Christian County, Missouri, for the two years ended December 31, 1999 (report number 2000-89).
- B. The contracts with the special road districts and cities which required the county sales tax monies to be used for the construction and repair of roads did not provide the County Commission with a system of monitoring the political subdivisions' use of the county monies.

Recommendation:

The County Commission:

- B. Obtain written agreements with the special road districts and the cities which allow the County Commission to monitor the political subdivisions' expenditures of the county monies.

Status:

- B. Not implemented. See MAR finding number 2.

2. Expenditures and Written Agreements

- A. The county did not solicit or advertise for bids for some purchases or ensure all efforts to obtain bids were adequately documented.
- B. The county did not adequately maintain fuel tank usage logs or reconcile fuel purchases to fuel usage.
- C. The county made payments for services without written contracts.

Recommendation:

The County Commission:

- A. Solicit bids for all purchases in accordance with state law. Documentation of bids solicited and justification of bid awards should be retained by the County Clerk. If bids cannot be obtained and sole source procurement is necessary, the official minutes should reflect the necessitating circumstances.
- B. Maintain fuel usage logs and reconcile to the amount of fuel purchased.
- C. Obtain written contracts for the rental of office space and for the joint road projects with the city of Nixa.

Status:

- A&B. Not implemented. See MAR finding number 1.
- C. Partially implemented. Written agreements are obtained for the rental of all office space except for the University Extension Office. The county is no longer involved in a joint road project with the city of Nixa. Although not repeated in the current MAR, our recommendation remains as stated above.

3. Interfund Loans and Restricted Revenues

- A. The county made some interfund loans and did not repay them in a timely manner or with the appropriate amount of interest.
- B. The county transferred monies from the Special Road and Bridge Fund to the Recycling Fund. The Special Road and Bridge Fund is restricted by state law.

Recommendation:

The County Commission:

- A. Develop investment policies to ensure a sufficient cash flow is available to meet current needs. If interfund loans are needed, the County Commission should develop a system to track interfund loans to ensure the loans are repaid in a timely manner. In addition, the County Commission should authorize the County Treasurer to pay interest on monies loaned from the Special Road and Bridge Fund.
- B. Review this matter with legal counsel and consider transferring the \$18,000 from the Recycling Fund to the Special Road and Bridge Fund.

Status:

- A. Partially implemented. No interfund loans were made during the audit period; however, the County Commission did not authorize the County Treasurer to pay interest to the Special Road and Bridge Fund. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. While the County Commission indicated it discussed this issue with legal counsel, there is no documentation of the discussion. The County Commission does not intend to pay the \$18,000 back to the Special Road and Bridge Fund. Although not repeated in the current MAR, our recommendation remains as stated above.

4. Federal Financial Assistance

- A. The assistant prosecuting attorney did not maintain time sheets or other records to document the time worked on the Narcotics Control Assistance Program as required by the Byrne Formula Grant.
- B. Reimbursement for an assistant prosecuting attorney's time was based on estimated total time worked in a month instead of actual time for the Title IV-D (Child Support Enforcement) Program.
- C. Bids required by state law were not solicited for the lease of a vehicle used for the High Intensity Drug Trafficking Area Program, and vehicle usage and maintenance logs required by the grant contract were not kept for this vehicle.
- D. See our audit report on Christian County, Missouri, for the two years ended December 31, 1999 (report number 2000-89).

Recommendation:

- A&B. The County Commission and Prosecuting Attorney work with applicable federal grantor to resolve the questioned costs. In the future, time sheets should be prepared for actual hours worked.
- C. The County Commission and Sheriff work with applicable federal grantor agencies to resolve the questioned costs. In the future, bids should be solicited for applicable purchases and vehicle usage logs should be maintained.

Status:

- A&B. Partially implemented. Time sheets are now prepared; however, there is no documentation to indicate the county contacted the federal grantor. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Partially implemented. The Sheriff did properly solicit bids for applicable purchases during 2001 and 2000; however, the Sheriff did not follow up on the questioned costs. Although not repeated in the current MAR, our recommendation remains as stated above. In addition, vehicle usage logs are not maintained. See MAR finding number 1.

5. Budgets and Published Financial Statements

- A. The county's budgets contained several misclassifications of receipts and disbursements.
- B&C. See our audit report on Christian County, Missouri, for the two years ended December 31, 1999 (report number 2000-89).
- D. The county's annual published financial statements did not include the financial activity of some county funds.

Recommendation:

The County Commission:

- A. Ensure all significant receipts and disbursements are properly classified on the budgets.
- D. Ensure financial information for all county funds is reported in the annual published financial statements in accordance with state law.

Status:

- A. Not implemented. See finding number 01-2.
- D. Not implemented. See finding number 01-3.

6. Personnel Policies and Procedures

- A. Several employees had negative vacation leave, sick leave, and compensatory leave balances.
- B. Time sheets or other records of actual time worked were not adequately documented and maintained for some county employees.

Recommendation:

The County Commission:

- A. Periodically review employee leave balances and ensure compliance with the county's policy.
- B. Require all county employees to complete time sheets which reflect actual time worked and leave taken. The records should be prepared by employees, approved by the applicable supervisor, and filed in a central location with the county's payroll records.

Status:

A&B. Implemented.

7. County Collector's Procedures and Commissions

- A. The County Collector's annual settlements contained errors in amounts reported which caused differences between total collections and distributions. In addition, the County Clerk and County Commission did not review the account book to help verify the accuracy of the County Collector's annual settlements.
- B. The County Collector did not properly reconcile his bank accounts or maintain a complete record of deposits and withdrawals.
- C. The County Collector personally retained monies from penalties on delinquent taxes.

Recommendation:

The County Collector:

- A. Maintain an accurate account book and file complete and accurate annual settlements. In addition, the County Clerk and County Commission should compare the amounts on the annual settlements to the County Clerk's account book to ensure the annual settlements are accurate.
- B. Reconcile the amounts in the bank accounts to related liabilities and other reconciling items on a monthly basis. Any differences should be investigated and resolved. In addition, a book balance should be maintained for the surtax account.
- C. And the County Commission amend the contracts with the cities to specifically define the amount of penalties to be collected on delinquent city taxes and how the

penalties are to be distributed. The penalty amounts should be based on applicable state laws and city ordinances.

Status:

A-C. Not implemented. See MAR finding number 8.

8. Circuit Clerk and Ex Officio Recorder of Deeds

- A. Adequate bank reconciliations were not performed for the recorder's bank account.
- B. The recorder's bank account had \$162 in outstanding checks that were over a year old at December 31, 1997.
- C. Checks and money orders received by the Ex Officio Recorder of Deeds were not restrictively endorsed immediately upon receipt.
- D.1. Listings of open items were not reconciled to the cash balance monthly.
 - 2. The open-items listing included cases back to 1988.
 - 3. Unclaimed restitution was distributed to the county's Unclaimed Fees Fund. The funds should have been turned over to the state's Unclaimed Property Section.

Recommendation:

The Circuit Clerk and Ex Officio Recorder of Deeds:

- A. Prepare monthly bank reconciliations for the recorder's bank account.
- B. Follow up on the old outstanding checks.
- C. Restrictively endorse all checks and money orders immediately upon receipt.
- D.1. Reconcile the open-items listings to the cash balance monthly and investigate any differences.
 - 2. Along with the Circuit Judge, review the older cases and determine the appropriate disposition of inactive cases.
 - 3. Request the County Treasurer to remit the \$11,524 from the Unclaimed Fees Fund to the state's Unclaimed Property Section.

Status:

A&B. Not implemented. See MAR finding number 10.

C&

D.1-3. Implemented.

9. Health Center

A.1. Budgets did not include the two previous years' actual revenues and expenditures.

2. Actual beginning cash balances were not recorded on the budgets. In addition, the budgets did not include a computation of the projected ending cash balance.

B. Accurate vacation leave records were not maintained. In addition, two employees exceeded the maximum accumulated leave balance on several occasions.

Recommendation:

The Health Center Board:

A.1. Record actual revenues and expenditures of the two previous years on the budgets, as required by state law.

2. Record beginning cash balances on the budgets and compute the projected ending balance.

B. Ensure accurate leave records are maintained for all employees and leave balances do not exceed the maximum allowed by the board's leave policy.

Status:

A.1-2

&B. Implemented.

10. Senate Bill 40 Board

A. Budgets for 1998, 1997, and 1996 were not filed with the State Auditor's office.

B. The budgets did not include the two previous years' actual revenues and expenditures, and the cash reconciliation section was not prepared.

C. Actual beginning cash balances and projected ending balances were not reported on the budgets.

Recommendation:

The Senate Bill 40 Board:

- A. Submit budgets annually to the State Auditor's office as required by state law.
- B. Report actual revenues and expenditures of the two previous years on the budgets, as required by state law, and prepare the cash reconciliation section of the budget.
- C. Report actual beginning cash balances on the budgets and compute the projected ending balances.

Status:

A&B. Implemented.

- C. Partially implemented. The budget included the actual beginning cash balances for 2001 and 2000 but not the projected ending cash balances.

STATISTICAL SECTION

History, Organization, and
Statistical Information

CHRISTIAN COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1859, the county of Christian was named after William Christian, a Kentucky Revolutionary War Soldier. Christian County is a county-organized, third class-county and is part of the Thirty-Eighth Judicial Circuit. The county seat is Ozark.

Christian 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 Christian County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

| SOURCE | 2001 | | 2000 | |
|---------------------------|--------------|------------|-----------|------------|
| | AMOUNT | % OF TOTAL | AMOUNT | % OF TOTAL |
| Property taxes | \$ 619,265 | 10 | 556,434 | 10 |
| Sales taxes | 2,952,215 | 49 | 2,736,772 | 48 |
| Federal and state aid | 1,111,883 | 19 | 1,170,374 | 20 |
| Fees, interest, and other | 1,343,625 | 22 | 1,282,689 | 22 |
| Total | \$ 6,026,988 | 100 | 5,746,269 | 100 |

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

| USE | 2001 | | 2000 | |
|---------------------------|--------------|------------|-----------|------------|
| | AMOUNT | % OF TOTAL | AMOUNT | % OF TOTAL |
| General county government | \$ 1,626,946 | 28 | 1,422,223 | 26 |
| Public safety | 1,150,351 | 19 | 851,680 | 15 |
| Highways and roads | 3,166,892 | 53 | 3,239,826 | 59 |
| Total | \$ 5,944,189 | 100 | 5,513,729 | 100 |

In addition, Christian County received \$1,209,123 and \$1,251,653 of revenues in the County Law Enforcement Fund and expended \$1,964,521 and \$1,786,458 for the purpose of public safety in 2001 and 2000, respectively.

Christian County also received and expended \$1,303,647 and \$1,228,127 in general sales tax monies for the purpose of highways and roads in 2001 and 2000, respectively.

The county maintains approximately 39 county bridges and 732 miles of county roads.

The county's population was 15,124 in 1970 and 54,285 in 2000. The following chart shows the county's change in assessed valuation since 1970:

| | Year Ended December 31, | | | | |
|------------------------|-------------------------|-------|-------|--------|--------|
| | 2001 | 2000 | 1985* | 1980** | 1970** |
| | (in millions) | | | | |
| Real estate | \$ 368.4 | 305.7 | 75.5 | 29.6 | 14.9 |
| Personal property | 113.1 | 96.7 | 13.6 | 10.1 | 5.5 |
| Railroad and utilities | 24.4 | 22.6 | 8.2 | 8.6 | 4.1 |
| Total | \$ 505.9 | 425.0 | 97.3 | 48.3 | 24.5 |

* First year of statewide reassessment.

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

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

| | Year Ended December 31, | |
|----------------------------|-------------------------|-------|
| | 2001 | 2000 |
| Health Center Fund | \$.0466 | .0500 |
| Senate Bill 40 Board Fund | .0839 | .0900 |
| Senior Services Board Fund | .0500 | .0000 |

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

Taxes collected were distributed as follows:

| | Year Ended February 28 (29), | |
|-------------------------------------|------------------------------|------------|
| | 2002 | 2001 |
| State of Missouri | \$ 150,301 | 127,812 |
| Assessment Fund | 242,974 | 206,107 |
| Health Center Fund | 234,820 | 213,521 |
| Senate Bill 40 Board Fund | 414,638 | 376,156 |
| Senior Services Board Fund | 228,201 | 0 |
| School districts | 18,635,499 | 15,625,911 |
| Library district | 469,593 | 426,832 |
| Road districts | 537,622 | 606,895 |
| Ambulance districts | 622,981 | 565,651 |
| Fire protection districts | 1,254,280 | 1,091,589 |
| Junior College | 597,830 | 520,311 |
| Cities | 931,645 | 843,194 |
| County Clerk | 375 | 327 |
| County Employees' Retirement | 112,864 | 105,578 |
| Tax Sale Surplus | 2,795 | 9,314 |
| Commissions and fees: | | |
| General Revenue Fund | 432,602 | 382,659 |
| County Collector - city commissions | 12,509 | 11,118 |
| Total | \$ 24,881,529 | 21,112,975 |

Percentages of current taxes collected were as follows:

| | Year Ended February 28 (29), | |
|------------------------|------------------------------|------|
| | 2002 | 2001 |
| Real estate | 93 % | 93 % |
| Personal property | 82 | 84 |
| Railroad and utilities | 99 | 100 |

Christian 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 % |
| General | .0050 | None | None |
| Law enforcement | .0025 | None | None |
| Law enforcement | .0025 | * | None |

* This sales tax expires in 2015 or when all bonds issued for the construction of the judicial facilities are paid, whichever occurs first.

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

| Officeholder | 2002 | 2001 | 2000 |
|--|--------|--------|--------|
| County-Paid Officials: | | | |
| Roy Matthews, Presiding Commissioner | \$ | 31,700 | 31,700 |
| Tom Chudomelka, Associate Commissioner | | 29,700 | 29,700 |
| Bill Barnett, Associate Commissioner | | 29,700 | 29,700 |
| Junior Combs, County Clerk | | 45,000 | 45,000 |
| Susan Spence, Prosecuting Attorney | | 55,000 | 55,000 |
| Joey Matlock, Sheriff | | 50,000 | |
| Steve Whitney, Sheriff | | | 41,000 |
| Jerry Combs, County Treasurer | | 33,300 | 33,300 |
| Dean Adams, County Coroner | | 16,000 | |
| Ken Davis, County Coroner | | | 8,000 |
| Pat Wright, Public Administrator (1) | | 45,000 | 39,827 |
| Ted Nichols, County Collector (2), year ended February 28 (29), | 57,509 | 56,118 | |
| Tommy Bilyeu, County Assessor (3), year ended August 31, | | 45,900 | 45,900 |
| Loyd E. Todd, County Surveyor (4) | | N/A | N/A |

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

(2) Includes \$12,509 and \$11,118, respectively, of commissions earned for collecting city property taxes.

(3) Includes \$900 annual compensation received from the state.

(4) Compensation on a fee basis.

State-Paid Officials:

| | | | |
|---|--|--------|--------|
| Bruce Harris, Circuit Clerk and Ex Officio Recorder of Deeds | | 47,300 | 46,127 |
| Anthony McConnell, Associate Circuit Judge | | 96,000 | 97,382 |
| John S. Waters, Associate Circuit Judge | | 96,000 | 97,382 |

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

| Office | Number of Employees Paid by | |
|--|-----------------------------|-----------|
| | County | State |
| County Commission | 1 | |
| Circuit Clerk and Ex Officio Recorder of Deeds | 5 | 6 |
| County Clerk* | 5 | |
| Prosecuting Attorney | 8 | |
| Sheriff | 57 | |
| County Treasurer | 1 | |
| County Coroner | 1 | |
| Public Administrator* | 1 | |
| County Collector * | 5 | |
| County Assessor** | 16 | |
| Associate Division | 1 | 3 |
| Probate Division | 1 | 4 |
| Road and Bridge | 18 | |
| Health Center*** | 17 | |
| Emergency 911** | 11 | |
| Total | <u>148</u> | <u>13</u> |

- * Includes one part-time employee
- ** Includes two part-time employees
- *** Includes eight part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Christian County's share of the Thirty-Eighth Judicial Circuit's expenses is 56.1 percent.

Leasehold revenue bonds, dated September 1, 2000, were issued in the original amount of \$9,875,000 by the Public Building Corporation of Christian County. These bonds were issued to provide funds for a new judicial center. The county is lease-purchasing the judicial center from the Public Building Corporation of Christian County. The revenues from the lease-purchase agreement are being used to make debt service payments. At December 31, 2001, the county owed \$9,875,000 in principal and \$4,642,225 in interest for a total of \$14,517,225. The bonds are scheduled to be paid off in 2015.