



Claire McCaskill

Missouri State Auditor

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August 2005

Moniteau County, Missouri

Years Ended

December 31, 2004 and 2003



Office Of  
Missouri State Auditor  
Claire McCaskill

August 2005

**IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Moniteau, that do not have a county auditor. In addition to a financial and compliance audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

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

- Various federal program expenditures were not included on the 2004 Schedule of Expenditures of Federal Awards resulting in an under statement of approximately \$48,000.
- Bid documentation was not maintained for vehicles leased through two federal programs.
- Although it appears the County Commission and other county officials are working together to monitor and improve the county's financial condition, the General Revenue Fund remains weak. At December 31, 2004, the General Revenue Fund had a cash balance of approximately \$69,000. The 2005 General Revenue Fund budget reflects an estimated ending cash balance of (\$17,575). The County Commission should continue to monitor and take the necessary steps to improve the financial condition of the General Revenue Fund.
- The budget does not clearly document plans for funding a jail project. To present a true and accurate picture to the taxpayers and to effectively use the budget as a management tool, anticipated expenditures should reflect only those amounts the county plans to spend during that budget year. Reserving funds for a future project would have been more appropriately disclosed in the budget message.
- The County Commission has not prepared a formal analysis of operating expenditures associated with the possible increased capacity of the planned jail project or the related funding sources.
- Procedures to account for county-owned property should be improved to ensure records are accurate and complete. Updates to general fixed asset listings are made only when, and if, officials notify the County Clerk of a purchase. In addition, annual inspections are not performed.

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YELLOW SHEET

- Controls over the county's computer systems are in need of improvement. Access to property tax data files is not adequately restricted, a security system is not in place to stop incorrect log-on attempts, and a formal contingency plan has not been developed. In addition, the County Clerk should perform a more comprehensive review of back tax books.
- The Senate Bill 40 (SB40) Board does not adequately monitor disbursements made to a not-for-profit corporation. In addition, the SB40 Fund has an excessive cash balance, the anticipated financial condition of the SB40 Fund was not adequately projected, and the prior two years' actual receipts and disbursements were not included on the budget.
- The Prosecuting Attorney has not established an adequate system to account for bad check complaints, receipts are not always deposited timely, and accounting duties are not adequately segregated. The Prosecuting Attorney indicated that, unlike many other counties, criminal charges are filed for all bad check complaints.
- The Emergency Dispatch Board has not established adequate general fixed asset records. In addition the Emergency Dispatch Fund budgets do not project the anticipated financial condition of the Fund.

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MONITEAU COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



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

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

To the County Commission  
and  
Officeholders of Moniteau County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Moniteau County, Missouri, as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As discussed more fully in Note 1, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Moniteau County, Missouri, as of December 31, 2004 and 2003, or the changes in its financial position for the years then ended.

In our opinion, the 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 Moniteau 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, 2004 and 2003, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 15, 2005, 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 grant agreements and other matters. The purpose of that is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Moniteau County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill  
State Auditor

April 15, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer , CPA
Audit Manager:	Peggy Schler , CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Terri Crader
	Wendy Groner



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

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

To the County Commission  
and  
Officeholders of Moniteau County, Missouri

We have audited the financial statements of various funds of Moniteau County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated April 15, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Moniteau 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 financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Moniteau County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Moniteau County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

April 15, 2005 (fieldwork completion date)

## Financial Statements

Exhibit A-1

MONITEAU COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2004

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 4,223	1,552,162	1,486,645	69,740
Special Road and Bridge	164,263	959,036	839,309	283,990
Assessment	253	142,696	136,485	6,464
Law Enforcement Training	158	2,752	2,780	130
Sheriff Civil Fee	25,315	36,684	36,962	25,037
Prosecuting Attorney Training	1,309	1,055	1,502	862
Prosecuting Attorney Bad Check	40,405	8,761	4,205	44,961
Recorder User Fee	32,589	11,593	13,200	30,982
Adult Abuse	1,724	1,264	1,818	1,170
Local Emergency Planning Commission	8,794	3,077	2,623	9,248
Off System Bridge Projects	0	285,094	285,094	0
Election Service	3,898	3,804	871	6,831
Cemetary Trust	15,757	495	1,222	15,030
Capital Improvement	357,715	488,870	151,151	695,434
Associate Circuit Divison Interest	1,828	96	0	1,924
Circuit Clerk Interest	10,114	1,077	0	11,191
Law Library	11,777	5,185	3,573	13,389
Collector's Tax Maintenance	7,439	10,225	4,389	13,275
Election Improvement	0	15,056	0	15,056
Health Center	488,903	367,889	368,079	488,713
Emergency Dispatch	157,422	431,334	399,155	189,601
Drug Task Force Assistance	1,021	59	808	272
Senate Bill 40 Board	393,759	178,018	108,676	463,101
Collector's Soda Fund	1,441	190	324	1,307
Total	\$ 1,730,107	4,506,472	3,848,871	2,387,708

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

Exhibit A-2

MONITEAU COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2003

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 30,046	1,496,930	1,522,753	4,223
Special Road and Bridge	164,470	923,709	923,916	164,263
Assessment	13,429	128,804	141,980	253
Law Enforcement Training	276	2,493	2,611	158
Sheriff Civil Fee	32,667	44,660	52,012	25,315
Prosecuting Attorney Training	791	2,281	1,763	1,309
Prosecuting Attorney Forfeiture	1,181	0	1,181	0
Prosecuting Attorney Bad Check	31,830	9,318	743	40,405
Prosecuting Attorney Delinquent Tax	158	0	158	0
Recorder User Fee	28,302	14,184	9,897	32,589
Adult Abuse	1,675	1,907	1,858	1,724
Local Emergency Planning Commission	8,880	4,812	4,898	8,794
Off System Bridge Projects	0	39,105	39,105	0
Election Service	3,515	543	160	3,898
Cemetary Trust	15,147	610	0	15,757
Capital Improvement	0	431,795	74,080	357,715
Associate Circuit Divison Interest	1,734	94	0	1,828
Circuit Clerk Interest	12,145	1,555	3,586	10,114
Law Library	9,402	5,771	3,396	11,777
Collector's Tax Maintenance	0	8,991	1,552	7,439
Health Center	437,438	383,230	331,765	488,903
Emergency Dispatch	146,710	416,335	405,623	157,422
Drug Task Force Assistance	7,825	7,020	13,824	1,021
Senate Bill 40 Board	227,363	245,848	79,452	393,759
Collector's Soda Fund	1,082	909	550	1,441
Total	\$ 1,176,066	4,170,904	3,616,863	1,730,107

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

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 4,486,933	4,491,226	4,293	4,174,128	4,169,995	(4,133)
DISBURSEMENTS	5,106,969	3,848,547	1,258,422	4,399,676	3,616,313	783,363
RECEIPTS OVER (UNDER) DISBURSEMENTS	(620,036)	642,679	(1,254,129)	(225,548)	553,682	(787,496)
CASH, JANUARY 1	1,456,978	1,728,666	271,688	1,011,302	1,174,984	163,682
CASH, DECEMBER 31	836,942	2,371,345	1,534,403	785,754	1,728,666	942,912
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	247,000	277,264	30,264	266,900	260,814	(6,086)
Sales taxes	460,000	468,982	8,982	470,000	456,266	(13,734)
Intergovernmental	524,225	512,875	(11,350)	495,150	440,858	(54,292)
Charges for service:	239,600	226,374	(13,226)	223,550	245,853	22,303
Interest	1,200	2,953	1,753	1,500	1,228	(272)
Other	29,700	48,364	18,664	26,650	30,740	4,090
Transfers in	55,144	15,350	(39,794)	13,500	61,171	47,671
Total Receipts	1,556,869	1,552,162	(4,707)	1,497,250	1,496,930	(320)
DISBURSEMENTS						
County Commissior	86,900	86,447	453	85,700	85,359	341
County Clerk	89,108	87,587	1,521	81,928	81,898	30
Elections	59,900	50,860	9,040	14,990	14,072	918
Buildings and grounds	27,500	23,277	4,223	38,900	36,688	2,212
Employee fringe benefit	89,700	81,473	8,227	94,800	92,009	2,791
County Treasurer	31,100	30,403	697	31,560	31,382	178
County Collector	71,425	70,829	596	72,808	72,325	483
Circuit Clerk/Ex Officio Recorder of Deed	19,318	14,931	4,387	20,518	15,409	5,109
Associate Circuit Court	13,834	12,775	1,059	14,259	11,359	2,900
MOSMART	149,985	140,264	9,721	99,124	98,058	1,066
Court administration	17,000	15,832	1,168	21,000	12,920	8,080
Public Administrator	30,000	29,784	216	30,450	30,364	86
Sheriff	229,235	228,723	512	199,710	199,231	479
Jail	165,830	160,989	4,841	214,882	198,343	16,539
Prosecuting Attorney	103,664	102,282	1,382	103,370	103,022	348
Juvenile Office	44,786	11,057	33,729	49,436	26,252	23,184
County Coroner	13,375	12,572	803	13,500	12,869	631
Other General Government	94,380	85,084	9,296	81,222	86,916	(5,694)
Circuit Judges/Court Reporters	9,251	4,796	4,455	9,093	5,248	3,845
Crime Victim Advocate	20,665	123	20,542	27,156	20,627	6,529
Drug Task Force	254,000	219,931	34,069	243,404	233,263	10,141
Debt service	0	0	0	46,000	45,319	681
Transfers out	22,900	16,626	6,274	5,000	9,820	(4,820)
Emergency Func	35,749	0	35,749	19,467	0	19,467
Total Disbursements	1,679,605	1,486,645	192,960	1,618,277	1,522,753	95,524
RECEIPTS OVER (UNDER) DISBURSEMENTS	(122,736)	65,517	188,253	(121,027)	(25,823)	95,204
CASH, JANUARY 1	4,223	4,223	0	30,046	30,046	0
CASH, DECEMBER 31	(118,513)	69,740	188,253	(90,981)	4,223	95,204

Exhibit B

MONITEAU COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	363,500	380,243	16,743	356,500	362,029	5,529
Intergovernmental	537,025	547,232	10,207	523,100	534,078	10,978
Charges for services	20,000	16,174	(3,826)	13,500	24,526	11,026
Interest	2,500	4,258	1,758	2,500	3,032	532
Other	1,200	11,129	9,929	10,000	44	(9,956)
<b>Total Receipts</b>	<b>924,225</b>	<b>959,036</b>	<b>34,811</b>	<b>905,600</b>	<b>923,709</b>	<b>18,109</b>
<b>DISBURSEMENTS</b>						
Salaries	293,800	292,238	1,562	290,000	283,812	6,188
Employee fringe benefit	56,410	56,303	107	60,270	58,016	2,254
Supplies	115,000	108,108	6,892	116,800	95,020	21,780
Insurance	25,000	21,994	3,006	25,000	23,866	1,134
Road and bridge materials	150,000	145,440	4,560	125,000	166,981	(41,981)
Equipment repairs	75,000	64,854	10,146	95,000	71,092	23,908
Equipment purchases	120,000	122,363	(2,363)	200,000	181,872	18,128
Construction, repair, and maintenance	45,000	22,645	22,355	40,000	40,512	(512)
Other	12,500	5,364	7,136	17,250	2,745	14,505
Transfers out	27,831	0	27,831	0	0	0
<b>Total Disbursements</b>	<b>920,541</b>	<b>839,309</b>	<b>81,232</b>	<b>969,320</b>	<b>923,916</b>	<b>45,404</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>3,684</b>	<b>119,727</b>	<b>116,043</b>	<b>(63,720)</b>	<b>(207)</b>	<b>63,513</b>
<b>CASH, JANUARY 1</b>	<b>164,263</b>	<b>164,263</b>	<b>0</b>	<b>164,470</b>	<b>164,470</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>167,947</b>	<b>283,990</b>	<b>116,043</b>	<b>100,750</b>	<b>164,263</b>	<b>63,513</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	130,294	141,656	11,362	130,770	128,368	(2,402)
Interest	300	436	136	450	436	(14)
Other	0	604	604	0	0	0
Transfers in	8,900	0	(8,900)	2,500	0	(2,500)
<b>Total Receipts</b>	<b>139,494</b>	<b>142,696</b>	<b>3,202</b>	<b>133,720</b>	<b>128,804</b>	<b>(4,916)</b>
<b>DISBURSEMENTS</b>						
Assessor	139,693	136,485	3,208	142,257	141,980	277
<b>Total Disbursements</b>	<b>139,693</b>	<b>136,485</b>	<b>3,208</b>	<b>142,257</b>	<b>141,980</b>	<b>277</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(199)</b>	<b>6,211</b>	<b>6,410</b>	<b>(8,537)</b>	<b>(13,176)</b>	<b>(4,639)</b>
<b>CASH, JANUARY 1</b>	<b>253</b>	<b>253</b>	<b>0</b>	<b>13,429</b>	<b>13,429</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>54</b>	<b>6,464</b>	<b>6,410</b>	<b>4,892</b>	<b>253</b>	<b>(4,639)</b>

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Charges for service:	2,550	2,747	197	2,600	2,490	(110)
Interest	25	5	(20)	15	3	(12)
Total Receipts	<u>2,575</u>	<u>2,752</u>	<u>177</u>	<u>2,615</u>	<u>2,493</u>	<u>(122)</u>
DISBURSEMENTS						
Sheriff	2,500	2,780	(280)	2,650	2,611	39
Total Disbursements	<u>2,500</u>	<u>2,780</u>	<u>(280)</u>	<u>2,650</u>	<u>2,611</u>	<u>39</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	75	(28)	(103)	(35)	(118)	(83)
CASH, JANUARY 1	158	158	0	276	276	0
CASH, DECEMBER 31	<u>233</u>	<u>130</u>	<u>(103)</u>	<u>241</u>	<u>158</u>	<u>(83)</u>
<b><u>SHERIFF CIVIL FEE FUND</u></b>						
RECEIPTS						
Intergovernmental	20,000	18,333	(1,667)	23,000	29,000	6,000
Charges for service:	14,000	17,981	3,981	14,200	15,347	1,147
Interest	350	370	20	275	313	38
Total Receipts	<u>34,350</u>	<u>36,684</u>	<u>2,334</u>	<u>37,475</u>	<u>44,660</u>	<u>7,185</u>
DISBURSEMENTS						
Sheriff	59,500	23,462	36,038	50,000	35,737	14,263
Transfers out	0	13,500	(13,500)	13,470	16,275	(2,805)
Total Disbursements	<u>59,500</u>	<u>36,962</u>	<u>22,538</u>	<u>63,470</u>	<u>52,012</u>	<u>11,458</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,150)	(278)	24,872	(25,995)	(7,352)	18,643
CASH, JANUARY 1	25,315	25,315	0	32,667	32,667	0
CASH, DECEMBER 31	<u>165</u>	<u>25,037</u>	<u>24,872</u>	<u>6,672</u>	<u>25,315</u>	<u>18,643</u>
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Intergovernmental	600	576	(24)	1,200	667	(533)
Charges for service:	300	465	165	500	415	(85)
Interest	15	14	(1)	10	18	8
Transfers in	0	0	0	1,192	1,181	(11)
Total Receipts	<u>915</u>	<u>1,055</u>	<u>140</u>	<u>2,902</u>	<u>2,281</u>	<u>(621)</u>
DISBURSEMENTS						
Prosecuting Attorney	1,750	1,502	248	3,200	1,763	1,437
Total Disbursements	<u>1,750</u>	<u>1,502</u>	<u>248</u>	<u>3,200</u>	<u>1,763</u>	<u>1,437</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(835)	(447)	388	(298)	518	816
CASH, JANUARY 1	1,309	1,309	0	791	791	0
CASH, DECEMBER 31	<u>474</u>	<u>862</u>	<u>388</u>	<u>493</u>	<u>1,309</u>	<u>816</u>

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>PROSECUTING ATTORNEY FORFEITURE FUND</u></b>						
RECEIPTS						
Interest				10	0	(10)
Total Receipts				10	0	(10)
DISBURSEMENTS						
Prosecuting Attorney				0	0	0
Transfers out				1,191	1,181	10
Total Disbursements				1,191	1,181	10
RECEIPTS OVER (UNDER) DISBURSEMENTS				(1,181)	(1,181)	0
CASH, JANUARY 1				1,181	1,181	0
CASH, DECEMBER 31				0	0	0
<b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
RECEIPTS						
Intergovernmental	100	832	732	200	94	(106)
Charges for service:	8,000	7,337	(663)	8,000	8,679	679
Interest	300	592	292	250	387	137
Transfers in	0	0	0	158	158	0
Total Receipts	8,400	8,761	361	8,608	9,318	710
DISBURSEMENTS						
Prosecuting Attorney	3,100	4,205	(1,105)	17,500	743	16,757
Transfers out	2,500	0	2,500	0	0	0
Total Disbursements	5,600	4,205	1,395	17,500	743	16,757
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,800	4,556	1,756	(8,892)	8,575	17,467
CASH, JANUARY 1	40,405	40,405	0	31,830	31,830	0
CASH, DECEMBER 31	43,205	44,961	1,756	22,938	40,405	17,467
<b><u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u></b>						
RECEIPTS						
Charges for service:				200	0	(200)
Interest				10	0	(10)
Total Receipts				210	0	(210)
DISBURSEMENTS						
Transfers out				368	158	210
Total Disbursements				368	158	210
RECEIPTS OVER (UNDER) DISBURSEMENTS				(158)	(158)	0
CASH, JANUARY 1				158	158	0
CASH, DECEMBER 31				0	0	0

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>RECORDER USER FEE FUND</u></b>						
RECEIPTS						
Charges for service:	12,000	11,149	(851)	12,500	13,844	1,344
Interest	300	444	144	350	340	(10)
Total Receipts	<u>12,300</u>	<u>11,593</u>	<u>(707)</u>	<u>12,850</u>	<u>14,184</u>	<u>1,334</u>
DISBURSEMENTS						
Ex Officio Recorder of Deed	13,700	13,200	500	10,550	9,897	653
Total Disbursements	<u>13,700</u>	<u>13,200</u>	<u>500</u>	<u>10,550</u>	<u>9,897</u>	<u>653</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	(1,607)	(207)	2,300	4,287	1,987
CASH, JANUARY 1	32,589	32,589	0	28,302	28,302	0
CASH, DECEMBER 31	<u>31,189</u>	<u>30,982</u>	<u>(207)</u>	<u>30,602</u>	<u>32,589</u>	<u>1,987</u>
<b><u>ADULT ABUSE FUND</u></b>						
RECEIPTS						
Charges for service:	2,200	1,264	(936)	2,300	1,896	(404)
Interest	25	0	(25)	0	11	11
Total Receipts	<u>2,225</u>	<u>1,264</u>	<u>(961)</u>	<u>2,300</u>	<u>1,907</u>	<u>(393)</u>
DISBURSEMENTS						
Domestic violence shelte	3,500	1,818	1,682	3,200	1,858	1,342
Total Disbursements	<u>3,500</u>	<u>1,818</u>	<u>1,682</u>	<u>3,200</u>	<u>1,858</u>	<u>1,342</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,275)	(554)	721	(900)	49	949
CASH, JANUARY 1	1,724	1,724	0	1,675	1,675	0
CASH, DECEMBER 31	<u>449</u>	<u>1,170</u>	<u>721</u>	<u>775</u>	<u>1,724</u>	<u>949</u>
<b><u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u></b>						
RECEIPTS						
Intergovernmental	6,000	2,962	(3,038)	5,500	4,730	(770)
Interest	100	115	15	65	82	17
Total Receipts	<u>6,100</u>	<u>3,077</u>	<u>(3,023)</u>	<u>5,565</u>	<u>4,812</u>	<u>(753)</u>
DISBURSEMENTS						
Supplies, equipment and training	10,500	2,623	7,877	10,300	4,898	5,402
Total Disbursements	<u>10,500</u>	<u>2,623</u>	<u>7,877</u>	<u>10,300</u>	<u>4,898</u>	<u>5,402</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,400)	454	4,854	(4,735)	(86)	4,649
CASH, JANUARY 1	8,794	8,794	0	8,880	8,880	0
CASH, DECEMBER 31	<u>4,394</u>	<u>9,248</u>	<u>4,854</u>	<u>4,145</u>	<u>8,794</u>	<u>4,649</u>

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>OFF SYSTEM BRIDGE PROJECTS FUND</u></b>						
RECEIPTS						
Intergovernmental	400,000	285,094	(114,906)	75,000	39,105	(35,895)
Total Receipts	400,000	285,094	(114,906)	75,000	39,105	(35,895)
DISBURSEMENTS						
Bridge projects	400,000	285,094	114,906	75,000	39,105	35,895
Total Disbursements	400,000	285,094	114,906	75,000	39,105	35,895
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0
<b><u>ELECTION SERVICE FUND</u></b>						
RECEIPTS						
Intergovernmental	3,100	3,015	(85)	1,750	518	(1,232)
Interest	25	0	(25)	25	25	0
Transfers in	0	789	789	0	0	0
Total Receipts	3,125	3,804	679	1,775	543	(1,232)
DISBURSEMENTS						
County Clerk	3,000	871	2,129	4,000	160	3,840
Transfers out	3,000	0	3,000	0	0	0
Total Disbursements	6,000	871	5,129	4,000	160	3,840
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,875)	2,933	5,808	(2,225)	383	2,608
CASH, JANUARY 1	3,898	3,898	0	3,515	3,515	0
CASH, DECEMBER 31	1,023	6,831	5,808	1,290	3,898	2,608
<b><u>CEMETARY TRUST FUND</u></b>						
RECEIPTS						
Interest	1,300	495	(805)	200	610	410
Total Receipts	1,300	495	(805)	200	610	410
DISBURSEMENTS						
Cemetery upkeep	6,000	1,222	4,778	3,750	0	3,750
Total Disbursements	6,000	1,222	4,778	3,750	0	3,750
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,700)	(727)	3,973	(3,550)	610	4,160
CASH, JANUARY 1	15,757	15,757	0	15,147	15,147	0
CASH, DECEMBER 31	11,057	15,030	3,973	11,597	15,757	4,160

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>CAPITAL IMPROVEMENT FUND</u></b>						
RECEIPTS						
Sales tax	450,000	467,450	17,450	450,000	430,083	(19,917)
Interest	3,000	7,420	4,420	1,500	1,712	212
Transfers in	0	14,000	14,000	0	0	0
Total Receipts	453,000	488,870	35,870	451,500	431,795	(19,705)
DISBURSEMENTS						
Jail	325,000	0	325,000	200,000	0	200,000
Road and bridge	350,000	132,352	217,648	200,000	34,101	165,899
Courthouse	25,000	18,799	6,201	25,000	979	24,021
Transfers out	104,313	0	104,313	25,000	39,000	(14,000)
Total Disbursements	804,313	151,151	653,162	450,000	74,080	375,920
RECEIPTS OVER (UNDER) DISBURSEMENTS	(351,313)	337,719	689,032	1,500	357,715	356,215
CASH, JANUARY 1	357,715	357,715	0	0	0	0
CASH, DECEMBER 31	6,402	695,434	689,032	1,500	357,715	356,215
<b><u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u></b>						
RECEIPTS						
Interest	60	96	36	65	94	29
Total Receipts	60	96	36	65	94	29
DISBURSEMENTS						
Associate Circuit Judge	1,000	0	1,000	800	0	800
Total Disbursements	1,000	0	1,000	800	0	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	(940)	96	1,036	(735)	94	829
CASH, JANUARY 1	1,476	1,828	352	1,383	1,734	351
CASH, DECEMBER 31	536	1,924	1,388	648	1,828	1,180
<b><u>CIRCUIT CLERK INTEREST FUND</u></b>						
RECEIPTS						
Interest	1,500	1,077	(423)	2,400	1,555	(845)
Total Receipts	1,500	1,077	(423)	2,400	1,555	(845)
DISBURSEMENTS						
Circuit Clerk	6,500	0	6,500	5,500	3,586	1,914
Total Disbursements	6,500	0	6,500	5,500	3,586	1,914
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,000)	1,077	6,077	(3,100)	(2,031)	1,069
CASH, JANUARY 1	10,164	10,114	(50)	12,278	12,145	(133)
CASH, DECEMBER 31	5,164	11,191	6,027	9,178	10,114	936

Exhibit B

MONITEAU COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for service:	5,500	5,130	(370)	5,500	5,724	224
Interest	50	55	5	0	47	47
Total Receipts	5,550	5,185	(365)	5,500	5,771	271
DISBURSEMENTS						
Law Library	7,500	3,573	3,927	7,500	3,396	4,104
Total Disbursements	7,500	3,573	3,927	7,500	3,396	4,104
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,950)	1,612	3,562	(2,000)	2,375	4,375
CASH, JANUARY 1	11,777	11,777	0	9,402	9,402	0
CASH, DECEMBER 31	9,827	13,389	3,562	7,402	11,777	4,375
<b><u>COLLECTOR'S TAX MAINTENANCE FUND</u></b>						
RECEIPTS						
Charges for service:	8,500	10,225	1,725	3,000	8,991	5,991
Interest	50	0	(50)	50	0	(50)
Total Receipts	8,550	10,225	1,675	3,050	8,991	5,941
DISBURSEMENTS						
County Collector	5,000	4,389	611	2,620	1,552	1,068
Total Disbursements	5,000	4,389	611	2,620	1,552	1,068
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,550	5,836	2,286	430	7,439	7,009
CASH, JANUARY 1	7,278	7,439	161	0	0	0
CASH, DECEMBER 31	10,828	13,275	2,447	430	7,439	7,009
<b><u>HEALTH CENTER FUND</u></b>						
RECEIPTS						
Property taxes	202,000	211,364	9,364	208,000	200,474	(7,526)
Intergovernmental	104,300	110,363	6,063	120,400	135,391	14,991
Charges for service:	18,900	27,162	8,262	19,500	28,661	9,161
Interest	12,000	10,596	(1,404)	12,000	11,299	(701)
Other	1,850	8,404	6,554	3,050	7,405	4,355
Total Receipts	339,050	367,889	28,839	362,950	383,230	20,280
DISBURSEMENTS						
Salaries and employee fringe benefit	312,600	300,953	11,647	310,000	268,237	41,763
Office expense:	13,100	9,154	3,946	10,150	9,203	947
Contract services	10,600	10,384	216	10,200	7,361	2,839
Capital expenditures	20,000	7,836	12,164	15,000	10,802	4,198
Travel and training	10,500	7,347	3,153	13,050	6,213	6,837
Insurance	3,500	3,393	107	3,000	2,705	295
Medical supplies	18,000	16,139	1,861	7,000	14,690	(7,690)
Family planning supplies	10,000	7,032	2,968	8,500	8,270	230
Other	13,000	5,841	7,159	2,800	4,284	(1,484)
Total Disbursements	411,300	368,079	43,221	379,700	331,765	47,935
RECEIPTS OVER (UNDER) DISBURSEMENTS	(72,250)	(190)	72,060	(16,750)	51,465	68,215
CASH, JANUARY 1	488,903	488,903	0	437,438	437,438	0
CASH, DECEMBER 31	416,653	488,713	72,060	420,688	488,903	68,215

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>EMERGENCY DISPATCH FUND</b>						
<b>RECEIPTS</b>						
Sales taxes	412,000	426,176	14,176	428,000	412,839	(15,161)
Interest	2,250	2,912	662	3,600	2,653	(947)
Other	750	2,246	1,496	700	843	143
<b>Total Receipts</b>	<b>415,000</b>	<b>431,334</b>	<b>16,334</b>	<b>432,300</b>	<b>416,335</b>	<b>(15,965)</b>
<b>DISBURSEMENTS</b>						
Accounting	4,995	4,675	320	5,000	4,616	384
Advertising	1,000	620	380	500	220	280
Auto and truck	1,500	1,040	460	1,500	1,264	236
Business meals and entertainmen	1,000	363	637	1,000	1,005	(5)
Continuing education:	7,000	1,662	5,338	12,500	5,321	7,179
Dues, subscriptions, and bank charge:	1,050	1,388	(338)	2,300	600	1,700
Election costs	10,000	6,045	3,955	0	0	0
Employee benefit:	12,000	9,345	2,655	14,000	16,830	(2,830)
Employee soda fund cos	500	2,249	(1,749)	700	531	169
Insurance	7,500	7,241	259	6,000	7,036	(1,036)
Uniforms	0	0	0	1,500	158	1,342
Legal	900	775	125	500	1,050	(550)
License	450	95	355	0	840	(840)
Office supplies:	3,000	2,475	525	4,500	2,453	2,047
Postage and freight	400	264	136	400	235	165
Professional fees - employee screenin	1,000	578	422	1,000	920	80
Public education	0	0	0	1,200	1,226	(26)
Rent - equipment	126	0	126	126	126	0
Repairs and maintenance	3,500	5,416	(1,916)	4,000	4,264	(264)
Reward money	500	0	500	500	0	500
Salaries	273,419	266,062	7,357	275,047	266,958	8,089
Signs and installatio:	4,000	3,272	728	4,000	3,636	364
Supplies	1,000	785	215	1,000	991	9
Payroll taxes	23,457	22,765	692	22,696	22,693	3
Telephone service:	55,000	51,853	3,147	55,000	51,295	3,705
Travel	1,000	353	647	1,300	710	590
Utilities and trash	6,500	7,110	(610)	6,500	6,082	418
Computers and radio equipmen	2,000	2,724	(724)	6,000	3,231	2,769
Dispatch card system	1,332	0	1,332	2,670	1,332	1,338
<b>Total Disbursements</b>	<b>424,129</b>	<b>399,155</b>	<b>24,974</b>	<b>431,439</b>	<b>405,623</b>	<b>25,816</b>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,129)	32,179	41,308	861	10,712	9,851
CASH, JANUARY 1	0	157,422	157,422	0	146,710	146,710
CASH, DECEMBER 31	(9,129)	189,601	198,730	861	157,422	156,561

Exhibit B

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

	Year Ended December 31					
	2004			2003		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DRUG TASK FORCE ASSISTANCE FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	7,500	0	(7,500)	0	3,140	3,140
Interest	45	59	14	0	5	5
Other	0	0	0	0	73	73
Transfers in	0	0	0	0	3,802	3,802
<b>Total Receipts</b>	<b>7,545</b>	<b>59</b>	<b>(7,486)</b>	<b>0</b>	<b>7,020</b>	<b>7,020</b>
<b>DISBURSEMENTS</b>						
Supplies and operations:	8,300	808	7,492	7,825	13,824	(5,999)
<b>Total Disbursements</b>	<b>8,300</b>	<b>808</b>	<b>7,492</b>	<b>7,825</b>	<b>13,824</b>	<b>(5,999)</b>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(755)	(749)	6	(7,825)	(6,804)	1,021
CASH, JANUARY 1	1,021	1,021	0	7,825	7,825	0
CASH, DECEMBER 31	266	272	6	0	1,021	1,021
<b><u>SENATE BILL 40 BOARD FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	158,000	170,263	12,263	158,000	163,187	5,187
Intergovernmental	0	0	0	68,283	75,658	7,375
Interest	6,800	7,755	955	4,000	7,003	3,003
<b>Total Receipts</b>	<b>164,800</b>	<b>178,018</b>	<b>13,218</b>	<b>230,283</b>	<b>245,848</b>	<b>15,565</b>
<b>DISBURSEMENTS</b>						
General administration	12,774	12,774	0	11,692	11,692	0
Treasurer's bond	0	0	0	223	223	0
Vocational and day activity service	81,690	25,044	56,646	0	0	0
Residential service:	93,280	68,564	24,716	134,034	48,495	85,539
Other	2,294	2,294	0	43,310	19,042	24,268
<b>Total Disbursements</b>	<b>190,038</b>	<b>108,676</b>	<b>81,362</b>	<b>189,259</b>	<b>79,452</b>	<b>109,807</b>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,238)	69,342	94,580	41,024	166,396	125,372
CASH, JANUARY 1	279,956	393,759	113,803	210,609	227,363	16,754
CASH, DECEMBER 31	\$ 254,718	\$ 463,101	\$ 208,383	\$ 251,633	\$ 393,759	\$ 142,126

Notes to the Financial Statements

MONITEAU COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Moniteau 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, 911 Board, or Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from 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 a formal budget for the Collector's Soda Fund for the years ended December 31, 2004 and 2003 and the Election Improvement Fund for the year ended December 31, 2004.

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the Law Enforcement Training Fund in 2004 and the Drug Task Force Assistance Fund in 2003.

Deficit budget balances are presented for the General Revenue Fund for the years ended December 31, 2004 and 2003. However, the budgets of that fund also

included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Emergency Dispatch Fund for the year ended December 31, 2004.

#### D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. However, the county's published financial statements for the years ended December 31, 2004 and 2003, did not include the Collector's Soda Fund.

## 2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than 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.

Cash includes both deposits and investments. 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. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

### Deposits

The county's, Health Center Board's, and 911 Board's deposits at December 31, 2004 and 2003, were entirely covered by federal depository insurance or by collateral securities held by the county's or respective board's custodial bank in the county's or respective board's name.

The Senate Bill 40 Board's deposits at December 31, 2004, were entirely covered by federal depositary insurance or by collateral securities held by the board's custodial bank in the board's name or by commercial insurance provided through a surety bond. Of the Senate Bill 40 Board's bank balance at December 31, 2003, \$400,579 was covered by the federal depositary insurance or collateral securities held by the board's custodial bank in the board's name, and \$40,164 was uninsured and uncollateralized.

To protect the safety of Senate Bill 40 deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

### Investments

The only investments of the various county funds at December 31, 2004 and 2003, were repurchase agreements with reported amounts of \$1,303,867 and \$775,539, respectively, (which approximated fair value). These amounts represent uninsured and unregistered investments for which the securities were held by the dealer bank, or by its trust department or agent in the county's name.

### 3. Contingent Liability

As of December 31, 2004, the county's legal counsel identified one instance of potential litigation which if realized could represent a significant liability. The instance involves a possible sexual abuse claim against a Sheriff employee. The potential liability in this instance cannot be assessed.

Supplementary Schedule

Schedule

MONITEAU 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,	
			2004	2003
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state				
Department of Social Services -				
10.550	Food Donation	N/A	\$ 1,569	0
Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-5168 ERS045-4168 ERS045-3168W	11,300 16,630 0	0 8,284 27,548
	Program Total		<u>27,930</u>	<u>35,832</u>
U.S. DEPARTMENT OF DEFENSE				
Passed through state Department of Public Safety				
12.005	1033 Program	N/A	3,517	1,327
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state Department of Public Safety				
16.007	State Domestic Preparedness Equipment Support Program	2003-MU-T3-0003	12,213	0
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety				
16.579	Byrne Formula Grant Program	2003-NCD2-014 2002-NCD2-018 2001-NCD2-043	68,871 89,853 0	0 91,295 73,993
	Program Total		<u>158,724</u>	<u>165,288</u>
Cape Girardeau County -				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	TF-2004-08	140,049	98,775
State Department of Public Safety				

Schedule

MONITEAU 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,	
			2004	2003
16.592	Local Law Enforcement Block Grants Program Missouri Sheriffs' Association	2002-LBG-054	0	9,000
16	Domestic Cannabis Eradication/Suppression Program	N/A	1,421	800
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
Highway and Transportation Commission				
20.205	Highway Planning and Constructor Department of Public Safety	BRO-068(7)	285,094	39,105
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	N/A	0	2,443
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration				
39.003	Donation of Federal Surplus Personal Property Passed through Secretary of State	N/A	16,776	12,331
39.011	Election Reform Payment	N/A	4,234	0
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state Department of Public Safety				
83.544 *	Public Assistance Grants	N/A	3,339	3,582
83.562	State and Local All Hazards Emergency Operations Planning	EMK-2003-GR-2540	2,700	3,300
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services				
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	N/A	0	920
93.268	Immunization Grants	N/A	30,940	18,507
		PGA064-3168A	0	1,650
	Program Total		<u>30,940</u>	<u>20,157</u>

Schedule

MONITEAU 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,	
			2004	2003
93.283	Centers for Disease Control and Prevention	DH040022044	6,993	0
	Investigations and Technical Assistance	DH030510024	0	6,700
	Program Total		<u>6,993</u>	<u>6,700</u>
	Department of Health and Senior Services -			
93.575	Child Care and Development Block Grant	PGA067-5168S	605	0
		PGA067-4168S	1,130	730
		PGA067-2168	0	900
		PGA067-5168C	230	0
		PGA067-4168C	945	30
		PGA067-3168C	0	1,470
	Program Total		<u>2,910</u>	<u>3,130</u>
93.994	Maternal and Child Health Services Block Grant to the States	ERS175-3043F	0	4,469
		ERS146-5168M	4,754	0
		ERS146-4168M	11,959	3,986
		ERS146-3168M	0	11,932
		N/A	0	166
	Program Total		<u>16,713</u>	<u>20,553</u>
	Total Expenditures of Federal Award:		<u>\$ 715,122</u>	<u>423,243</u>

N/A - Not applicable

\* These expenditures include awards made under CFDA number 83.544 and CFDA number 97.036

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

Notes to the Supplementary Schedule

MONITEAU 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 Moniteau County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for Food Donation (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services.

Amounts for Donation of Federal Surplus Personal Property (CFDA number 39.003) and 1033 Program (CFDA number 12.005) 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 and Senior Services.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2004 and 2003.

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 Moniteau County, Missouri

Compliance

We have audited the compliance of Moniteau 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, 2004 and 2003. 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, Moniteau 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, 2004 and 2003. However, the results of our auditing procedures disclosed

instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 04-01 and 04-02.

### Internal Control Over Compliance

The management of Moniteau 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 certain matters involving the internal control over compliance 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 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. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 04-01 and 04-02.

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 caused by error or fraud 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 believe that none of the reportable conditions described above are material weaknesses.

This report is intended for the information and use of the management of Moniteau County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

April 15, 2005 (fieldwork completion date)

Schedule

MONITEAU COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2004 AND 2003

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

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   x   no

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

Noncompliance material to the financial statements noted?        yes   x   no

Federal Awards

Internal control over major programs:

Material weaknesses identified?        yes   x   no

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

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

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

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.579	Byrne Formula Grant Program
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program

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

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

## Section II - Financial Statement Findings

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

## Section III - Federal Award Findings and Questioned Costs

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

<b>04-01.</b>	<b>Schedule of Expenditures of Federal Awards</b>
---------------	---

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health and Senior Services
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity Identifying Number:	ERS045-5168, ERS045-4168, and ERS045-3168W
Award Years:	2004 and 2003
Questioned Costs:	Not applicable

Federal Grantor: U.S. Department of Justice  
Pass-Through Grantor: State Department of Public Safety  
Federal CFDA Number: 16.579  
Program Title: Byrne Formula Grant Program  
Pass-Through Entity  
Identifying Number: 2003-NCD2-014, 2002-NCD2-018, 2001-NCD2-043  
Award Years: 2004 and 2003  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Justice  
Pass-Through Grantor: Cape Girardeau County  
Federal CFDA Number: 16.580  
Program Title: Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program  
Pass-Through Entity  
Identifying Number: TF-2004-08  
Award Years: 2004 and 2003  
Questioned Costs: Not applicable

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

The county and health center do not have procedures in place to ensure all federal programs are reported on the SEFA. Although the amounts presented on the 2003 SEFA were generally accurate, several programs were omitted from the 2004 SEFA which was understated by approximately \$48,000. Federal program expenditures which were not included on the schedules included: 1033 Program, \$3,517; Election Reform Payments, \$4,234; Child Care and Development Block Grant, \$2,910; Maternal and Child Health Services Block Grant to the States, \$16,713; State Domestic Preparedness Equipment Support Program, \$12,213; Public Assistance Grants, \$3,339; and State and Local All Hazards Emergency Operations Planning, \$2,700. In addition, the pass-through entity identifying numbers were not indicated on the 2003 or 2004 SEFA schedule.

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

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

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

*The County Clerk indicated she will continue to work toward preparing a complete and accurate schedule of expenditures of federal awards. The Health Center Board President indicated the omissions were an oversight when transferring the amounts to the schedule and they would try to prepare a complete schedule in the future.*

**04-02.**

**Bidding of Leased Vehicles**

Federal Grantor: U.S. Department of Justice  
Pass-Through Grantor: State Department of Public Safety  
Federal CFDA Number: 16.579  
Program Title: Byrne Formula Grant Program  
Pass-Through Entity  
Identifying Number: 2003-NCD2-014, 2002-NCD2-018, 2001-NCD2-043  
Award Years: 2004 and 2003  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Justice  
Pass-Through Grantor: Cape Girardeau County  
Federal CFDA Number: 16.580  
Program Title: Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program

Pass-Through Entity  
Identifying Number: TF-2004-08  
Award Years: 2004 and 2003  
Questioned Costs: Not applicable

Bid documentation for the leasing of vehicles was not available. The Officer in Charge of the Mid-Missouri Multi-Jurisdictional Drug Task Force indicated bids had been solicited and that he had written down bid information and included it in a file, but he was unable to locate documentation of the bids. During the two years ending December 31, 2004, approximately \$48,700 and \$34,800 was spent from the Byrne Formula Grant Program and the Edward Bryne Memorial Sate and Local Law Enforcement Assistance Discretionary Grants Program, respectively, for leasing vehicles.

OMB Circular A-102, Common Rule, requires local governments to follow applicable procurement laws. 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 is receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested parties are given an equal opportunity to participate in county business. To show full compliance with state law, documentation of bids should include, at a minimum, a listing of

vendors from whom bids were requested, a copy of the request proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.

**WE RECOMMEND** the County Commission ensure bids are solicited for all purchases in accordance with state law and that adequate documentation of bids is maintained. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.

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

*The County Commission will implement the recommendation. The bid for leasing vehicles was advertised for state fiscal year 2006.*

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

MONITEAU 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 Moniteau County, Missouri, on the applicable finding in the prior audit report issued for the two years ended December 31, 2002.

02-1. Lack of Sufficient Segregation of Duties

Size and budget constraints limited the number of personnel within the accounting department, resulting in a lack of sufficient segregation of duties.

Recommendation:

These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Status:

Not implemented. Although there is no segregation of duties in the County Treasurer's office and little segregation in the County Clerk's office, the County Commission approves all disbursements and the County Clerk and County Treasurer balance their records monthly. Although not repeated in the current Schedule of Findings and Questioned Costs, the recommendation remains as stated above.

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

MONITEAU 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.

The prior audit report issued for the two years ended December 31, 2002, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

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

We have audited the financial statements of various funds of Moniteau County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated April 15, 2005. We also have audited the compliance of Moniteau 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, 2004 and 2003, and have issued our report thereon dated April 15, 2005.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo 2000, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. 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.

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.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Moniteau County or of its compliance with the types of compliance requirements applicable to each of its major federal

programs but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

<b>1.</b>	<b>Financial Condition</b>
-----------	----------------------------

The county's General Revenue Fund remains weak. The following chart shows the General Revenue Fund's receipts, disbursements, and cash balances for the four years ended December 31, 2004:

	Year Ended December 31,			
	2004	2003	2002	2001
Cash Balance, January 1	\$ 4,223	30,046	1,357	42,222
Receipts	1,552,162	1,496,930	1,266,109	1,130,466
Disbursements	(1,486,645)	(1,522,753)	(1,237,420)	(1,171,331)
Cash Balance, December 31	\$ 69,740	4,223	30,046	1,357

The 2005 General Revenue Fund budget reflects anticipated receipts of \$1,595,820 and appropriated disbursements of \$1,683,135, resulting in an estimated ending cash balance of (\$17,575). Other net available resources of \$75,000, which include 2005 property tax collections and will be available in January 2006, were included on the General Revenue Fund budget summary page to present a balanced budget.

For 2004, salary and related payroll disbursements of the General Revenue Fund comprised approximately \$964,000 (65 percent) of total fund disbursements. Other required or essential disbursements included conduct of elections, board of prisoners, courthouse maintenance, utilities, insurance, and the county's share of juvenile office disbursements.

The significant increase in 2003 disbursements included approximately \$160,000 and \$90,000 for the Drug Task Force and Missouri Sheriff's Meth-Amphetamine Relief Team (MOSMART) programs, respectively, both of which were funded by federal grants; \$35,000 for boarding of prisoners; \$7,000 for property and liability insurance premiums; and \$45,000 for repayment of a 2002 loan. Most other 2003 disbursement classifications reflected minimal increases or in many cases were below 2002 spending levels. Significant increases in 2004 disbursements were noted for elections, MOSMART, and the Sheriff's office; however, most other 2004 disbursement classifications were below 2003 spending levels. As a result, it appears the County Commission and other county officials are working together to monitor and improve the county's financial condition.

However, the following are additional factors which should be considered:

- During 2002 the voters in Moniteau County authorized a ½ cent sales tax levy for the purpose of maintaining and improving county roads and bridges, the courthouse, the county jail, for bridge replacements, and for maintaining law enforcement and other essential services of county government. The county has not performed a cost analysis of operating costs associated with a planned jail renovation/expansion project (See MAR finding number 2) or developed a long-term plan of sales tax revenues that will be allocated to capital improvement projects versus the amount available for “law enforcement and other essential services of county government”. To determine the effect this levy may have on offsetting future General Revenue costs, the County Commission should perform a long term cost analysis for the use of the revenues generated by the sale tax levy.
- An administrative service fee transfer has not been made from the Special Road and Bridge Fund to the General Revenue Fund since 2001. In addition, the amount transferred during 2001 was less than allowed by state law. Section 50.515, RSMo 2000, allows the county to impose an administrative service fee on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for the administrative services to the fund, and shall not exceed five percent (three percent prior to August 28, 2004) of the Special Road and Bridge Fund budget. Five percent of 2004 actual Special Road and Bridge Fund expenditures is approximately \$42,000. Consideration should be given to making administrative transfers from the Special Road and Bridge Fund to recoup administrative costs.
- Various restricted special revenue funds administered by elected officials have accumulated balances significantly in excess of 2004 actual expenditures or 2005 anticipated expenditures. Consideration should be given to working with these officials to use these monies to fund the respective office’s expenses, within the restrictions set forth by state law, which are currently funded by the General Revenue Fund.

**WE RECOMMEND** the County Commission continue to monitor and take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission should perform long term planning and take advantage of opportunities to offset General Revenue Fund costs as allowed by state law.

### **AUDITEE’S RESPONSE**

*The County Commission indicated they will continue to work with other officials to monitor the financial condition. When jail plans are finalized long-term planning will be considered.*

A formal cost analysis to account for future jail operating costs has not been prepared. In addition, the budget does not clearly document the plans for funding the jail project.

The county has a verbal agreement with an architectural firm to provide consultation and advice and to serve as the county's representative in connection with the county jail. The planned facility will house approximately 32 to 40 prisoners. The architect's preliminary estimate of the project cost totaled approximately \$2 million for renovation and expansion of the existing jail building, a parking area, and a fenced area for outdoor recreation. During our review of jail project documentation we noted the following:

- A. Although the Capital Improvement Fund budgets included appropriated amounts of \$800,000, \$325,000, and \$ 200,000 for the jail project in 2005, 2004, and 2003, respectively, the budgets did not clearly reflect that the county planned to reserve and not spend the monies in the years budgeted. The County Commission indicated they plan to save as much as they can before beginning the jail project.

Section 50.550, RSMo 2000, provides that the annual budget shall present a complete financial plan for the ensuing budget year. Section 50.590, RSMo 2000, provides, in part, that the budget message shall outline the fiscal policy for the budget year and important features of the budget plan. The budget message would provide an avenue for disclosing the funding plan for the jail. In addition, a summary page is included in the budget for each fund which would also provide an alternative for presenting a reserved jail project amount. To present a true and accurate picture to the taxpayers and to effectively use the budget as a management tool, anticipated expenditures should reflect only those amounts the county plans to spend during that budget year. Reserving funds for a future project would have more appropriately been disclosed in the budget message or on the Capital Improvement Fund summary page.

- B. A cost analysis for future operating costs of the jail has not been performed. The County Commission indicated they anticipate only one or two additional staff as a result of the jail project; however, they have not prepared a formal analysis of operating expenditures associated with the increased capacity of the jail or the related funding sources. Because of the current financial condition of the county, it is especially critical that the county analyze and closely monitor the jail's operating expenditures and related revenue sources. Failure to perform a cost analysis of the jail's future operating costs and related funding sources reduces the county commission's ability to adequately monitor and plan.

**WE RECOMMEND** the County Commission:

- A. Appropriate disbursements as closely as possible to the anticipated actual amounts as possible. Monies reserved for a future project should be reflected in the budget message or on the respective fund summary page.
- B. Perform a cost analysis of operating costs and related funding sources associated with the jail project.

**AUDITEE'S RESPONSE**

*The County Commission indicated they will:*

- A. *Implement the recommendation.*
- B. *Perform a cost analysis of law enforcement operating costs as the jail plans are finalized.*

<b>3. General Fixed Assets</b>
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Procedures to account for county-owned property should be improved to ensure the applicable records are complete and accurate.

The County Clerk maintains an electronic listing for each official; however, she indicated that updates to the listings are only made when officials notify her of a purchase. Although the road and bridge general fixed asset listing was maintained on a current basis, the following items were not included on the general fixed asset listings:

- Two vehicles costing \$10,500 and \$13,000 purchased for the Sheriff's office during 2003 and 2004, respectively.
- Two computer monitors and two printers costing \$860 and \$2,939, respectively, during 2003 and 2004 purchased for the County Collector.

In addition, annual inspections are not performed by the County Clerk or the officials.

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

Section 49.093, RSMo 2000, provides that the county officer or their designee is responsible for performing periodic inventories and inspections of property used by the respective 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 of law shall be signed by the county clerk.

**WE RECOMMEND** the County Clerk ensure physical inventories are performed annually. In addition, all fixed asset purchases and additions should be recorded on fixed asset records as they occur.

**AUDITEE'S RESPONSE**

*The County Clerk indicated that inventory updates are the responsibility of each official. If information is provided, she will update the records. The County Commission stated a memo will be sent to each official requesting updates and notifying them that physical inventories are the responsibility of each official.*

<b>4. Property Tax System and Computer Controls</b>
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The county's controls over the county's computer systems are in need of improvement. Access to property tax data files is not adequately restricted and a security system is not in place to stop incorrect log-on attempts. A formal contingency plan has not been developed. The County Clerk should perform a more comprehensive review of back tax books.

A. The County Assessor and County Collector utilize the property tax computer system to maintain assessed valuation data, calculate and print the tax books and tax bills, and record property taxes collected. During our review of the internal controls over the system, we noted the following weaknesses:

- 1) Security codes which allow different types of editing (i.e. read, write, delete, add, etc.) are not in place that limit access to various data files utilized by the County Assessor and County Collector. Lack of security codes and procedures provides the potential for personnel to make undetected and unauthorized changes to information.
- 2) Passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords are effectively limiting access to property tax data files to only those individuals who need access for their job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

Since access to various information is not adequately restricted, unauthorized changes could possibly be made to data files without the changes being detected. To establish individual responsibility, and to preserve the integrity

of data files, access to information should be limited to only those individuals who need access for completion of job responsibilities.

The unrestricted access to the system weakens internal controls over property assessment and tax collections. The ability to access and change computerized information should be limited to those individuals who need such access for the performance of their duties.

3) A security system is not in place on the property tax system to stop incorrect log-on attempts after a certain number of tries. An unauthorized individual could try an infinite number of times to log on the system, and if successful, have unrestricted access to data files. To help protect computer files, a security system should be implemented to stop incorrect log-on attempts after a certain number of tries. Such a system should produce a log of the incorrect attempts, which should be reviewed periodically by an authorized official.

B. The county does not have a formal contingency plan for its computer systems in case of an emergency and has not formally negotiated arrangements for backup facilities in the event of a disaster.

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

C. The County Collector generates the back tax books and compares the entries to the delinquent tax bills. The County Clerk performs a reconciliation of charges, additions and abatements, and collections to the delinquent tax book total, but does not sum the tax book charges or verify individual entries in the back tax books.

Section 140.050, RSMo 2000, requires the County Clerk to prepare the back tax books. The procedures outlined in the statutes for the preparation of the tax books provide for the separation of duties and acts as a form of checks and balances. Although the reconciliation performed by the County Clerk provides some control, a review of individual entries on a test basis and summing the tax book would reduce the risk of errors and irregularities going undetected.

Conditions A & B were noted in a prior report.

**WE RECOMMEND:**

- A. The County Commission ensure access to the property tax system is restricted to authorized individuals through a system of passwords and security codes. Passwords should be unique by individual and changed periodically. A security system should be established to stop and report incorrect log-on attempts after a certain number of tries.
- B. The County Commission ensure a formal contingency plan is developed.
- C. The County Clerk perform and document additional verification of the back tax books.

**AUDITEE'S RESPONSE**

- A. *The County Commission indicated they will discuss the situation with the County Collector and County Assessor and will try to correct the problems.*
- B. *The County Commission indicated they will discuss a contingency plan with other county officials.*
- C. *The County Clerk indicated she will implement the recommendation by performing spot checks of paid and unpaid tax bills.*

**5.**

**Senate Bill 40 Board**

The Senate Bill 40 (SB40) Board does not adequately monitor disbursements made to a not-for-profit (NFP) corporation. The SB40 Fund has an excessive cash balance, budgets did not adequately project the anticipated financial condition of the SB40 Fund, and the prior two years' actual receipts and disbursements were not included on the budget.

- A. All SB40 Fund disbursements of approximately \$108,000 and \$79,000 during the years ended December 31, 2004 and 2003, respectively, were made to one NFP corporation. According to the management and program service agreement, the NFP corporation was designated as the SB40's "certified agent for the purposes of entering into contracts with local, state, and federal agencies and to provide services to eligible persons with developmental disabilities". The agreement further provides that the NFP corporation shall be exclusively responsible for the operation of residential, employment, and related services and for maintaining all records as may be required by any state or federal agency.

The NFP corporation prepares checks and a monthly financial statement for the SB40 Fund; however, supporting documentation had to be obtained from the NFP corporation. In addition, there is no requirement in the agreement for the NFP

corporation to report the number of Moniteau County clients served. There is little or no evidence the SB40 Board is monitoring supporting documentation or the administrative and client services agreement requirements.

In addition, the 2004 agreement between the SB40 Board and the NFP corporation included a requirement for the NFP corporation to obtain an independent audit; however, the SB40 Board Treasurer and the NFP accountant indicated a copy of the audit report was not provided to the SB40 Board for its review. The audit requirement was excluded from the 2005 contract.

Without adequate monitoring, the SB40 Board cannot ensure the reasonableness and propriety of expenditures or compliance with contract terms and statutory provisions.

- B. The SB40 Fund had a cash balance at December 31, 2004, of \$463,101, approximately four times the total operating disbursements for the year. Since the board's establishment in 2000, actual revenues have exceeded disbursements each year. The 2005 SB40 Fund budget reflects a slight reduction in the estimated ending fund balance to \$414,440; however, this is still more than two times the planned disbursements and as noted in C, the SB40 Board's budgets have not always been reasonable.

The 2005 budget reflects the ending fund balance as a contingency for capital improvements, equipment, grant match or program expansion; however, there are no specific plans. The NFP corporation is in the process of conducting a needs assessment which should aid the SB40 Board in determining the services to be provided. The SB40 Board should review the results of the needs assessment and take measures to reduce the balance of the SB40 Fund or document future plans for the use of the balance. If the board does not have specific plans for the funds, they should consider reducing or eliminating the tax levy on a temporary basis to help reduce the balance of the SB40 Fund.

- C. The SB40 Board's budgets did not accurately project the anticipated financial condition of the SB40 Fund for the two years ended December 31, 2004. Beginning available resources were significantly understated and budgeted expenditures were significantly overstated resulting in an anticipated ending cash balance that was significantly less than actual. The following reflects a comparison of budgeted to actual amounts:

	<u>2004</u>		<u>2003</u>	
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Actual</u>
Beginning Available Resources	\$279,956	393,759	210,609	227,363
Expenditures	190,038	108,676	189,259	79,452
Ending Available Resources	254,718	463,101	251,633	393,759

In addition, the beginning available resources reflected on the 2005 budget were understated by approximately \$29,000 and the budgets did not include the two previous years' actual revenues and expenditures.

For the budget documents to be of maximum assistance to the SB40 Board as a planning tool and to adequately inform county residents of the current financial position and operations, the budgets should accurately reflect beginning available resources, reasonable estimates of receipts and disbursements, and the anticipated ending cash balances. In addition, Section 50.590, RSMo 2000, requires budgets to include the figures for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year.

**WE RECOMMEND** the Senate Bill 40 Board:

- A. Ensure that supporting documentation is periodically reviewed and monitored for compliance with statutory and contract provisions.
- B. Evaluate operations and take measures to reduce the accumulated balance of the SB40 Fund, or formally document its plans for the future use of the balance.
- C. Present accurate beginning available resources and estimate receipts and disbursements as closely as possible to the anticipated actual amounts so that a reasonable estimate of the Board's financial position is presented. In addition, the prior two years' actual receipts and disbursements should be presented.

**AUDITEE'S RESPONSE**

*The Senate Bill 40 Board President indicated:*

- A. *He has on file the NFP contract which will be reviewed by the Board at the next meeting, though it will be expired. He will require the renewal for fiscal year 2006 be shared with members of the Board at that time. The Board agrees to periodically review supporting documentation.*
- B. *He has discussed with the County Commission in April/May 2005 as well as the Board the possibility of reducing the future tax levy to some point less than the maximum 12 cents during the next two to three years until expansion of existing programs and new programs in the county materialize.*
- C. *The ending resources of 2003 carry-over to 2004 beginning resources was an oversight on the part of the Board's review of the proposed 2004 budget.*

An adequate system has not been established to account for all bad check complaints filed and their ultimate disposition, receipts are not always deposited in a timely manner, and accounting duties are not adequately segregated. Similar concerns have been noted in past audit reports; however, little or no improvement has been made.

- A. An adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of these bad checks has not been established. The bad check complaints are not recorded in a log as they are filed.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned number, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fee, and the disposition of the bad check, including date payment was received and transmitted, and the criminal case in which charges were filed or other disposition.

- B. Deposits are not always made on a timely basis. Bad check receipts are normally deposited once or twice a month. For the period July through December 2004, no deposits were made in October, only two deposits during four months, and three deposits were made during one month. Deposits during this period ranged from \$838 to \$2,118. A June 7, 2004, deposit totaling \$1,357 included receipts dated March 30 through May 27, 2004, but no June receipts. Failure to deposit all monies received on a daily basis increases the risk of loss or misuse of funds.
- C. The duties of receiving, recording, depositing and disbursing monies are not adequately segregated. One individual is responsible for receiving monies and another is responsible for all other accounting duties. However, there is no indication that supervisory reviews are performed to ensure that all transactions are accounted for properly and assets are adequately safeguarded.

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 adequately safeguarded. Internal controls could be improved by segregating accounting and bookkeeping duties among available employees or by implementing an independent documented review of records by another employee or the Prosecuting Attorney.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Implement procedures to adequately account for bad checks received as well as the ultimate disposition, through the use of a log to account for the numerical sequence and disposition of each bad check.
- B. Deposit monies in a timely manner.
- C. Adequately segregate accounting and bookkeeping duties to the extent possible. At a minimum, the Prosecuting Attorney should perform documented reviews of the accounting records.

**AUDITEE'S RESPONSE**

*The Prosecuting Attorney stated:*

- A. *“This was extensively discussed at our exit conference. This county, unlike many others, does not mail ten day demand notices. Instead, we include the statutory demand in the criminal charge. Complaints are attached to the criminal charges and filed with the Associate Circuit Court, which assigns a case number. Therefore the complaints may be tracked through Court records, even if the criminal charge is dismissed within the ten day period.”*
- B. *“We agree that deposits will include all monies received through the date of the deposit.”*
- C. *“This is a three person office. One individual receives restitution payments, maintains a receipt book, and reports receipts to the Associate Circuit Court for disposition of criminal charges. We do not accept cash. Only money orders or certified drafts for the exact amount due are accepted. The second person deposits the receipts and reconciles the checkbook. I sign all restitution letters and periodically review my employees’ activities. Their work is periodically reviewed by me. I have not “initialed” work reviewed in the past but will do so in the future.”*

<b>7.</b>	<b>Emergency Dispatch Board</b>
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The Emergency Dispatch Board has not established adequate general fixed asset records to account for board property. The Emergency Dispatch Fund budgets do not include beginning available resources and do not project the anticipated financial condition of the Emergency Dispatch Fund.

- A. The Emergency Dispatch Board has not established adequate general fixed asset records to account for board property. A comprehensive property listing is not prepared. A listing was provided of items purchased during the two years ending December 31, 2004; however, the listing did not include the cost of the items purchased or related property identification tags or serial numbers.

Section 49.093, RSMo 2000, provides that the officer or their designee is responsible for performing periodic inventories and inspections.

- B. The Emergency Dispatch Board budgets do not include all required information. Beginning available resources are not included and the anticipated financial condition of the Emergency Dispatch Fund is not projected. In addition, budgets include only one year's actual receipts and disbursements.

To be of maximum assistance as a planning tool and to adequately inform the public, budgets should include all beginning available resources and the prior two years' actual receipts and disbursements. In addition, Section 50.550, RSMo 2000, provides that the annual budget shall include actual or estimated operating deficits or surpluses from prior years. Section 50.590, RSMo 2000, requires budgets to include the figures for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year.

**WE RECOMMEND** the Emergency Dispatch Board:

- A. Maintain a comprehensive general fixed asset listing which includes all property owned by the board. The listing should include, at a minimum, the date and cost of purchases, serial numbers and property identification numbers, and disposition dates. In addition, inventories and inspections should be performed annually.
- B. Include beginning available resources and anticipated financial position on the budget. In addition, the prior two years' actual receipts and disbursements should be presented.

**AUDITEE'S RESPONSE**

*The Emergency Dispatch Board Administrator indicated:*

- A. *The recommendation has been implemented.*
- B. *This information has been added to the year to date report and will be reflected on the 2006 budget.*

## Follow-Up on Prior Audit Findings

MONITEAU 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 Moniteau County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2000. 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. Financial Condition

The county's General Revenue Fund was in poor financial condition. The cash balance of the General Revenue Fund declined from \$105,535 at December 31, 1997, to \$42,222 at December 31, 2000. For 2001, the General Revenue Fund budget reflected an estimated ending cash balance of negative \$126,682.

Recommendation:

The County Commission consider various alternatives for increasing receipts and/or reducing disbursements to ensure that the General Revenue Fund's financial condition improves and to maintain an adequate operating cash reserve.

Status:

Partially implemented. It appears the County Commission monitors expenditures and the financial condition of the General Revenue Fund; however, the financial condition remains weak. Moniteau County voters authorized a ½ cent sales tax levy for various purposes; however, a long term cost analysis of the allocation of the related revenues has not been performed. In addition, administrative service fee transfers have not been made from the Special Road and Bridge Fund to the General Revenue Fund and special revenue funds administered by elected officials could be used to fund the respective office's expenses. See MAR finding number 1.

2. Property Tax System and Computer Controls

- A. The County Assessor and the County Collector had unlimited access to the computer system and these internal control problems were not mitigated by a review by the County Clerk.
- B. The county did not have an adequate password system or procedures to restrict access to the property tax computer system.
- C. A security system was not in place to detect or prevent incorrect log-on attempts.

- D. The county did not have a formal contingency plan for the computer system in case of an emergency.

Recommendation:

The County Commission:

- A. Restrict access to assessment and property tax data during periods when changes to the data are not statutorily allowed and to only those individuals with statutory authority to change applicable data. If the county allows access and change capabilities which are normally incompatible to statutory duties, the County Commission should ensure change reports are generated and an independent individual, such as the County Clerk, reviews all changes for propriety.
- B. Implement a password system which requires each user be assigned a unique password and passwords be changed periodically.
- C. Establish a security system to detect and report incorrect log-on attempts after a certain number of tries.
- D. Develop a formal contingency plan including arrangements for use of alternative data processing equipment during emergency situations.

Status:

Not Implemented. See MAR finding number 4.

3. Schedule of Expenditures of Federal Awards

The SEFA prepared for the years ended December 31, 2000 and 1999, contained numerous errors and omissions.

Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards to submit to the State Auditor's Office as part of the annual budget. The County Commission should take steps to ensure other offices properly track and report federal awards, or consider appointing a county-wide grants coordinator.

Status:

Not Implemented. See finding number 04-01.

4. General Fixed Assets

- A. The County Clerk maintained a computerized inventory listing of fixed assets held by county officials: however, some of the fixed asset listings had not been updated since 1997. The County Clerk did not periodically reconcile equipment purchases with additions to the fixed asset records and physical inventories were not being performed for assets assigned to some officials.
- B. The county did not have formal procedures for disposing of county property.

Recommendation:

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, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, all applicable assets should be tagged or identified as county-owned property. Finally, the County Commission should ensure that physical inventories are conducted and the master records are updated.

Status:

Not implemented. See MAR finding number 3.

5. Prosecuting Attorney's Accounting Controls and Procedures

- A. Receipts were not always deposited in a timely manner.
- B. Accounting records were not prepared in a timely manner and the records that were kept were not adequate to fully account for all receipts and disbursements.
- C. Bank reconciliations were not prepared in a timely manner.
- D. Accounting duties were not adequately segregated.
- E. None of the employees responsible for receiving and depositing monies were bonded.
- F. An adequate system to account for all bad checks complaints received by the Prosecuting Attorney's office, as well as subsequent disposition of these complaints had not been established.

Recommendation:

The Prosecuting Attorney:

- A. Deposit all monies received intact daily or when accumulated receipts exceed \$100.
- B. Maintain a complete and accurate cash control ledger which includes all receipts, disbursements, and cash balances.
- C. Prepare bank reconciliations on a monthly basis.
- D. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- E. Obtain bond coverage for all employees responsible for handling receipts.
- F. Assign sequential control numbers to bad check complaints and maintain a log to adequately account for bad check complaints as well as the ultimate disposition.

Status:

A,D

&F. Not implemented. See MAR finding number 6.

- B. Not implemented. Although receipt slips are issued for monies received, a cash control ledger is not maintained and a running balance is not maintained in the check register. An adequate bad check log which includes receipt and disbursements information, along with a properly maintained check register could provide the same information as a cash control ledger. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Implemented. A monthly reconciliation is prepared in which the bank balance is compared to outstanding checks and errors to ensure a zero book balance at month end.
- E. Not implemented. The Prosecuting Attorney responded in the prior report that he had recommended bond coverage for all county employees with access to public funds; however, no funds had been appropriated for this purpose. Although not repeated in the current MAR, our recommendation remains as stated above.

6. Circuit Clerk's Accrued Costs

The Circuit Clerk had not disbursed partial payments collected on old cases where collection of the full amount was considered remote. In addition, the court was not actively pursuing

collection of accrued case costs even though payment agreements were signed and approved by the court.

Recommendation:

The Circuit Clerk pursue collection of costs accruing on old cases. If collection of such costs cannot be made, partial payments received should be distributed on a pro-rata basis, after obtaining a court order from the Circuit Judge.

Status:

Partially implemented. The Circuit Clerk relies on the probation and parole officers to pursue collection of costs. The Circuit Clerk has taken action to disburse funds held for cases referred to in the prior audit. Many of these cases which had not received recent payments were investigated and paid out. However, the December 31, 2004, open items list includes open items totaling approximately \$17,000 for which there has been no financial activity on the respective cases since prior to 2004. Although not repeated in the current MAR, our recommendation remains as stated above.

7. Emergency Dispatch Board

- A. The board did not maintain adequate general fixed asset records to account for board property.
- B. The board-approved budgets and budget amendments were submitted to the County Clerk; however, the budgets and budget amendments were not forwarded to the State Auditor's Office.

Recommendation:

- A. The Emergency Dispatch Board prepare general fixed asset records which include pertinent information for all board assets. In addition, the board should properly tag or otherwise identify all property and conduct annual physical inventories to ensure the accuracy of the records.
- B. The County Clerk submit budgets and budget amendments to the State Auditor's Office as required by state law.

Status:

- A. Not implemented. See MAR finding number 7.
- B. Implemented in 2004.

8. Health Center Board

- A. The Health Fund had a cash balance at December 31, 2000, of \$337,456 which exceeded total operating expenditures for the year. During the two years ended December 31, 2000, the cash balance increased \$89,413. Health center officials indicated there were no immediate plans for the use of the accumulated cash balance, but indicated there had been discussion of future building expansion.
- B. The Health Center personnel did not adequately monitor amounts expended on Comprehensive Family Planning (CFP) services during the audit period. The average cost per client of providing such services was not periodically calculated as required.

Recommendation:

The Health Center Board:

- A. Evaluate the operations of the health center and take measures to reduce the large accumulated balance of the Health Center Fund, or formally document its plan for the future use of the large cash balance.
- B. Monitor the amounts expended on CFP services and periodically calculate the average cost per client as required by the contract with Missouri Department of Health.

Status:

- A. Not implemented. Plans are not formally documented; however, the board indicated excessive balances in the Health Center Fund are maintained to sustain activity should there be a continued reduction in state and federal funds. While there may well be a need for a certain level of reserve, the board should take a proactive approach and analyze long term funding and spending projections. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

MONITEAU COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1845, the county of Moniteau was named after the French spelling of the Indian word meaning "spirit" or "God". Moniteau County is a county-organized, third-class county and is part of the Twenty-Sixth Judicial Circuit. The county seat is California.

Moniteau 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 approximately 510 miles of county roads and 79 county 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 important to the county's citizens.

The county's population was 12,068 in 1980 and 14,827 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2004	2003	2002	2001	1985*	1980**
		(in millions)					
Real estate	\$	87.3	84.1	78.9	75.3	41.1	25.0
Personal property		41.0	39.0	39.1	37.0	11.7	6.3
Railroad and utilities		20.0	19.0	20.0	21.0	10.9	6.1
Total	\$	148.3	142.1	138.0	133.3	63.7	37.4

\* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2004	2003	2002	2001
General Revenue Fund	\$	0.1819	0.1837	0.1808	0.1670
Special Road and Bridge Fund		0.2507	0.2507	0.2507	0.2500
Health Center Fund		0.1500	0.1500	0.1500	0.1500
Senate Bill 40 Board Fund		0.1200	0.1200	0.1200	0.1200

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),			
	2005	2004	2003	2002
State of Missouri	\$ 44,649	42,983	41,788	40,560
General Revenue Fund	278,872	271,463	260,198	236,172
Special Road and Bridge Fund	386,038	371,910	362,080	351,130
Assessment Fund	111,529	87,461	82,904	77,470
Health Center Fund	215,620	208,176	202,303	196,206
Senate Bill 40 Board Fund	172,431	166,414	163,018	157,775
School districts	5,448,652	5,198,614	5,010,495	4,619,716
Library districts	86,683	49,415	49,220	46,819
Ambulance districts	268,898	259,446	252,334	245,139
Fire protection districts	200,461	194,647	177,930	179,609
Levee districts	1,987	1,987	2,649	3,914
Nursing home district	2,511	2,398	2,087	2,037
Tax Maintenance Fund	10,081	10,002	3,608	0
Other	7,973	9,356	4,545	4,837
Cities	257,905	81,494	80,828	82,364
County Clerk	121	108	118	102
County Employees' Retirement	36,695	35,539	33,334	31,513
Commissions and fees:				
General Revenue Fund	112,684	108,072	103,698	96,535
City Commissions	8,552	1,162	1,108	1,110
Total	\$ 7,652,342	7,100,647	6,834,244	6,373,009

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				%
	2005	2004	2003	2002	
Real estate	95	96	94	95	
Personal property	94	93	93	93	
Railroad and utilities	100	99	100	100	

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

	Rate	Expiration Date	Required Property Tax Reduction	%
General	\$ 0.005	None	50	
Emergency dispatch	0.005	None	None	
Capital improvements, general and law enforcement	0.005	None	None	

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

Officeholder	2005	2004	2003	2002	2001
County-Paid Officials:	\$				
Kenneth Kunze, Presiding Commissioner		28,400	28,400		
Bob Hogge, Presiding Commissioner				28,400	27,080
Kim F. Roll, Associate Commissioner		26,400	26,400	26,400	25,080
Tony Barry, Associate Commissioner		26,400	26,400	26,400	25,080
Anita Groepper, County Clerk (1)		43,207	40,436	40,416	38,416
John T. Kay, Prosecuting Attorney (2)		57,775	58,050	59,140	56,200
Kenny Jones, Sheriff		44,000	44,000	44,000	42,000
Harold Haldiman, County Treasurer		29,600	29,600	29,600	28,120
Loyd Fulks, County Coroner		12,000	12,000	12,000	11,000
Cher King Caudel, Public Administrator		25,000	25,000		
Michele Asahl, Public Administrator (3)				21,875	
Marilyn Parker, Public Administrator					25,000
Carlene E. Petree, County Collector (1), year ended February 28 (29),	43,207	40,436	40,416	38,476	
Darrel L. King, County Assessor (4), year ended August 31,		40,751	40,878	40,900	39,923
Ron Kliethermes, County Surveyor (5)					

- (1) Includes city commissions of \$3,207, \$436, \$416, and \$416 for the year ended February 28(29), 2005, 2004, 2003, and 2004, respectively. The County Collector's compensation for the year ended February 29, 2002 includes \$60 of commissions earned for collecting levee district taxes.
- (2) Includes annual compensation received from the 911 Board; \$775, \$1,050, \$2,140, and \$1,200, respectively.
- (3) Appointed February 15, 2002.
- (4) Includes annual compensation received from the state; \$751, \$878, \$900, and \$900, respectively.
- (5) Compensation on a fee basis.

State-Paid Officials:

J. David Haldiman, Circuit Clerk and Ex Officio Recorder of Deeds	47,900	47,300	47,300	47,300
Peggy Richardson, Associate Circuit Judge	96,000	96,000	96,000	96,000