



LEWIS COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

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

Report No. 99-85
September 27, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 1999

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

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

This audit of Lewis County was a financial compliance audit of various county operating funds.

- < The county had not established cash management procedures to ensure federal off-system Bridge Replacement and Rehabilitation monies were disbursed within the time frame required by the Cash Management Improvement Act Agreement.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

LEWIS COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>FINANCIAL SECTION</u> <hr/>	
State Auditor's Reports:	2-6
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statements:	7-27
<u>Exhibit</u>	<u>Description</u>
A-1	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 1998
A-2	Year Ended December 31, 1997
B	<u>General Revenue Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
C	<u>Special Road and Bridge Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
D	<u>Assessment Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997
E	<u>Law Enforcement Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997

LEWIS COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
F	<u>Prosecuting Attorney Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	14
G	<u>Health Center Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	15
H	<u>County Farm Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	16
I	<u>Domestic Violence Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	17
J	<u>Prosecuting Attorney Bad Check Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	18
K	<u>DWI Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	19
L	<u>Recorder's User Fee Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	20

LEWIS COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
M	<u>Law Enforcement Operating Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199721
N	<u>Special Road and Bridge Capital Improvement Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199722
O	<u>Sheriff Civil Fees Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 199823
P	<u>DARE Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 199824
Q	<u>Special Projects Law Enforcement Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 199825
R	<u>Circuit Clerk Interest Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 199826
S	<u>Associate Circuit/Probate Division Interest Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 199827
Notes to the Financial Statements..... 28-31	

LEWIS COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>FINANCIAL SECTION</u> <hr/>	
Supplementary Schedule:.....	32-34
Schedule of Expenditures of Federal Awards, Years Ended December 31, 1998 and 1997	33-34
Notes to the Supplementary Schedule	35-36
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>	
State Auditor's Report:.....	38-40
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	39-40
Schedule:.....	41-44
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 1998 and 1997.....	42-44
Section I - Summary of Auditor's Results.....	42
Section II - Financial Statement Findings.....	43
Section III - Federal Award Findings and Questioned Costs	43
 <u>Number</u>	
98-1. Cash Management.....	43-44
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45-46
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133	47-48
<hr/> <u>SECTION ON OTHER MATTERS</u> <hr/>	
Letter on Other Matters.....	50-51

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 Lewis County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Lewis County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

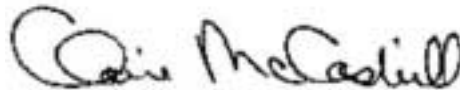
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Lewis County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county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

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Lewis 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, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Lewis County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 20, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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



Claire McCaskill
State Auditor

May 20, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Lewis County, Missouri

We have audited the special-purpose financial statements of various funds of Lewis County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

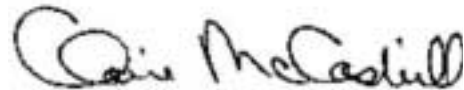
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Lewis County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance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

Internal Control Over Financial Reporting

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

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

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

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

Claire McCaskill
State Auditor

May 20, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

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

Fund	Cash,		Disbursements	Cash,	
	January 1	Receipts		December 31	
General Revenue	\$ 161,545	1,081,316	1,024,139		218,722
Special Road and Bridge	100,826	753,014	808,416		45,424
Assessment	17,910	112,177	118,229		11,858
Law Enforcement Training	1,963	3,859	3,757		2,065
Prosecuting Attorney Training	880	764	403		1,241
Health Center	233,615	597,366	548,880		282,101
County Farm	32,584	44,063	44,842		31,805
Domestic Violence	2,490	1,150	1,500		2,140
Prosecuting Attorney Bad Check	1,479	1,537	2,096		920
DWI	730	534	1,224		40
Recorder's User Fee	7,210	4,014	9,742		1,482
Law Enforcement Operating	3,697	203,239	197,776		9,160
Special Road and Bridge Capital Improvement	24,435	189,553	172,910		41,078
Sheriff Civil Fees	75	12,634	2,000		10,709
DARE	2,056	2,088	2,642		1,502
Special Projects Law Enforcement	15	13,465	10,357		3,123
Circuit Clerk Interest	556	2,345	933		1,968
Associate Circuit/Probate Division Interest	0	1,171	404		767
Total	\$ 592,066	3,024,289	2,950,250		666,105

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

Exhibit A-2

LEWIS COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 26,653	1,083,825	948,933	161,545
Special Road and Bridge	80,487	707,666	687,327	100,826
Assessment	1,149	113,292	96,531	17,910
Law Enforcement Training	1,353	2,940	2,330	1,963
Prosecuting Attorney Training	1,253	1,212	1,585	880
Health Center	219,052	547,353	532,790	233,615
County Farm	27,834	68,659	63,909	32,584
Domestic Violence	5,280	1,210	4,000	2,490
Prosecuting Attorney Bad Check	2,963	2,414	3,898	1,479
DWI	650	80	0	730
Recorder's User Fee	4,129	4,252	1,171	7,210
Law Enforcement Operating	21,532	216,139	233,974	3,697
Special Road and Bridge Capital Improvement	35,384	495,373	506,322	24,435
Sheriff Civil Fees	0	2,775	2,700	75
DARE	0	2,816	760	2,056
Special Projects Law Enforcement	0	12,015	12,000	15
Circuit Clerk Interest	1,411	1,825	2,680	556
Associate Circuit/Probate Division Interest	0	1,344	1,344	0
Local Law Enforcement Block Grant	0	19,000	19,000	0
CDBG Small Bridge Project	475	0	475	0
Total	\$ 429,605	3,284,190	3,121,729	592,066

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

Exhibit B

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 194,594	194,638	44	174,500	174,092	-408
Sales and use taxes	492,000	469,552	-22,448	397,300	491,622	94,322
Intergovernmental	55,475	51,983	-3,492	74,301	94,667	20,366
Charges for services	138,450	180,325	41,875	153,725	165,145	11,420
Interest	5,000	10,638	5,638	4,000	7,697	3,697
Other	133,869	156,270	22,401	141,393	150,602	9,209
Transfers in	18,716	17,910	-806	0	0	0
Total Receipts	1,038,104	1,081,316	#VALUE!	945,219	1,083,825	#VALUE!
DISBURSEMENTS						
County Commission	51,000	51,023	-23	51,500	51,709	-209
County Clerk	46,168	46,365	-197	44,783	44,619	164
Elections	24,038	21,417	2,621	5,900	5,978	-78
Buildings and grounds	27,092	29,138	-2,046	31,620	33,586	-1,966
Employee fringe benefits	116,815	110,088	6,727	110,762	116,805	-6,043
County Treasurer	21,210	20,881	329	21,010	20,879	131
County Collector	54,786	54,351	435	51,326	53,095	-1,769
Ex Officio Recorder of Deeds	48,021	45,120	2,901	26,767	26,291	476
Circuit Clerk	11,900	11,780	120	8,400	10,932	-2,532
Associate Circuit Court	12,420	12,110	310	11,029	11,029	0
Probate	780	565	215	702	777	-75
Court administration	13,970	16,255	-2,285	14,312	22,179	-7,867
Public Administrator	19,500	20,079	-579	14,775	15,201	-426
Sheriff	158,490	151,287	7,203	111,080	123,086	-12,006
Prosecuting Attorney	59,262	54,690	4,572	49,320	49,558	-238
Juvenile Officer	103,006	103,154	-148	103,625	108,127	-4,502
County Coroner	9,500	8,102	1,398	12,400	8,773	3,627
Other	84,522	83,249	1,273	77,713	75,933	1,780
Industrial development	130,000	147,424	-17,424	137,000	132,249	4,751
Public health and welfare services	5,000	5,000	0	5,000	5,000	0
Repayment of local use taxes	150,000	0	150,000	22,800	0	22,800
Transfers out	21,065	21,065	0	28,660	30,255	-1,595
Emergency Fund	31,104	10,996	20,108	27,911	2,872	25,039
Total Disbursements	1,199,649	1,024,139	175,510	968,395	948,933	19,462
RECEIPTS OVER (UNDER) DISBURSEMENTS	-161,545	57,177	#VALUE!	-23,176	134,892	#VALUE!
CASH, JANUARY 1	161,545	161,545	0	26,653	26,653	0
CASH, DECEMBER 31	\$ 0	218,722	#VALUE!	3,477	161,545	#VALUE!

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

Exhibit C

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 200,380	226,813	26,433	199,000	196,297	-2,703
Intergovernmental	454,583	463,238	8,655	423,820	453,052	29,232
Interest	5,000	4,242	-758	3,500	5,321	1,821
Other	29,500	38,721	9,221	28,500	32,996	4,496
Transfers in	20,600	20,000	-600	20,000	20,000	0
Total Receipts	710,063	753,014	42,951	674,820	707,666	32,846
DISBURSEMENTS						
Salaries	232,685	237,328	-4,643	207,950	182,466	25,484
Employee fringe benefits	86,237	76,970	9,267	76,752	63,829	12,923
Supplies	80,225	65,212	15,013	80,000	72,898	7,102
Insurance	14,000	13,470	530	13,000	12,859	141
Road and bridge materials	219,950	236,818	-16,868	236,885	205,468	31,417
Equipment repairs	65,000	71,318	-6,318	55,000	67,412	-12,412
Rentals	1,500	744	756	2,500	0	2,500
Equipment purchases	98,292	96,599	1,693	69,220	72,706	-3,486
Other	13,000	9,957	3,043	14,000	9,689	4,311
Total Disbursements	810,889	808,416	2,473	755,307	687,327	67,980
RECEIPTS OVER (UNDER) DISBURSEMENTS	-100,826	-55,402	45,424	-80,487	20,339	100,826
CASH, JANUARY 1	100,826	100,826	0	80,487	80,487	0
CASH, DECEMBER 31	\$ 0	45,424	45,424	0	100,826	100,826

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

Exhibit D

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	86,415	90,173	3,758	73,175	83,291	10,116
Interest		800	881	81	300	876	576
Other		100	58	-42	150	465	315
Transfers in		21,065	21,065	0	28,660	28,660	0
Total Receipts		108,380	112,177	3,797	102,285	113,292	11,007
DISBURSEMENTS							
Assessor		108,380	100,319	8,061	100,334	93,431	6,903
Transfers out		17,910	17,910	0	3,100	3,100	0
Total Disbursements		126,290	118,229	8,061	103,434	96,531	6,903
RECEIPTS OVER (UNDER) DISBURSEMENTS		-17,910	-6,052	11,858	-1,149	16,761	17,910
CASH, JANUARY 1		17,910	17,910	0	1,149	1,149	0
CASH, DECEMBER 31	\$	0	11,858	11,858	0	17,910	17,910

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

Exhibit E

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	604	604	0	0	0
Charges for services	2,940	3,056	116	3,450	2,940	-510
Other	0	199	199	300	0	-300
Total Receipts	2,940	3,859	919	3,750	2,940	-810
DISBURSEMENTS						
Sheriff	4,903	3,757	1,146	5,103	2,330	2,773
Total Disbursements	4,903	3,757	1,146	5,103	2,330	2,773
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,963	102	2,065	-1,353	610	1,963
CASH, JANUARY 1	1,963	1,963	0	1,353	1,353	0
CASH, DECEMBER 31	\$ 0	2,065	2,065	0	1,963	1,963

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

Exhibit F

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,800	764	-1,036	1,700	1,212	-488
Total Receipts	1,800	764	-1,036	1,700	1,212	-488
DISBURSEMENTS						
Prosecuting Attorney	2,680	403	2,277	2,954	1,585	1,369
Total Disbursements	2,680	403	2,277	2,954	1,585	1,369
RECEIPTS OVER (UNDER) DISBURSEMENTS	-880	361	1,241	-1,254	-373	881
CASH, JANUARY 1	880	880	0	1,254	1,253	-1
CASH, DECEMBER 31	\$ 0	1,241	1,241	0	880	880

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

Exhibit G

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 64,000	76,984	12,984	64,000	65,759	1,759
Intergovernmental	162,850	183,047	20,197	151,969	181,927	29,958
Charges for services	342,910	301,136	-41,774	334,725	269,853	-64,872
Interest	7,500	8,562	1,062	0	7,588	7,588
Other	16,100	27,637	11,537	29,875	22,226	-7,649
Total Receipts	593,360	597,366	4,006	580,569	547,353	-33,216
DISBURSEMENTS						
Salaries	442,221	431,790	10,431	357,699	406,408	-48,709
Office expenses	32,580	36,675	-4,095	28,900	28,993	-93
Equipment	16,000	8,004	7,996	5,700	6,304	-604
Mileage and training	51,500	37,872	13,628	43,200	40,837	2,363
Other	155,228	34,539	120,689	168,267	50,248	118,019
Total Disbursements	697,529	548,880	148,649	603,766	532,790	70,976
RECEIPTS OVER (UNDER) DISBURSEMENTS	-104,169	48,486	152,655	-23,197	14,563	37,760
CASH, JANUARY 1	233,400	233,615	215	215,743	219,052	3,309
CASH, DECEMBER 31	\$ 129,231	282,101	152,870	192,546	233,615	41,069

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

Exhibit H

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,000	2,821	-2,179	0	0	0
Interest	600	1,014	414	1,000	642	-358
Other	35,229	36,228	999	33,927	48,322	14,395
Transfers in	4,000	4,000	0	3,100	19,695	16,595
Total Receipts	44,829	44,063	-766	38,027	68,659	30,632
DISBURSEMENTS						
Farm expenses	0	0	0	19,600	17,335	2,265
County programs	16,980	16,308	672	4,374	3,155	1,219
Maintenance	60,433	28,534	31,899	41,887	22,824	19,063
Transfers out	0	0	0	0	20,595	-20,595
Total Disbursements	77,413	44,842	32,571	65,861	63,909	1,952
RECEIPTS OVER (UNDER) DISBURSEMENTS	-32,584	-779	31,805	-27,834	4,750	32,584
CASH, JANUARY 1	32,584	32,584	0	27,834	27,834	0
CASH, DECEMBER 31	\$ 0	31,805	31,805	0	32,584	32,584

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

Exhibit I

LEWIS COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 DOMESTIC VIOLENCE FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	1,200	1,150	-50	1,100	1,210	110
Total Receipts		1,200	1,150	-50	1,100	1,210	110
DISBURSEMENTS							
Health and welfare		3,690	1,500	2,190	6,380	4,000	2,380
Total Disbursements		3,690	1,500	2,190	6,380	4,000	2,380
RECEIPTS OVER (UNDER) DISBURSEMENTS		-2,490	-350	2,140	-5,280	-2,790	2,490
CASH, JANUARY 1		2,490	2,490	0	5,280	5,280	0
CASH, DECEMBER 31	\$	0	2,140	2,140	0	2,490	2,490

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

Exhibit J

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	2,500	1,537	-963	2,000	2,414	414
Total Receipts		2,500	1,537	-963	2,000	2,414	414
DISBURSEMENTS							
Prosecuting Attorney		3,979	2,096	1,883	4,963	3,898	1,065
Total Disbursements		3,979	2,096	1,883	4,963	3,898	1,065
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,479	-559	920	-2,963	-1,484	1,479
CASH, JANUARY 1		1,479	1,479	0	2,963	2,963	0
CASH, DECEMBER 31	\$	0	920	920	0	1,479	1,479

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

Exhibit K

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 600	534	-66	270	80	-190
Total Receipts	600	534	-66	270	80	-190
DISBURSEMENTS						
Highway Patrol	0	0	0	460	0	460
Sheriff	0	1,224	-1,224	460	0	460
Transfers out	1,330	0	1,330	0	0	0
Total Disbursements	1,330	1,224	106	920	0	920
RECEIPTS OVER (UNDER) DISBURSEMENTS	-730	-690	40	-650	80	730
CASH, JANUARY 1	730	730	0	650	650	0
CASH, DECEMBER 31	\$ 0	40	40	0	730	730

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

Exhibit L

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 3,600	4,014	414	3,500	3,952	452
Interest	200	0	-200	0	175	175
Other	0	0	0	0	125	125
Total Receipts	3,800	4,014	214	3,500	4,252	752
DISBURSEMENTS						
Ex Officio Recorder of Deeds	11,010	9,742	1,268	7,629	1,171	6,458
Total Disbursements	11,010	9,742	1,268	7,629	1,171	6,458
RECEIPTS OVER (UNDER) DISBURSEMENTS	-7,210	-5,728	1,482	-4,129	3,081	7,210
CASH, JANUARY 1	7,210	7,210	0	4,129	4,129	0
CASH, DECEMBER 31	\$ 0	1,482	1,482	0	7,210	7,210

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

Exhibit M

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 111,000	113,328	2,328	107,000	110,850	3,850
Intergovernmental	74,417	79,381	4,964	106,288	71,490	-34,798
Charges for services	9,016	8,075	-941	6,500	8,050	1,550
Interest	400	455	55	800	407	-393
Other	0	0	0	8,150	8,452	302
Transfers in	12,205	2,000	-10,205	0	16,890	16,890
Total Receipts	207,038	203,239	-3,799	228,738	216,139	-12,599
DISBURSEMENTS						
Salaries	123,946	109,089	14,857	109,163	105,467	3,696
Employee fringe benefits	32,239	26,640	5,599	39,679	22,917	16,762
Supplies	14,000	14,225	-225	24,211	18,834	5,377
Equipment purchases	8,750	9,306	-556	13,750	23,740	-9,990
Prisoner board	27,800	34,516	-6,716	54,500	55,421	-921
Transfers out	4,000	4,000	0	8,150	7,595	555
Total Disbursements	210,735	197,776	12,959	249,453	233,974	15,479
RECEIPTS OVER (UNDER) DISBURSEMENTS	-3,697	5,463	9,160	-20,715	-17,835	2,880
CASH, JANUARY 1	3,697	3,697	0	21,532	21,532	0
CASH, DECEMBER 31	\$ 0	9,160	9,160	817	3,697	2,880

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

Exhibit N

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 167,000	171,646	4,646	157,000	166,513	9,513
Intergovernmental	38,691	16,263	-22,428	343,210	327,131	-16,079
Interest	2,000	1,644	-356	2,000	1,729	-271
Total Receipts	207,691	189,553	-18,138	502,210	495,373	-6,837
DISBURSEMENTS						
Contract labor	37,000	22,341	14,659	35,000	28,160	6,840
Road and bridge materials	122,126	98,945	23,181	114,380	102,091	12,289
Equipment	23,000	22,057	943	25,000	20,640	4,360
Bridge construction	30,000	9,567	20,433	343,210	335,431	7,779
Transfers out	20,000	20,000	0	20,000	20,000	0
Total Disbursements	232,126	172,910	59,216	537,590	506,322	31,268
RECEIPTS OVER (UNDER) DISBURSEMENTS	-24,435	16,643	41,078	-35,380	-10,949	24,431
CASH, JANUARY 1	24,435	24,435	0	35,384	35,384	0
CASH, DECEMBER 31	\$ 0	41,078	41,078	4	24,435	24,431

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

Exhibit O

LEWIS COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHERIFF CIVIL FEES FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 10,800	12,634	1,834
Total Receipts	10,800	12,634	1,834
DISBURSEMENTS			
Transfers out	10,875	2,000	8,875
Total Disbursements	10,875	2,000	8,875
RECEIPTS OVER (UNDER) DISBURSEMENTS	-75	10,634	10,709
CASH, JANUARY 1	75	75	0
CASH, DECEMBER 31	\$ 0	10,709	10,709

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

Exhibit P

LEWIS COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 DARE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Donations	\$ 0	588	588
Transfers in	1,500	1,500	0
Total Receipts	1,500	2,088	588
DISBURSEMENTS			
Sheriff	3,556	2,642	914
Total Disbursements	3,556	2,642	914
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,056	-554	1,502
CASH, JANUARY 1	2,056	2,056	0
CASH, DECEMBER 31	\$ 0	1,502	1,502

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

Exhibit Q

LEWIS COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL PROJECTS LAW ENFORCEMENT FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 18,000	13,465	-4,535
Total Receipts	18,000	13,465	-4,535
DISBURSEMENTS			
Prosecuting Attorney	16,500	8,857	7,643
Transfers out	1,515	1,500	15
Total Disbursements	18,015	10,357	7,658
RECEIPTS OVER (UNDER) DISBURSEMENTS	-15	3,108	3,123
CASH, JANUARY 1	15	15	0
CASH, DECEMBER 31	\$ 0	3,123	3,123

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

Exhibit R

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

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 1,200	2,345	1,145
Total Receipts	1,200	2,345	1,145
DISBURSEMENTS			
Supplies and equipment	900	933	-33
Total Disbursements	900	933	-33
RECEIPTS OVER (UNDER) DISBURSEMENTS	300	1,412	1,112
CASH, JANUARY 1	556	556	0
CASH, DECEMBER 31	\$ 856	1,968	1,112

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

Exhibit S

LEWIS COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSOCIATE CIRCUIT/ PROBATE DIVISION INTEREST

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 1,500	1,171	-329
Total Receipts	1,500	1,171	-329
DISBURSEMENTS			
Supplies and equipment	1,500	404	1,096
Total Disbursements	1,500	404	1,096
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	767	767
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 0	767	767

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

Notes to the Financial Statements

LEWIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Sheriff Civil Fees Fund, Special Projects Law Enforcement Fund, DARE Fund, Circuit Clerk Interest Fund, Associate Circuit/Probate Division Interest Fund, Local Law Enforcement Block Grant Fund, and CDBG Small Bridge Project Fund for the year ended December 31, 1997.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Health Center Fund	1998 and 1997
Local Law Enforcement Block Grant Fund	1997
CDBG Small Bridge Project Fund	1997
Circuit Clerk Interest Fund	1998 and 1997
Associate Circuit/Probate Division Interest Fund	1998 and 1997

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name, or by commercial insurance provided through a guarantee bond.

The health center's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held in the health center's name.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$135,625 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$71,522. As of December 31, 1998, \$26,819 remains to be paid.

Supplementary Schedule

Schedule

LEWIS 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,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Farm Service Agency -				
10.1	Production flexibility payments for contract commodities	N/A	\$ 0	1,272
Department of Health -				
10.6	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-8156	36,150	31,761
U.S. DEPARTMENT OF DEFENSE				
Passed through state:				
Office of Administration -				
12.1	Payments to States in Lieu of Real Estate Taxes	N/A	443	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.2	Community Development Block Grants/State's Program	95-PF-21	0	25,228
		94-PF-23	0	475
	Program Total		0	25,703
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.7	Public Safety Partnership and Community Policing ("Cops") Grants	97UMWX640	5,333	9,294
Passed through:				
State Department of Public Safety -				
16.5	Juvenile Justice and Delinquency Prevention - Allocation to States	ERO172021	0	6,789
16.6	Local Law Enforcement Block Grants Program	96-LBG-077	0	9,000
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.2	Off-System Bridge Replacement and Rehabilitation Program	BRO 056 (6)	0	302,569
		BRO 056 (8)	9,567	30,783

	Program Total		<u>9,567</u>	<u>333,352</u>
	Passed through state Department of Public Safety -			
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	N/A	848	0
::				
GENERAL SERVICES ADMINISTRATION				
	Passed through state Office of Administration -			
39.0	Donation of Federal Surplus Personal Property	D3538	905	1,358
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state:			
	Department of Health -			
93.3	Immunization Grants	PG0064-156	4,120	5,825
	Department of Social Services -			
93.6	Child Support Enforcement	N/A	1,295	1,644
	Department of Health -			
93.6	Child Care and Development Block Grant	ER0146-8156CCNC	3,009	2,117
		PG0067-8156	<u>531</u>	<u>0</u>
	Program Total		<u>3,540</u>	<u>2,117</u>
94.0	Maternal and Child Health Services			
	Block Grant to the States	ER0146-8156MCH	15,909	20,706
	Comprehensive Family Planning	ER0175-8156FP	<u>12,903</u>	<u>10,374</u>
	Program Total		<u>28,812</u>	<u>31,080</u>
	Total Expenditures of Federal Awards		<u>\$ 91,013</u>	<u>459,195</u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

LEWIS 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 Lewis County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

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

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

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 Lewis County, Missouri

Compliance

We have audited the compliance of Lewis County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Lewis County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 1998 and 1997. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with

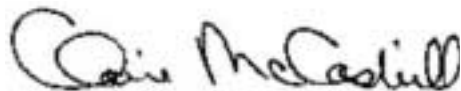
OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1.

Internal Control Over Compliance

The management of Lewis 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



Claire McCaskill
State Auditor

May 20, 1999 (fieldwork completion date)

Schedule

LEWIS COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? yes x no

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

Noncompliance material to the financial statements noted? yes x no

Federal Awards

Internal control over major program:

Material weakness identified? yes x no

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

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

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

Identification of major program:

CFDA or Other Identifying <u>Number</u>	<u>Program Title</u>
20.205	Off-System Highway Bridge Replacement and Rehabilitation Program

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

Auditee qualified as a low-risk auditee? yes no

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

98-1. Cash Management

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Off-System Bridge Replacement and Rehabilitation Program
Pass-Through Entity	
Identifying Number:	BRO-056(6) & BRO-056(8)
Award Year:	1998 and 1997
Questioned Costs:	Not Applicable

During the two years ended December 31, 1998, the county participated in the Off-System Bridge Replacement and Rehabilitation Program. Through this program, 80 percent of eligible expenses are reimbursed from federal funds passed through the Missouri Department of Transportation. During the two years, the county received approximately \$340,000 through this program.

The county has not established cash management procedures to ensure the minimum time lapses between its receipt of federal project monies and the disbursement of such monies to contractors. The County Commission makes payments to contractors at the next meeting following receipt of the reimbursement. We reviewed two reimbursements totaling \$120,858 which were held for 6 days before the related payments were made to contractors. While the liability was incurred prior to the reimbursement, payment was not made to the vendor on a timely basis.

Section 6.2.2 of the Cash Management Improvement Act Agreement between the State of Missouri and the Secretary of the Treasury, United States Department of the Treasury, states that funds shall be requested such that they are received not more than two days prior to disbursement of a payment.

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

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The recommendation was implemented April 1999. County Commission meetings were previously one day a week. Effective April 1, 1999, County Commission meetings are held two days each week. This will allow compliance with the two day payment requirement. The County Clerk is the contact person for the county.

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

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

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

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

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

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

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

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION ON OTHER MATTERS

LEWIS COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Lewis County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 20, 1999. We also have audited the compliance of Lewis County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 20, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Lewis County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. County Expenditures

Bids were not solicited or bid documentation could not be located for a used police car costing \$7,995 and farm supplies totaling \$8,829. While the County Commission indicated verbal bids were obtained for the car; no bid documentation was maintained.

2. General Fixed Asset Records

Some general fixed assets were not recorded on the general fixed asset listing including various purchases of computer equipment of approximately \$22,000, a police car costing \$7,995, and a copier costing approximately \$4,600. The County Clerk indicated road and bridge purchases are recorded on the general fixed assets records when received. For other items, the County Clerk maintains a copy of the invoice and records the items on the general fixed asset ledger when she has time. The County Clerk indicated she is looking at a general fixed assets program which will allow her to update the records more timely.

3. Special Projects Law Enforcement Fund

In 1997 the Prosecuting Attorney directed a payment of \$8,000 be made to the Lewis County Law Enforcement Youth Soccer League from the Special Projects Law Enforcement Fund. A written contract was not entered into specifying the intended purpose of the funds and documentation was not provided to allow the County Commission to monitor the

expenditures of these funds. In addition, the Prosecuting Attorney has custody of the Law Enforcement Youth Soccer League monies.

4. Compensated Absences

Leave records are not reviewed for accuracy. Errors were noted during our review of the county's annual leave and compensatory time records. Without proper leave records, there is little assurance that the Fair Labor Standards Act is being complied with properly. The County Commission indicated the county has a new payroll system which allows the County Clerk's office to maintain more accurate leave records.

5. Financial Condition

Lewis County's Special Road and Bridge Fund is experiencing a declining cash balance. The cash balance decreased from \$80,487 at January 1, 1997 to \$45,424 at December 31, 1998. In addition, the 1999 budget reflects an anticipated ending cash balance of \$0. Given the county's outstanding lease purchase obligations to be paid from this fund, the County Commission should continue to monitor the financial condition of the Special Road and Bridge Fund. The County Commission indicated they monitor this fund closely.

This Letter on Other Matters is intended for the information of the management of Lewis County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.