AUDIT REPORT

BARRY COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2000

From The Office Of State Auditor
Claire McCaskill

Report No. 2001-92
September 24, 2001
www.auditor.state.mo.us

Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2001

YELLOW SHEET

<u>IMPORTANT</u>: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Barry, 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 Barry County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The Developmentally Disabled Board has accumulated a significant cash reserve without any specific plans for its use. During the two years ended December 31, 2000 receipts exceeded disbursements by $148,076, resulting in the cash balance of the Developmentally Disabled Board Fund increasing from $258,310 at December 31, 1998 to $406,386 at December 31, 2000. The Developmentally Disabled Board should determine its future needs, and consider such information when setting future property tax levies.

- Prior audit reports have addressed the inadequacy of the Circuit Clerk's accounting records. While the Circuit Clerk responded in previous audits that recommendations would be implemented, conditions have not improved. This audit identified weaknesses such as untimely deposits, inaccurate bank reconciliations, and no accounting for liabilities.

- Several weaknesses were identified in the offices of the Prosecuting Attorney and the Associate Circuit Court, including inadequate segregation of duties, inadequate receipting procedures, and not properly accounting for liabilities.

- The county does not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards. Federal expenditures were understated by $264,832. For the schedule to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported.

(over)

- Federal surplus property totaling $1,015 was purchased by the county and provided to the Monett Sportsmen League for their use. State and federal regulations require surplus property to be used by the authorized public agency making the purchase for promoting public services.

- Actual expenditures exceeded budgeted amounts for several funds. County officials recognized expenditures were going to exceed budgetary amounts and believed they could not amend the budget; however, county officials did not discontinue spending from these funds.

The audit also includes some matters related to budgetary practices, collateral security, general fixed assets, personnel, County Collector procedures, and the Juvenile Division, upon which the county should consider and take appropriate corrective action. Several of these issues had been noted in prior audits.

BARRY COUNTY, MISSOURI

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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 Barry County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Barry 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 Barry 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 Barry 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, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1,

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which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 30, 2001, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Barry County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

Claire McCaskill
State Auditor

May 30, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Donna Christian, CPA
In-Charge Auditor:	Amy E. Fast
Audit Staff:	Ted Fugitt, CPA
	Jay Ross
	Donald Troy Royer

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 Barry County, Missouri

We have audited the special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Barry 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

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

This report is intended for the information of the management of Barry 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 30, 2001 (fieldwork completion date)

Financial Statements

Exhibit A

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

Fund		Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	$	1,697,182	2,676,378	2,132,377	2,241,183
Special Road and Bridge		294,643	241,680	317,273	219,050
Assessment		806	306,767	307,015	558
Law Enforcement Training		8,009	6,693	11,500	3,202
Prosecuting Attorney Training		2,907	1,697	1,916	2,688
Recorder Microfilm		70,223	20,529	54,343	36,409
Prosecuting Attorney Delinquent Tax		7,078	766	3,769	4,075
Sheriff Special Law Enforcement		3,269	1,589	1,110	3,748
Liberty Common Road District		10,927	12,391	9,277	14,041
Prosecuting Attorney Bad Check		20,303	35,301	49,818	5,786
Sheriff		7,491	44,010	40,324	11,177
Peace Officer Standards Training		4,203	2,351	660	5,894
Local Emergency Planning Commission		18,821	18,268	19,237	17,852
DARE		1,019	38	1,057	0
Shelter Home		574	1,158	1,105	627
Special Road District		0	3,108,577	3,108,577	0
Associate Circuit Division Interest		4,773	736	3,213	2,296
Circuit Clerk Interest		5,548	12,039	11,506	6,081
Developmentally Disabled Board		349,999	206,734	150,347	406,386
Election		0	1,975	284	1,691
Community Development Block Grant		0	270,700	270,700	0
Law Library		27,760	8,453	288	35,925
Total	$	2,535,535	6,978,830	6,495,696	3,018,669

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

Exhibit A

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

Fund		Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	$	1,417,309	2,483,632	2,203,759	1,697,182
Special Road and Bridge		398,840	239,064	343,261	294,643
Assessment		19,469	265,059	283,722	806
Law Enforcement Training		7,566	7,065	6,622	8,009
Prosecuting Attorney Training		2,064	1,800	957	2,907
Recorder Microfilm		52,328	25,073	7,178	70,223
Prosecuting Attorney Delinquent Tax		5,661	1,417	0	7,078
Sheriff Special Law Enforcement		6,955	1,670	5,356	3,269
Liberty Common Road District		17,861	11,487	18,421	10,927
Prosecuting Attorney Bad Check		13,544	47,928	41,169	20,303
Sheriff		12,676	33,131	38,316	7,491
Peace Officer Standards Training		1,912	2,966	675	4,203
Local Emergency Planning Commission		26,777	1,171	9,127	18,821
DARE		8,119	233	7,333	1,019
Shelter Home		796	1,045	1,267	574
Special Road District		0	2,944,018	2,944,018	0
Associate Circuit Division Interest		3,950	1,113	290	4,773
Circuit Clerk Interest		8,997	7,291	10,740	5,548
Developmentally Disabled Board		258,310	191,455	99,766	349,999
Community Development Block Grant		0	22,174	22,174	0
Law Library		21,156	7,987	1,383	27,760
Total	$	2,284,290	6,296,779	6,045,534	2,535,535

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

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	$ 6,580,224	6,970,377	390,153	5,937,964	6,266,618	328,654
DISBURSEMENTS	6,952,307	6,495,408	456,899	6,541,005	6,021,977	519,028
RECEIPTS OVER (UNDER) DISBURSEMENTS	(372,083)	474,969	847,052	(603,041)	244,641	847,682
CASH, JANUARY 1	2,508,100	2,507,775	(325)	2,261,178	2,263,134	1,956
CASH, DECEMBER 31	2,136,017	2,982,744	846,727	1,658,137	2,507,775	849,638
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	20,000	20,664	664	19,922	21,136	1,214
Sales taxes	1,443,072	1,491,230	48,158	1,312,000	1,355,642	43,642
Intergovernmental	308,858	418,354	109,496	277,280	386,315	109,035
Charges for services	454,000	491,093	37,093	429,500	456,040	26,540
Interest	55,000	106,174	51,174	49,000	70,175	21,175
Other	127,350	125,496	(1,854)	63,950	148,246	84,296
Transfers in	19,750	23,367	3,617	101,944	46,078	(55,866)
Total Receipts	2,428,030	2,676,378	248,348	2,253,596	2,483,632	230,036
DISBURSEMENTS						
County Commission	106,222	90,876	15,346	83,798	78,748	5,050
County Clerk	61,995	61,175	820	59,380	58,787	593
Elections	107,600	118,135	(10,535)	61,400	58,353	3,047
Buildings and grounds	89,030	85,368	3,662	95,700	83,309	12,391
Employee fringe benefits	261,008	247,118	13,890	215,195	209,422	5,773
County Treasurer	31,989	31,799	190	30,943	30,586	357
County Collector	100,640	98,306	2,334	98,888	94,803	4,085
Ex Officio Recorder of Deeds	36,985	34,239	2,746	34,215	34,252	(37)
Circuit Clerk	15,800	22,798	(6,998)	18,150	18,788	(638)
Associate Circuit (Probate)	24,500	18,995	5,505	21,800	19,336	2,464
Court administration	5,775	5,341	434	6,331	4,171	2,160
Sheriff	512,393	525,526	(13,133)	485,957	473,429	12,528
Jail	314,322	296,822	17,500	281,137	261,952	19,185
Prosecuting Attorney	191,050	206,946	(15,896)	150,385	154,859	(4,474)
Juvenile Officer	106,210	98,758	7,452	161,750	131,499	30,251
County Coroner	20,266	12,784	7,482	20,096	18,181	1,915
Emergency Management	7,200	7,200	0	7,540	7,200	340
Capital Projects	200,000	2,958	197,042	407,300	220,621	186,679
Other	196,191	160,233	35,958	212,030	172,505	39,525
Transfers out	64,714	7,000	57,714	32,922	72,958	(40,036)
Emergency Fund	100,000	0	100,000	100,000	0	100,000
Total Disbursements	2,553,890	2,132,377	421,513	2,584,917	2,203,759	381,158
RECEIPTS OVER (UNDER) DISBURSEMENTS	(125,860)	544,001	669,861	(331,321)	279,873	611,194
CASH, JANUARY 1	1,697,182	1,697,182	0	1,417,309	1,417,309	0
CASH, DECEMBER 31	1,571,322	2,241,183	669,861	1,085,988	1,697,182	611,194

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	84,000	89,759	5,759	78,100	84,120	6,020
Intergovernmental	93,870	119,919	26,049	124,280	128,342	4,062
Interest	12,000	23,214	11,214	20,000	22,617	2,617
Other	0	8,788	8,788	0	3,985	3,985
Total Receipts	189,870	241,680	51,810	222,380	239,064	16,684
DISBURSEMENTS						
Equipment	14,000	15,245	(1,245)	60,000	0	60,000
Construction, repair, and maintenance	270,000	259,576	10,424	350,000	308,156	41,844
Other	46,250	42,452	3,798	0	35,105	(35,105)
Total Disbursements	330,250	317,273	12,977	410,000	343,261	66,739
RECEIPTS OVER (UNDER) DISBURSEMENTS	(140,380)	(75,593)	64,787	(187,620)	(104,197)	83,423
CASH, JANUARY 1	294,643	294,643	0	398,840	398,840	0
CASH, DECEMBER 31	154,263	219,050	64,787	211,220	294,643	83,423
ASSESSMENT FUND						
RECEIPTS						
Intergovernmental	269,862	286,956	17,094	250,450	247,569	(2,881)
Charges for services	16,500	9,768	(6,732)	10,000	9,985	(15)
Interest	3,000	3,043	43	4,500	2,505	(1,995)
Transfers in	64,714	7,000	(57,714)	32,922	5,000	(27,922)
Total Receipts	354,076	306,767	(47,309)	297,872	265,059	(32,813)
DISBURSEMENTS						
Assessor	354,076	307,015	47,061	297,872	283,722	14,150
Total Disbursements	354,076	307,015	47,061	297,872	283,722	14,150
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(248)	(248)	0	(18,663)	(18,663)
CASH, JANUARY 1	806	806	0	19,469	19,469	0
CASH, DECEMBER 31	806	558	(248)	19,469	806	(18,663)
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Charges for services	7,100	6,693	(407)	5,500	7,065	1,565
Total Receipts	7,100	6,693	(407)	5,500	7,065	1,565
DISBURSEMENTS						
Sheriff	10,000	11,500	(1,500)	10,000	6,622	3,378
Total Disbursements	10,000	11,500	(1,500)	10,000	6,622	3,378
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,900)	(4,807)	(1,907)	(4,500)	443	4,943
CASH, JANUARY 1	8,009	8,009	0	7,566	7,566	0
CASH, DECEMBER 31	5,109	3,202	(1,907)	3,066	8,009	4,943

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	1,800	1,697	(103)	1,600	1,800	200
Total Receipts	1,800	1,697	(103)	1,600	1,800	200
DISBURSEMENTS						
Prosecuting Attorney	2,500	1,916	584	2,180	957	1,223
Total Disbursements	2,500	1,916	584	2,180	957	1,223
RECEIPTS OVER (UNDER) DISBURSEMENTS	(700)	(219)	481	(580)	843	1,423
CASH, JANUARY 1	2,907	2,907	0	2,064	2,064	0
CASH, DECEMBER 31	2,207	2,688	481	1,484	2,907	1,423
RECORDER MICROFILM FUND						
RECEIPTS						
Charges for services	18,000	17,838	(162)	21,300	22,284	984
Interest	2,800	2,691	(109)	2,200	2,789	589
Total Receipts	20,800	20,529	(271)	23,500	25,073	1,573
DISBURSEMENTS						
Ex-Officio Recorder of Deeds	52,500	54,343	(1,843)	33,000	7,178	25,822
Total Disbursements	52,500	54,343	(1,843)	33,000	7,178	25,822
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,700)	(33,814)	(2,114)	(9,500)	17,895	27,395
CASH, JANUARY 1	70,223	70,223	0	52,328	52,328	0
CASH, DECEMBER 31	38,523	36,409	(2,114)	42,828	70,223	27,395
PROSECUTING ATTORNEY DELINQUENT TAX FUND						
RECEIPTS						
Intergovernmental	1,200	387	(813)	1,000	1,129	129
Interest	280	379	99	180	288	108
Total Receipts	1,480	766	(714)	1,180	1,417	237
DISBURSEMENTS						
Prosecuting Attorney	2,500	3,769	(1,269)	2,500	0	2,500
Total Disbursements	2,500	3,769	(1,269)	2,500	0	2,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,020)	(3,003)	(1,983)	(1,320)	1,417	2,737
CASH, JANUARY 1	7,078	7,078	0	5,661	5,661	0
CASH, DECEMBER 31	6,058	4,075	(1,983)	4,341	7,078	2,737

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF SPECIAL LAW ENFORCEMENT FUND						
RECEIPTS						
Interest	200	164	(36)	300	245	(55)
Other	1,300	1,425	125	1,200	1,425	225
Total Receipts	1,500	1,589	89	1,500	1,670	170
DISBURSEMENTS						
Sheriff	3,200	1,110	2,090	8,000	5,356	2,644
Total Disbursements	3,200	1,110	2,090	8,000	5,356	2,644
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,700)	479	2,179	(6,500)	(3,686)	2,814
CASH, JANUARY 1	3,269	3,269	0	6,955	6,955	0
CASH, DECEMBER 31	1,569	3,748	2,179	455	3,269	2,814
LIBERTY COMMON ROAD DISTRICT FUND						
RECEIPTS						
Property taxes	500	514	14	475	510	35
Sales taxes	5,850	6,468	618	5,800	5,839	39
Intergovernmental revenues	4,000	4,469	469	4,200	4,109	(91)
Interest	900	841	(59)	850	1,029	179
Other	0	99	99	0	0	0
Total Receipts	11,250	12,391	1,141	11,325	11,487	162
DISBURSEMENTS						
Construction, repair and maintenance	19,500	8,966	10,534	20,000	18,171	1,829
Other	500	311	189	500	164	336
Transfers out	0	0	0	0	86	(86)
Total Disbursements	20,000	9,277	10,723	20,500	18,421	2,079
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,750)	3,114	11,864	(9,175)	(6,934)	2,241
CASH, JANUARY 1	10,927	10,927	0	17,861	17,861	0
CASH, DECEMBER 31	2,177	14,041	11,864	8,686	10,927	2,241
PROSECUTING ATTORNEY BAD CHECK FUND						
RECEIPTS						
Charges for services	36,000	34,046	(1,954)	29,000	35,508	6,508
Interest	1,600	1,255	(345)	1,500	1,528	28
Transfers in	0	0	0	11,678	10,892	(786)
Total Receipts	37,600	35,301	(2,299)	42,178	47,928	5,750
DISBURSEMENTS						
Prosecuting Attorney	30,250	26,451	3,799	23,000	15,603	7,397
Transfers out	19,750	23,367	(3,617)	25,000	25,566	(566)
Total Disbursements	50,000	49,818	182	48,000	41,169	6,831
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,400)	(14,517)	(2,117)	(5,822)	6,759	12,581
CASH, JANUARY 1	20,303	20,303	0	13,544	13,544	0
CASH, DECEMBER 31	7,903	5,786	(2,117)	7,722	20,303	12,581

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF FUND						
RECEIPTS						
Charges for services	33,000	43,559	10,559	30,000	32,703	2,703
Interest	300	451	151	300	428	128
Total Receipts	33,300	44,010	10,710	30,300	33,131	2,831
DISBURSEMENTS						
Sheriff	40,500	40,324	176	41,000	38,316	2,684
Total Disbursements	40,500	40,324	176	41,000	38,316	2,684
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,200)	3,686	10,886	(10,700)	(5,185)	5,515
CASH, JANUARY 1	7,491	7,491	0	12,676	12,676	0
CASH, DECEMBER 31	291	11,177	10,886	1,976	7,491	5,515
PEACE OFFICER STANDARDS TRAINING						
RECEIPTS						
Intergovernmental	2,900	2,129	(771)	2,370	2,865	495
Interest	100	222	122	30	101	71
Total Receipts	3,000	2,351	(649)	2,400	2,966	566
DISBURSEMENTS						
Training	3,500	660	2,840	3,500	675	2,825
Total Disbursements	3,500	660	2,840	3,500	675	2,825
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	1,691	2,191	(1,100)	2,291	3,391
CASH, JANUARY 1	4,203	4,203	0	1,912	1,912	0
CASH, DECEMBER 31	3,703	5,894	2,191	812	4,203	3,391
LOCAL EMERGENCY PLANNING COMMISSION FUND						
RECEIPTS						
Intergovernmental	5,517	15,810	10,293	5,000	0	(5,000)
Interest	800	1,336	536	900	1,171	271
Other	0	1,122	1,122	0	0	0
Total Receipts	6,317	18,268	11,951	5,900	1,171	(4,729)
DISBURSEMENTS						
Office Expenditures	4,550	8,300	(3,750)	750	1,794	(1,044)
Equipment	3,600	6,606	(3,006)	10,600	6,053	4,547
Training	2,300	4,103	(1,803)	1,000	1,280	(280)
Other	1,200	228	972	0	0	0
Total Disbursements	11,650	19,237	(7,587)	12,350	9,127	3,223
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,333)	(969)	4,364	(6,450)	(7,956)	(1,506)
CASH, JANUARY 1	18,821	18,821	0	26,777	26,777	0
CASH, DECEMBER 31	13,488	17,852	4,364	20,327	18,821	(1,506)

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
DARE FUND						
RECEIPTS						
Interest	20	38	18	300	233	(67)
Total Receipts	20	38	18	300	233	(67)
DISBURSEMENTS						
Sheriff	1,039	1,057	(18)	8,286	7,333	953
Total Disbursements	1,039	1,057	(18)	8,286	7,333	953
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,019)	(1,019)	0	(7,986)	(7,100)	886
CASH, JANUARY 1	1,019	1,019	0	8,119	8,119	0
CASH, DECEMBER 31	0	0	0	133	1,019	886
SHELTER HOME FUND						
RECEIPTS						
Charges for services	1,000	1,140	140	1,332	1,030	(302)
Interest	12	18	6	18	15	(3)
Total Receipts	1,012	1,158	146	1,350	1,045	(305)
DISBURSEMENTS						
Domestic violence shelter	1,074	1,105	(31)	1,350	1,267	83
Total Disbursements	1,074	1,105	(31)	1,350	1,267	83
RECEIPTS OVER (UNDER) DISBURSEMENTS	(62)	53	115	0	(222)	(222)
CASH, JANUARY 1	574	574	0	796	796	0
CASH, DECEMBER 31	512	627	115	796	574	(222)
SPECIAL ROAD DISTRICT FUND						
RECEIPTS						
Property taxes	508,700	531,277	22,577	482,000	508,356	26,356
Sales taxes	1,429,248	1,481,545	52,297	1,350,000	1,330,553	(19,447)
Intergovernmental revenues	1,066,780	1,095,592	28,812	1,024,550	1,048,043	23,493
Interest	0	163	163	0	0	0
Transfers in	0	0	0	0	57,066	57,066
Total Receipts	3,004,728	3,108,577	103,849	2,856,550	2,944,018	87,468
DISBURSEMENTS						
Distributions to special road districts	2,934,951	3,039,031	(104,080)	2,826,874	2,855,678	(28,804)
Administration	30,902	31,838	(936)	29,676	30,329	(653)
Tax Increment Financing	38,875	37,708	1,167	0	37,585	(37,585)
Transfers out	0	0	0	0	20,426	(20,426)
Total Disbursements	3,004,728	3,108,577	(103,849)	2,856,550	2,944,018	(87,468)
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

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
ASSOCIATE CIRCUIT DIVISION INTEREST FUND						
RECEIPTS						
Interest	1,000	618	(382)	1,500	1,098	(402)
Other	0	118	118	0	15	15
Total Receipts	1,000	736	(264)	1,500	1,113	(387)
DISBURSEMENTS						
Associate Circuit Division	3,000	3,213	(213)	2,500	290	2,210
Total Disbursements	3,000	3,213	(213)	2,500	290	2,210
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000)	(2,477)	(477)	(1,000)	823	1,823
CASH, JANUARY 1	5,140	4,773	(367)	3,925	3,950	25
CASH, DECEMBER 31	3,140	2,296	(844)	2,925	4,773	1,848
CIRCUIT CLERK INTEREST FUND						
RECEIPTS						
Interest	6,500	12,039	5,539	6,600	6,526	(74)
Other	0	0	0	0	765	765
Total Receipts	6,500	12,039	5,539	6,600	7,291	691
DISBURSEMENTS						
Circuit Clerk	8,000	11,506	(3,506)	13,000	10,740	2,260
Total Disbursements	8,000	11,506	(3,506)	13,000	10,740	2,260
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,500)	533	2,033	(6,400)	(3,449)	2,951
CASH, JANUARY 1	5,506	5,548	42	7,066	8,997	1,931
CASH, DECEMBER 31	4,006	6,081	2,075	666	5,548	4,882
DEVELOPMENTALLY DISABLED BOARD FUND						
RECEIPTS						
Property taxes	182,470	192,710	10,240	164,433	181,658	17,225
Intergovernmental	0	350	350	0	53	53
Interest	9,000	13,674	4,674	8,000	9,744	1,744
Total Receipts	191,470	206,734	15,264	172,433	191,455	19,022
DISBURSEMENTS						
Office expenditures	2,500	159	2,341	2,500	142	2,358
Insurance and bonds	4,000	1,718	2,282	3,000	1,805	1,195
Developmentally disabled services	214,274	148,470	65,804	180,000	97,819	82,181
Total Disbursements	220,774	150,347	70,427	185,500	99,766	85,734
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,304)	56,387	85,691	(13,067)	91,689	104,756
CASH, JANUARY 1	349,999	349,999	0	258,310	258,310	0
CASH, DECEMBER 31	320,695	406,386	85,691	245,243	349,999	104,756

Exhibit B

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
ELECTION FUND						
RECEIPTS						
Charges for services	1,500	1,932	432			
Interest	45	43	(2)			
Total Receipts	1,545	1,975	430			
DISBURSEMENTS						
Election Services	1,300	284	1,016			
Total Disbursements	1,300	284	1,016			
RECEIPTS OVER (UNDER) DISBURSEMENTS	245	1,691	1,446			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	245	1,691	1,446			
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
RECEIPTS						
Intergovernmental revenues	277,826	270,700	(7,126)			
Total Receipts	277,826	270,700	(7,126)			
DISBURSEMENTS						
Administration	7,126	0	7,126			
Fire protection facility	270,700	270,700	0			
Total Disbursements	277,826	270,700	7,126			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	0	0			

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

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 Barry 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 Developmentally Disabled 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, 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 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Law Library Fund for the years ended December 31, 2000 and 1999, and the Community Development Block Grant Fund for the year ended December 31, 1999.

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

Fund	Years Ended December 31,
Law Enforcement Training Fund	2000
Recorder Microfilm Fund	2000
Prosecuting Attorney Delinquent Tax Fund	2000
Local Emergency Planning Commission Fund	2000
DARE Fund	2000
Shelter Home Fund	2000
Special Road District Fund	2000 and 1999
Associate Court Interest Fund	2000
Circuit Clerk Interest Fund	2000

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

D. Published Financial Statements

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

However, the county's published financial statements for the years ended December 31, 2000 and 1999 did not include the Community Development Block Grant Fund.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has 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.

Of the county's bank balance at December 31, 2000, $597,446 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and $2,335,589 was covered by collateral held by the Federal Reserve, but not in the county's name. Of the county's bank balance at December 31, 1999, $1,207,893 was covered by the federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and $1,269,991 was covered by collateral held by the pledging bank's safekeeping department but not in the county's name.

The deposits of the Developmentally Disabled Board at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collateral securities held by the custodial banks in the name of the Developmentally Disabled Board.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed for the county and the Developmentally Disabled Board at those times although not at year-end.

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

Supplementary Schedule

Schedule

BARRY 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, 2000	1999
	U. S. DEPARTMENT OF AGRICULTURE			
	Direct Program:			
10.unknown	Cooperative Law/Cannabis Agreement	N/A	$ 1,200	845
	Passed through state:			
	Department of Social Services -			
10.550	Food Distribution	N/A	0	63
	Department of Health -			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-9104	0	88,980
		ER0045-0104	100,079	40,421
		ERS045-1104W	34,675	0
	Program Total		134,754	129,401
10.559	Summer Food Service Program for Children	ERS146-0104I	57	0
	Office of Administration -			
10.665	Schools and Roads - Grants to States	N/A	77,928	85,384
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program	99-PF-02	270,700	22,174
	U.S. DEPARTMENT OF JUSTICE			
	Direct programs:			
16.710	Public Safety Partnership and Community Policing Grants	97-UM-WX-0639	16,622	31,726
	Passed through:			
	Missouri Sheriffs' Association -			
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	0	1,218
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission:			
20.205	Highway Planning and Construction	BRO-005(14)	736	0
20.703	SEMA - Hazardous Material Emergency Preparedness	N/A	2,672	0

Schedule

BARRY 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, 2000	1999
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Direct program -			
93.268	Immunization Grants	N/A	10,382	1,416
	Passed through state:			
	Department of Health -			
93.268	Immunization Grants	N/A	56,455	55,497
		PGA064-0104M	8,273	5,110
	Program Total		64,728	60,607
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	0	2,769
	Department of Health -			
93.575	Child Care and Development Block Grant	ER0146-9104CCH	0	2,500
		PGA067-0104C	2,225	275
		PGA067-1104C	535	0
		PG0067-9104	0	2,395
		PGA067-0104S	2,745	675
		PGA067-1104S	570	0
	Program Total		6,075	5,845
	Department of Social Services -			
93.667	Social Services Block Grant	ERO-172-119	0	6,845
		ERO-172-083	62,570	32,314
		ERO-172-084	47,502	55,891
	Program Total		110,072	95,050
	Department of Health -			
93.940	HIV Prevention	N/A	0	6
93.991	Preventive Health and Health Services Block Grant	ERO146-0104	165	0
		N/A	672	661
	Program Total		837	661
93.994	Maternal and Child Health Services Block Grant to the States	ER0175-9104FP	0	9,453
		ERS175-0104F	5,520	2,346
		ERS175-1104FP	2,070	0
		ER0146-9104MCH	0	22,095
		ERS146-0104M	20,402	6,112
		ERS146-1104M	3,860	0
		N/A	0	237
		N/A	3,360	3,303
			35,212	43,546
	Total Expenditures of Federal Awards		$ 731,975	480,711

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

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

Of the amounts for Immunization Grants (CFDA number 93.268), $56,455 and $55,497 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), $672 and $661 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), $3,360 and $3,303 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. The remaining amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided $270,000 and $18,000 to a subrecipient under the Community Development Block Grants/State's Program (CFDA number 14.228) during the years ended December 31, 2000 and 1999.

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 Barry County, Missouri

Compliance

We have audited the compliance of Barry 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, 2000 and 1999. 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.

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In our opinion, Barry 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, 2000 and 1999. 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 00-1.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 00-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of the management of Barry 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 30, 2001 (fieldwork completion date)

Schedule

BARRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2000 AND 1999

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:

CFDA or Other Identifying Number	Program Title
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.665	Schools and Roads – Grants to States
14.228	Community Development Block Grant/State's 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 finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

00-1. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: State Department of Health
Federal CFDA Number: 10.557
Program Title: Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity Identifying Number: ER0045-9104, ER0045-0104, ERS045-1104W
Award Year: 2000 and 1999
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Office of Administration
Federal CFDA Number: 10.665
Program Title: Schools and Roads – Grants to States
Pass-Through Entity Identifying Number: N/A
Award Year: 2000 and 1999
Questioned Costs: Not applicable

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grant/State's Program
Pass-Through Entity Identifying Number:	97-PF-02
Award Year:	2000 and 1999
Questioned Costs:	Not applicable

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

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. The county prepared a SEFA for the years ended December 31, 2000 and 1999; however, some program expenditures were omitted, most notably, $163,312 passed through the Office of Administration. In addition, expenditures reported for the Health Center Immunization Grants were understated by $101,520 for the two-year period.

For the federal financial schedules to adequately reflect the county's federal financial assistance expenditures, it is necessary that all federal financial expenditures be properly reported. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

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

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

We will attempt to ensure all programs are listed on the SEFA schedule provided with the 2002 budget.

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

BARRY 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 Barry County, Missouri, on the applicable finding in our prior audit report issued for the two years ended December 31, 1998.

98-1 Omission of Budgetary Information

Budgets were not prepared for some county funds.

Recommendation:

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

Status:

Partially implemented. Budgets were prepared for all county funds except the Law Library Fund for the years ended December 31, 2000 and 1999, and the Community Development Block Grant Fund for the year ended December 31, 1999. While not repeated in the current finding, our recommendation remains as stated above.

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

BARRY 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, 1998, 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

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

We have audited the special-purpose financial statements of various funds of Barry County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 30, 2001. We also have audited the compliance of Barry 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, 2000 and 1999, and have issued our report thereon dated May 30, 2001.

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

1. Determine the internal controls established over the transactions of the various county officials.

2. Review and evaluate certain other management practices for efficiency and effectiveness.

3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

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

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

Because the Barry County Health Center is audited and separately reported on by other independent auditors, the related fund is not presented in the special-purpose financial statements. However, we reviewed that audit report and other applicable information.

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

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Barry County but do not meet

the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. County Expenditures

A. Actual expenditures exceeded budgeted amounts for the following funds:

Fund	Year Ended December 31, 2000	1999
Special Road District Fund	$103,849	$87,468
Law Enforcement Training Fund	1,500	N/A
Recorders Micro-Film Fund	1,843	N/A
Prosecuting Attorney Delinquent Sales Tax Fund	1,269	N/A
Circuit Clerk Interest Fund	3,506	N/A
Shelter Home Fund	31	N/A
Local Emergency Planning Commission Fund	7,587	N/A
DARE	18	N/A
Associate Circuit Interest Fund	213	N/A

It appears county officials recognized expenditures were going to exceed budgetary amounts and believed they could not amend the budget; however, county officials did not discontinue spending from these funds.

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo.1122, 273 S.W.2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

A similar condition was noted in our prior report.

B. During our review of the acquisition and use of federal surplus property from the State Agency for Surplus Property (SASP) we noted property being purchased by the county and provided to the Monett Sportsmen League for their use. Of the purchases totaling $1,015, only $485 was reimbursed to the county by the Monett Sportsmen League. In addition, surplus property totaling $39 was purchased by the county in 1999 and immediately sold to County Commissioner Mackey for his personal use. Items purchased included miscellaneous tools, clothing, kitchen supplies, and chairs. According to state and federal regulations, surplus property acquired through the state

must be used by the authorized public agency making the purchase for promoting public services for the residents of the political subdivision. Property not used in compliance with state and federal regulations may be subject to recovery and the county may be required to reimburse the original cost of the items.

C. The county contracts with several small cities within the county to provide police protection. The county pays the officer $16 per hour, of which approximately one half is for salary and one half is for vehicle expense for the use of his personal vehicle. The county only reported the salary portion on form W-2, as payments related to vehicle expense were not reported. However, the county does not require the officer to provide documentation regarding the vehicle expense. During the years ending December 31, 2000 and 1999, the county paid the officer approximately $11,200 and $31,200, respectively, for both salary and mileage.

IRS Regulations 1.62-2(h) and 31.3401(a)-4(b) specifically require employee business expenses not accounted for to the employer to be considered gross income and payroll taxes to be withheld from the undocumented payments. Procedures have not been established to ensure that IRS regulations are followed. As a result, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

The county should require documentation to support payments for vehicle expenses such as monthly reports of mileage indicating the number of miles traveled by date, the nature of the business, and locations traveled. Any payments to officers which are above the amount of documented expenses should be treated as compensation and should be subject to payroll withholdings and reported on W-2 forms.

WE RECOMMEND the County Commission:

A. Ensure expenditures are kept within the amounts budgeted. If additional disbursements are necessary, the circumstances should be fully documented and the budgets properly amended.

B. Contact the SASP to resolve this matter, and ensure that future purchases from SASP be made in compliance with state and federal regulations.

C. Obtain documentation to support payments for vehicle expenses, and report undocumented payments on W-2 forms. Amended W-2 forms should be prepared for undocumented expense payments made in prior years.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

A. We will monitor the funds we have control over. We do not have control over the Circuit Clerk and Associate Court Funds.

B. We will contact the State Agency for Surplus Property by the end of September 2001, and in the future we will attempt to be in compliance.

C. We have implemented this process, and in the future we will reimburse only documented expenses and the rest will be paid as salary. We will discuss amending the prior year W-2 forms.

Associate Commissioner Mackey provided the following response:

B. In the early part of 1999, I visited the Surplus Property building in Jefferson City to see what type of mess hall equipment and appliances might be available for equipping a kitchen in the building to be renovated at the location of our anticipated parks and recreation site for Barry County. As I was departing the building, a gentleman asked if I could not find anything that I might use. I told him that I could use some cold weather clothing if the next bridge dedication was as cold as the last. I told him I also had obtained 10 ml rifles for Post 91 of the American Legion. We use these rifles for the honor detail at the cemetery when burying veterans. I, with others, attempt to maintain these weapons and keep them in a status that they will fire when used. I also told him that I helped others in cleaning and some maintenance of the shot guns used in the high school lifetime sports class. Last year we instructed approximately 70 boys and girls in gun safety on how to shoot trap. I told him some small tools could be useful in maintenance. He replied, "Sounds reasonable to me". I picked up the various items, signed the paper and departed Jefferson City. I used poor judgment, and am very sorry and embarrassed by this situation. I would like to do whatever is necessary to take care of this situation, hopefully today.

2. County Deposits and Controls

A. The amount of collateral securities pledged by the county's depositary bank at January 20, 2000, was insufficient by approximately $2,400,000 to cover monies in the custody of the County Treasurer. While the County Treasurer indicated she routinely monitors the security of county funds and contacted the bank to request additional security during this time period, adequate collateral was not pledged by the county's depositary bank during January 2000.

Section 110.020, RSMo 2000, provides that the value of the securities pledged should at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the Federal Deposit Insurance Corporation (FDIC). Inadequate collateral securities leave county funds unsecured and subject to loss in the event of a bank failure.

B. The county's assessment lists and tax books are maintained on a computerized property tax system. The county does not have an adequate password system. Currently the Assessor's office has one assigned password that is used by all employees of the office and is not changed on a routine basis. Employees of the County Collector's office have their own passwords, but these passwords are only changed when an employee terminates employment rather than on a regular basis.

A unique password should be assigned to each user, and these passwords should be kept confidential and be changed periodically to prevent unauthorized access to computer files. In addition, passwords should adequately restrict the capabilities of the respective user to only those duties the user has been authorized to perform.

A similar condition was noted in our prior report.

WE RECOMMEND the County Commission:

A Implement procedures to ensure collateral securities pledged by the depositary banks are sufficient to protect monies at all times.

B. Implement a password system which requires each user be assigned a unique password, and require passwords to be changed periodically

AUDITEE"S RESPONSE

The County Commission provided the following responses:

A. In 2001 we implemented a procedure to obtain documentation of the pledged securities from the bank prior to depositing any large sums of money.

B. We will issue a written request by the end of September 2001 to the County Assessor and the County Collector to implement this recommendation.

3. General Fixed Assets

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. Currently, the County Clerk maintains a computerized inventory listing of fixed assets held by county officials. However, during our review of equipment purchases, we noted four of nine items were not recorded on the county's general fixed asset listing. These items were purchased for approximately $38,000. Additions to the inventory listing are not reconciled to equipment expenditures to ensure all fixed assets are properly recorded. Also quarterly inspections of county owned land and buildings are not performed.

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

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

A similar condition was noted in our prior report.

WE RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, quarterly inspections of all county land and buildings should be performed.

AUDITEE'S RESPONSE

The County Commission provided the following response:

We will develop a written policy by January 2002, and beginning in September 2001 we will perform quarterly inspections.

4. County Collector

A. The county has written contracts which provide for the county to collect property taxes for the cities in the county. The County Collector and county receive a fee of five percent and two percent, respectively, withheld from all taxes collected. In addition, the County Collector receives a penalty charge of five percent on delinquent taxes collected from the taxpayers

There is no city ordinance authorizing the five percent penalty collected on delinquent taxes. Section 52.290.1, RSMo 2000, provides for a five percent penalty to be collected from the taxpayer, and the proceeds are to be distributed two-fifths to the county general fund and three-fifths to the county employees' retirement fund. However, the County Collector personally retains these penalties. During the two years ended February 28, 2001, the County Collector collected and retained $3,027 in 5 percent penalties collected for city taxes. Any add on fee or penalty charged to taxpayers must be based on state law or city ordinance.

A similar condition was noted in our prior report.

B. The method of payment received (cash, check, and money order) is not consistently indicated on the paid tax receipts. As a result, the composition of monies received

cannot be reconciled to the compositions of monies deposited. To ensure receipts are deposited intact, the method of payments received should be indicated and reconciled to the composition of bank deposits.

WE RECOMMEND the County Collector:

A. And the County Commission ensure penalty amounts prescribed in contracts are based upon applicable state laws or city ordinances.

B. Indicate the method of payment on paid tax receipts, and reconcile the composition of receipts to the composition of monies deposited.

AUDITEE'S RESPONSE

The County Collector provided the following responses:

A. I have already contacted all the cities, and ordinances will be in place by September 11, 2001.

B. We are now trying diligently to indicate the method of payment on all tax statements and we are reconciling receipts to deposits.

The County Commission provided the following response:

A. We will discuss this recommendation with the County Collector.

5. Circuit Clerk's Accounting Controls and Procedures

Prior audit reports have addressed the inadequacy of the Circuit Clerk's accounting records. While the Circuit Clerk responded in previous audits that recommendations would be implemented, conditions have not improved. The Circuit Clerk's office handles receipts in the form of cash and checks for court costs, bonds, and child support which are deposited into the Circuit Clerk's Fee Account or Child Support Account. Records maintained by the Circuit Clerk indicate receipts were approximately $884,000 and $2,558,000 during the years ended December 31, 2000 and 1999, respectively. Beginning in December 1999 the State of Missouri began collecting some child support payments.

A. Fee account receipts are not deposited on a timely basis. While they usually deposit once a week, we noted receipts received January 3 thru January 19, 2001 totaling $4,246 were not deposited until January 19, 2001. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, deposits should be made daily or when accumulated receipts exceed $100.

B. At December 31, 2000, 75 checks from the fee account totaling $2,291 and 40 checks from the child support account totaling $1,634 have been outstanding for over one

year. Several of these outstanding checks date back to 1997 and 1998. An attempt should be made to locate the payees of these old outstanding checks and checks should be reissued, if possible. If the payee cannot be located or identified, Chapter 447, RSMo 2000 provides for these monies to be paid to the State's Unclaimed Property.

C. Accurate bank reconciliations are not prepared for the fee account. The Circuit Clerk included a $26,000 bank account that had been closed since April, 2000 in both the book and bank balances on the December 31, 2000 reconciliation. Without maintaining accurate records of cash balances and preparing accurate monthly bank reconciliations, there is little assurance cash receipts and disbursements are properly handled and recorded, or that bank or book errors will be detected and corrected in a timely manner.

D. The Circuit Clerk maintains a computerized spreadsheet of liabilities for the fee account. At December 31, 2000, the spreadsheet included approximately 2,700 items totaling $240,356. While the total of the spreadsheet appeared to agree to the Circuit Clerk's reconciled bank balance, we found numerous errors on the spreadsheet as well as errors on the Circuit Clerk's bank reconciliation as noted in part C above. Considering the numerous errors noted, it appears the spreadsheet is inadequate. Our review of the open items spreadsheet revealed the following concerns:

1. We reviewed 23 items on the spreadsheet and attempted to agree the amounts to a related case file or other record. Of the 23 items we reviewed, 16 were incorrect according to documentation reviewed. One case was listed as having a $2,500 liability at December 31, 2000; however, the case file indicated that the liability had been paid out in 1997.

2. The spreadsheet included $52,175 labeled as "unidentified" as well as $4,648 labeled as "holdover" that court personnel could not identify to a related case file. In addition, we noted that the amount labeled as "unidentified" varied from month to month.

3. The spreadsheet included an entry for $50,000 for a certificate of deposit; however, since this certificate of deposit did not represent any particular case or liability, it should not have been included on the spreadsheet. This correction alone would result in a $50,000 increase in the amount of unidentified liabilities.

An accurate listing of open items should be maintained and reconciled to the related cash balance monthly to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Considering the numerous inaccuracies identified on the spreadsheet prepared by the Circuit Clerk, it appears this reconciliation has not been properly performed. Further, the Circuit Clerk should attempt to determine the reason for any unidentified liabilities that are determined to exist, and if proper disposition cannot be determined, dispose of them in accordance with state law.

E. The Circuit Clerk maintains a petty cash fund used for small expenditures such as office supplies. This fund is made up of monies received for providing copies and performing criminal searches for investigators. No record is maintained of receipts, disbursements or cash balance for this fund. Invoices or other documentation of disbursements are not retained to support expenditures from the fund. A cash count on January 24, 2001 identified $127 of petty cash on hand and the Circuit Clerk estimated he spends approximately $75 annually from this fund.

These fees represent accountable fees and should be remitted to the county treasury. Section 50.370, RSMo 2000, requires every county official who receives fees for official services to pay such monies monthly to the county treasury. If a petty cash fund is determined to be necessary, it should be kept on an imprest basis and all reimbursements should be supported by vendor invoices or other documentation.

WE RECOMMEND the Circuit Clerk:

A. Deposit fee account receipts daily or when accumulated receipts exceed $100.

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

C. Prepare complete and accurate monthly bank reconciliations, and ensure the book balance is accurate and reconciles to the bank balance.

D. Conduct a case by case review to determine the accuracy of each entry on the open items listing. Once an accurate open items listing is established, reconcile it to the cash balance to ensure records are in balance, and sufficient funds are available for the payment of all liabilities. Any monies remaining unidentified should be disposed of in accordance with unclaimed property statutes.

E. Deposit all monies intact into the Circuit Clerk's official bank account and disburse all fees to the county treasury monthly. If a petty cash fund is determined to be necessary, it should be funded by the county and a log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund.

AUDITEE'S RESPONSE

The Circuit Clerk provided the following responses:

A. I will try to deposit weekly.

B. Over $750 of these old outstanding checks have been reissued, and additional funds have been sent to the family support center. I will try to get the remaining outstanding checks taken care of by January 2002.

C. *This account had been removed from all accounting records, but had not been removed from the reconciliation. It is now off the monthly reconciliation.*

D. *As time permits, we are currently working on correcting the open items list. With our current shortage of staff, a completion date cannot be estimated.*

E. *These are minimal monies. I believe it is a waste of time for us, and the County Commission to issue checks for these small expenditures.*

6. Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney collects fees and restitution on bad checks and delinquent sales tax payments. The Prosecuting Attorney's office requests bad check offenders remit two money orders, one payable to the merchant for restitution and one payable to Barry County for the administrative fee. The Prosecuting Attorney does not maintain a bank account and transmits the administrative fee directly to the County Treasurer.

A. Accounting and bookkeeping duties are not adequately segregated. One individual is responsible for receiving, recording, and transmitting monies. There is no documented review of accounting records performed by the Prosecuting Attorney or another supervisor. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are properly accounted for and assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the accounting records should be performed and documented.

B. Our review of receipts noted the following concerns:

1. Receipts slips are not issued for monies received. To adequately account for all receipts, pre-numbered receipt slips should be issued for all monies received and the numerical sequence accounted for properly.

2. Administrative Fees are not always transmitted to the County Treasurer timely. For example, administrative fees totaling $140 received on April 12, 13, and 18, 2000 were not transmitted to the County Treasurer until May 22, 2000. While fees were transmitted to the County Treasurer numerous times between April 12 and May 22, there appears to be no reason why some monies were held for several weeks while other monies were transmitted. To adequately safeguard receipts and reduce the risk of loss, theft or misuse of funds, receipts should be transmitted to the County Treasurer or when accumulated receipts exceed $100.

3. Daily collection reports generated from the bad check computer system are not reconciled to fees transmitted to the County Treasurer. As a result, monies transmitted to the County Treasurer often did not agree to the

collection reports. We noted numerous instances where money orders for fees recorded on the daily collection report were either transmitted several days earlier or several days later than the date of the collection report.

To ensure all receipts are properly accounted for, the money orders transmitted to the County Treasurer should be reconciled to the daily collection reports.

4. Money orders and cashier's checks for administrative fees are not always restrictively endorsed immediately upon receipt. Instead, they are endorsed by the bad check clerk at the time of transmittal to the County Treasurer. Considering money orders without the payee indicated are routinely received by the Prosecuting Attorney, it is even more important for immediate restrictive endorsements. Also, money orders are often kept in an unsecured location on top of the clerk's desk until transmittal is made. Prompt restrictive endorsement of money orders decreases the possibility of theft or misuse of funds. In addition, money orders should be kept in a secured location until transmitted to the County Treasurer.

B. A log or other record is not maintained to account for all bad check complaints filed with the Prosecuting Attorney and their ultimate disposition. A bad check complaint log would provide a record of all such complaints filed with the Prosecuting Attorney and provide more assurance that all receipts and disbursements related to these cases are properly handled.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form received and a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned complaint number, the date the check was received by the prosecutors office, 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 the date payment was received and transmitted to the merchant and County Treasurer or the criminal case number in which charges were filed or other disposition.

D. Our review of the Prosecuting Attorney's computer system indicated the following areas where improvements are needed:

1. Backup disks of computerized bad check information are not stored in an off-site location. As a result, they are susceptible to the same damage as the master files. Backup disks should be stored off-site to provide increased assurance that any lost data can be recreated.

2. The Bad Check accounting software does not have a password system or procedures to restrict access to the computer systems. Access to the system is not limited through the use of passwords.

To establish individual responsibility as well as help preserve the integrity of computer programs and data files, access to computerized records should be limited to those persons who need to use the information. A system of unique IDs and passwords should be used to properly restrict access. These IDs and passwords should be known only to the employee to which it is assigned and should be changed periodically.

E. A monthly report of bad check fees turned over to the County Treasurer is not filed with the County Commission. Section 50.370, RSMo 2000, requires that an itemized list of fees collected be filed by county officials with the County Commission monthly.

F. Section 136.150 RSMo, allows the Prosecuting Attorney to collect delinquent state taxes referred from the Missouri Department of Revenue (DOR). Delinquent sales tax payments are transmitted directly to DOR, and the Prosecuting Attorney receives a collection fee of 20 percent of the amount collected. The Prosecuting Attorney does not compare taxes collected to collection fees received from DOR to ensure all collection fees are received. During our review, we noted one instance where collection fees had not been received by DOR for tax payments transmitted to the state. These collection fees totaled $382 and dated back to 1999.

To ensure all delinquent tax fees are received from DOR, the Prosecuting Attorney should compare taxes transmitted to the state to collection fees received.

G. The Prosecuting Attorney's employees responsible for collecting monies are not bonded. The Prosecuting Attorney should consider obtaining bond coverage for all employees with access to monies to better protect the county from risk of loss.

WE RECOMMEND the Prosecuting Attorney:

A. Adequately segregate accounting and bookkeeping duties to the extent possible, or ensure periodic supervisory reviews are performed and documented.

B.1. Issue pre-numbered receipt slips for all monies received and account for the numerical sequence of receipt slips.

2. Transmit administrative fees to the County Treasurer daily or when accumulated receipts exceed $100.

3. Reconcile money orders transmitted to the County Treasurer to daily collection reports.

4. Ensure money orders are restrictively endorsed immediately upon receipt and kept in a secure location until transmitted to the County Treasurer.

C. Maintain a log to account for all bad check complaints filed with the Prosecuting Attorney's office and their ultimate disposition.

D.1. Ensure computerized bad check records are stored in a secure, off-site location.

2. Establish improved procedures to restrict access to computer files, through the use of unique IDs and passwords, to only those individuals who need to use the information.

E. File a monthly report of bad check fees in accordance with state law.

F. Compare taxes transmitted to DOR to collection fees received.

G. Obtain bond coverage for all employees responsible for handling monies.

AUDITEE'S RESPONSE

The Assistant Prosecuting Attorney provided the following response:

A. This recommendation will be followed to the extent possible.

B.1. Our programmer for the bad check program has been contacted and the program will be updated within 60 days.

B.2-C. These procedures are currently in place.

D. A back up tape is now stored off-site.

E & F. These recommendations will now be followed.

G. This recommendation will be taken under consideration with a decision to be made at a later date.

7. Associate Circuit Court's Controls and Procedures

The Associate Circuit Court is comprised of four separate areas, criminal, civil, criminal/traffic, and probate. Our review of these areas identified the following concerns:

A. Accounting and bookkeeping duties are not adequately segregated. Each area has one clerk responsible for receiving, recording, depositing, disbursing, as well as performing monthly bank reconciliations. There is no documented independent review of the accounting records and reconciliations.

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. If proper segregation cannot be achieved, at a minimum, an independent person, such as the Associate Circuit Judge should review and initial bank reconciliations and agree recorded receipts to deposits. Proper supervision and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

B. At December 31, 2000, six checks written from the criminal/traffic account, totaling $483, twenty-one checks written from the criminal account, totaling $741, and three checks written from the civil account, totaling $90 have been outstanding for over one year.

An attempt should be made to locate the payees of these old outstanding checks and the checks should be reissued, if possible. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

C. Monthly listings of liabilities (open items) are prepared, but are not agreed to the reconciled bank and book balances for the criminal and criminal/traffic divisions. When we attempted to agree the December 31, 2000 open items listings to the related cash balances we noted the following:

- The criminal division's open items listing at December 31, 2000 exceeded their cash balance by $6,540; however, the listing was not accurate. Of the ten items we reviewed, we identified three items totaling $4,500 included on the listing that had previously been disbursed and should not have been included.

- The criminal/traffic division's open items listing at December 31, 2000 exceeded their cash balance by $715.

Because the criminal division and the criminal/traffic division do not reconcile their cash balances to their open items listing monthly, they were not aware differences existed and had not taken steps to correct the listings or investigate the differences.

Only by comparing open items listings to the reconciled cash balance on a monthly basis can the Associate Division be assured that records are in balance and that sufficient cash is available to cover liabilities.

WE RECOMMEND the Associate Division:

A. Segregate accounting duties to the extent possible or ensure periodic independent reviews are performed and documented.

B. Adopt procedures to routinely follow up on old outstanding checks, and disburse the unidentified funds as required by state law.

C. Reconcile the open items listing to the cash balance monthly. The Division should determine reasons for the differences that exist between the open items listing and the cash balance, and make adjustments to the accounting records for identified differences.

AUDITEE'S RESPONSE

The Associate Circuit Judge provided the following responses:

A. The Associate Circuit Court does not have an adequate number of personnel to permit the segregation of duties you recommend. According to caseload statistics for the period covered by your audit, the Barry County court system should have 14.75 FTE under state court guidelines. We have only 9.5 FTE, 5 of whom are assigned to the Associate Circuit Court. If adequate staffing were provided by the State of Missouri, I would be happy to segregate duties as you recommend.

Because we cannot segregate duties as you recommend, we have instituted procedures to safeguard against possible loss or misuse of funds. These procedures include the separation of accounting functions between each of our division clerks. This means that each clerk who handles criminal, traffic, civil or probate areas maintains a separate bank account and accounting records for which she is responsible. Each clerk reports directly to me and is responsible for all monthly accounting functions in her particular area. While I do not have time to review all of these functions on a monthly basis, I do review the work of each clerk as time permits. Based upon these reviews, it is my belief that monthly bank reconciliations are regularly and accurately performed, and that monthly disbursement records agree with both bank and computer records.

B. As time permits, efforts are made to locate the payees of outstanding checks. The three checks written from the civil account in the total amount of $90 are all written to area law firms. Each of these firms has been contacted and requested to negotiate the checks in question. Of the six checks written from the criminal/traffic account in 1999, three of these checks, totaling $452 were written to the Treasurer of the State of Missouri. We have also called that office on several occasions to request that these checks be cashed. The twenty-one checks written from the criminal account totaling $741, have an average value of $35.29. While we have attempted to contact the payees of these checks, we do not pursue this effort on a vigorous basis due to the employee shortages in the Associate Circuit Court. Because we have only limited resources to allocate to a wide range of responsibilities in the criminal division, I have determined that the processing of active criminal cases should be the top priority in that division and clerical tasks are assigned accordingly. If additional staffing were provided by the State of Missouri, we could give greater attention to outstanding checks.

C. The differences that exist between the open items listing and the cash balance result from data processing or computer problems that court personnel identified prior to the audit of the year ending December 31, 1998. Because the necessary accounting adjustments require individuals skilled in computer programming, we contracted the Office of State Courts Administrator (OSCA) in 1998 and two individuals began making the adjustments to

reconcile these differences. Unfortunately, as explained to your staff, these individuals were assigned to other projects before all adjustments were made, and because OSCA is now implementing the statewide Banner program, no OSCA personnel have been available to complete the necessary adjustments. It is my hope that when the Banner program is installed in Barry County, OSCA staff will be able to complete the work begun several years ago. Meanwhile, we utilize the computer information we know to be reliable together with a listing of open items and bank balances to make the monthly comparison and reconciliation you recommend.

8. Juvenile Division's Controls and Procedures

The home base of the Juvenile Division of the Thirty-Ninth Judicial Circuit is located in Barry County. The division maintains two bank accounts. One account is used for office expenses, while the other is used to collect and disburse restitutions in juvenile cases. A review of the records and procedures of the Juvenile Division disclosed the following concerns:

A. A listing is maintained of open restitution cases for which amounts have been received but not yet paid out to the victims. However, this listing did not include some 1995 and older cases, and is not reconciled to the cash balance monthly. At our request, the Chief Juvenile Officer attempted to prepare a complete open items listing and reconcile it to the cash balance at December 31, 2000. The reconciled balance of the restitution account at December 31, 2000 was $6,316, which exceeded identified open items by $2,157.

   Complete and accurate monthly listings of open items should be prepared and reconciled to the cash balance to ensure the accounting records are in balance and sufficient cash is available for the payment of all liabilities. Differences between open items and the cash balance should be investigated and resolved. Any monies remaining unidentified should be disposed of in accordance with state law.

B. The Juvenile Division does not routinely follow up on old outstanding checks. At December 31, 2000, checks totaling $778 from the restitution account had been outstanding for more than one year. Some of these checks date back to 1991 and 1992.

   The Juvenile Division should adopt procedures to routinely follow up on old outstanding checks and reissue the check if the payee can be located. If the payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

C. The Chief Juvenile Officer indicated he had deposited personal funds of $500 into the office account to provide an operating balance when he began his appointment. In addition, his records indicated he had $1,520 in personal and mileage expense reimbursement monies in the account from 1989, which he had never disbursed to

himself. He further indicated that personal funds were left in the office account to provide an operating balance; however, the account has consistently maintained a balance of approximately $13,000 during 1999 and 2000. The Chief Juvenile Officer should immediately, upon the approval of the Circuit Judge, withdraw any monies that can be adequately documented as personal funds and establish a balance of operating funds that has been provided by the counties in the Circuit. In addition, a reconciliation between amounts billed to counties and amounts disbursed from the account should be performed so that changes in the account balance can be adequately monitored.

Conditions similar to Parts A, and C. were noted in prior reports.

WE RECOMMEND the Juvenile Division:

A. Prepare complete and accurate listing of open items and compare the listing to the cash balance monthly. Investigate any differences, and any monies remaining unidentified should be disbursed in accordance with state law.

B. Adopt procedures to routinely follow up on old outstanding checks. Any remaining unclaimed amounts should be disbursed in accordance with state law.

C. Withdraw any personal funds that can be adequately documented from the office account upon the approval of the Circuit Judge. Establish a balance of operating funds that has been provided by the counties in the Circuit, and monitor the changes in the account balance monthly.

AUDITEE'S RESPONSE

The Circuit Judge and the Juvenile Officer provided the following responses:

A. We will account for and disburse all restitution in our possession by October 1, 2001. Thereafter all restitution will be held for no more than 60 days and any unidentified monies will be sent to the State Treasury as unclaimed property.

B. By October 1, 2001 we will have disbursed and reissued all checks with known addresses. Any amounts unclaimed will be sent to the State Treasury.

C. The Chief Juvenile Officer will withdraw any personal monies that are adequately documented. We will establish a one-month balance of operational funds. The balance of the monies will be distributed to the counties in their proportionate share by October 1, 2001.

9.	Developmentally Disabled Board

A. The Developmentally Disabled Board has accumulated a significant cash reserve without any specific plans for its use. During the two years ended December 31, 2000 receipts exceeded disbursements by $148,076, resulting in the cash balance of the Developmentally Disabled Board Fund increasing from $258,310 at December 31, 1998 to $406,386 at December 31, 2000. The Developmentally Disabled Board should determine its future needs, and consider such information when setting future property tax levies.

B. Collateral securities were not pledged by the Developmentally Disabled Board's depositary bank for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) coverage. During January 2001, the Developmentally Disabled Board's bank balance exceeded FDIC coverage by approximately $56,000.

Section 110.020, RSMo 2000, requires the value of securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC. Inadequate collateral securities leave county funds unsecured and subject to loss in the event of bank failure.

WE RECOMMEND the Developmentally Disabled Board:

A. Review the cash balance and consider reducing the property tax levy. If plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the budget document.

B. Ensure collateral securities are pledged for all deposits in excess of FDIC coverage.

AUDITEE'S RESPONSE

The Developmentally Disabled Board provided the following responses:

A. We acknowledge that at this time we have a cash reserve, but anticipate requests from NFP service providers for capital improvements. With our 2002 budget we will designate a reserve for the expansion of these services by the providers.

B. The board intends on maintaining adequate collateral securities pledged to cover funds in excess of FDIC coverage. Currently there are sufficient pledged collateral securities.

This report is intended for the information of the management of Barry County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

BARRY 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 Barry County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the two years ended December 31, 1996, and our Special Review of the Barry County Sheriff's Office for the three years ended December 31, 1996. 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. Distributions to Special Road Districts

The County Commission did not obtain written agreements with the special road districts documenting the use of county aid road trust (CART) monies and capital improvement sales tax (CIST) monies. In addition, the County Commission did not require the special road districts to submit sufficiently detailed financial information regarding the actual uses of the funds provided.

Recommendation:

The County Commission obtain written agreements with the special road districts documenting the use of county CART and CIST monies. Further, the County Commission should require the special road districts to submit sufficiently detailed financial information regarding the actual uses of funds provided.

Status:

Implemented.

2. Budgets and Published Financial Statements

A. Warrants were issued in excess of approved budgeted expenditures.

B. Formal budgets were not prepared for various county funds.

C. The annual published financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

A. And the Health Center Board of Trustees, and the Developmentally Disabled Board not authorize warrants in excess of budgeted expenditures.

B. Ensure budgets are prepared or obtained for all county funds.

C. Ensure financial information for all county funds is properly reported in the annual published financial statements.

Status:

A. Not implemented. See MAR No. 1.

B. Partially implemented. Budgets were prepared for all funds except for the Law Library Fund for the years ending December 31, 2000 and 1999, and the Community Development Block Grant Fund for the year ending December 31, 1999. Although not repeated in our current MAR, our recommendation remains as stated above.

C. Partially implemented. Most of the funds noted in the prior report were published in the county's financial statements; however, the Community Development Block Grant Fund was not included in the county's financial statements. Although not repeated in our current MAR, our recommendation remains as stated above.

3. Elected Official's Salary

The former Prosecuting Attorney did not provide certification for attending training for the three years ended December 31, 1994 as required and therefore, was not allowed the $2,000 annual compensation for each of the three years.

Recommendation:

The County Commission review this situation and seek reimbursement of $6,000 from the former Prosecuting Attorney if training was not attended.

Status:

Not implemented. The County Commission took no action to validate training was attended or to seek reimbursement of $6,000. Although not repeated in our current MAR, our recommendation remains as stated above.

4. Computer Controls and Property Tax System

A. The county did not have an adequate password system.

B. The property tax computer system did not have the capability of producing usage logs.

C. There was no documented review or verification, by the County Clerk, of the county's tax books after they had been prepared by the county's independent programmer.

D. The County Clerk did not maintain an account book with the County Collector in accordance with state law.

Recommendation:

The County Commission:

A. The County Commission implement a password system which requires each user be assigned a unique user ID and password, and require passwords to be changed periodically.

B. The County Commission consider adopting changes to the property tax computer system to allow computer usage logs to be prepared and reviewed to ensure access has been restricted to appropriate job assignments.

C. The County Clerk perform and document reviews of the tax books.

D. The County Clerk establish and maintain an account book of the County Collector's transactions, and the County Commission make use of this account book to verify the County Collector's annual settlements.

Status:

A. Not implemented. See MAR No. 2.

B. Partially implemented. The computer system now allows computer usage logs to be prepared by the programmer; however, usage logs are not being prepared and reviewed by appropriate county officials. Although not repeated in our current MAR, our recommendation remains as stated above.

C&D. Implemented.

5. City Tax Collection Agreements

The county's written agreements with eight cities, which provide for the county to collect property taxes, may have included provisions contrary with state law.

Recommendation:

The County Commission review the contracts and ensure all provisions are in accordance with state law.

Status:

Not implemented. See MAR No. 4.

6. General Fixed Asset Records and Procedures

A. The County Clerk did not record additions and deletions in the general fixed asset records during the three years ended December 31, 1996. In addition, the County Clerk did not reconcile general fixed asset purchases to additions to the general fixed asset inventory.

B. Property records were not maintained in a manner that allowed beginning balances, additions, and deletions for each year to be reconciled to balances at the end of each year.

C. Property records did not indicate the purchase price, acquisition date, and date and method of disposition for some assets.

D. The county did not have formal procedures for disposing of county owned property. The County Commission did not authorize the storage of obsolete items, nor did the County Clerk maintain a listing of the items in storage.

E. An annual inventory of all general fixed assets and quarterly inspections of all lands and buildings, as required by Section 51.155, RSMo 1994, was not being conducted.

Recommendation:

The County Clerk:

A. Record all property additions and deletions in the general fixed asset records as they occur and periodically reconcile general fixed asset purchases to the general fixed asset additions.

B. Maintain general fixed asset records in a manner that beginning balances, additions, and deletions can be reconciled to year-end balances.

C. Ensure the general fixed asset records include the purchase price, acquisition date, and date and method of disposition for all assets.

D. Obtain County Commission approval or other documentation to support the storage of obsolete items and maintain a listing of all items in storage.

E. Perform an annual inventory of the county's personal property items and quarterly inspections of all county-owned land and buildings, and file a written report of the inspections made in accordance with Section 51.155, RSMo 1994.

Status:

A, B, & E. Not implemented. However, legislation passed in 1999 changed responsibilities for county officials concerning fixed assets records. See MAR No. 3.

C. Implemented.

D. Partially implemented. A listing of items in storage is now maintained, but County Commission approval or other documentation is not obtained. Although not repeated in our current MAR, our recommendation remains as stated above.

7. Circuit Clerk's Procedures

A. Fee account receipts were not deposited on a timely basis.

B. Bank reconciliations were not prepared for the fee account. In addition, the cash control ledger did not always include monthly totals of receipts, disbursements, or ending cash balances.

C. Monthly listings of liabilities were not prepared for the fee account. At our request a listing was prepared for December 31, 1996, but $130,825 of the reconciled cash balance was unidentified.

D. Outstanding fee account checks totaling $3,111, noted in our two prior audit reports, still remained outstanding at December 31, 1996. The oldest outstanding check was written in December 1987.

E. Monitoring procedures over unpaid court costs due to the Circuit Court were not adequate.

F. Accounting duties over child support activities were not adequately segregated.

G. The Circuit Clerk had not submitted criminal cost billings for the boarding of prisoners and associated court costs to the state on a timely basis.

H. The Circuit Clerk Interest Fund ledger contained numerous mathematical and posting errors.

Recommendation:

The Circuit Clerk:

A. Deposit receipts daily or when accumulated receipts exceed $100.

B. Perform bank reconciliations monthly for the fee account and provide monthly totals of receipts and disbursements and ending cash balances in the cash control.

C. Prepare monthly listings of open items and reconcile the listings to the cash balance. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.

D. Cancel old outstanding checks and reissue them if the payees can be located. Any remaining unclaimed amounts should be disposed of in accordance with state law. Procedures should be established to routinely follow up on checks outstanding for more than a specified period of time.

E. Adopt procedures to routinely follow up and pursue collection of unpaid court costs.

F. Adequately segregate accounting and bookkeeping duties to the extent possible. At a minimum, the Circuit Clerk should perform documented reviews of the work performed.

G. Submit criminal cost billings to the state on a timely basis.

H. Ensure an accurate Interest Fund ledger is maintained.

Status:

A&D. Not implemented. See MAR No. 5.

B. Partially implemented. Bank reconciliations are performed; however, errors were noted in the December 31, 2000 reconciliation. See MAR No. 5

C. Partially implemented. A monthly listing of open items is now prepared, but the list contained numerous errors and was unreliable. See MAR No. 5.

E. Partially implemented. The Circuit Clerk now maintains a listing of unpaid court costs but amounts owed are still not followed up on in a timely manner. Although not repeated in our current MAR, our recommendation remains as stated above.

F. As of July 1, 2001 the Circuit Clerk no longer collects child support payment.

G&H. Implemented.

8. Juvenile Officer's Procedures

A. Receipt slips were not issued for monies received into the office account. In addition, although receipt slips were used for the restitution account, we noted some monies received for which no receipt slips were written.

B. The reconciled cash balance for the restitution account at December 31, 1996 exceeded the total identified open items by $3,187. Additionally, unidentified balances fluctuated during various months of the audit period.

C. Receipts were not deposited on a timely basis.

D. The Juvenile Officer indicated he had deposited personal funds into the office account; however, because reconciliations were not performed, the amount of personal funds deposited could not be determined.

Recommendation:

The Juvenile Officer:

A. Issue prenumbered receipt slips for all monies received.

B. Investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.

C. Deposit receipts daily or when accumulated receipts exceed $100.

D. Withdraw any personal money from the office account that can be documented as belonging to him, establish an operating fund balance for all counties in the circuit, and perform monthly reconciliations of the amounts in the account to the operating fund balance.

Status:

A&C. Implemented.

B. Not implemented. See MAR No. 8.

D. Partially implemented. The Chief Juvenile Officer prepares monthly bank reconciliations; however, the personal money has not been withdrawn. See MAR No. 8.

9. Barry County Board for the Developmentally Disabled Procedures

The Barry County Board for the Developmentally Disabled (BCBDD) loaned $50,000 to a not-for-profit (NFP) entity and failed to take any action against the NFP when the NFP failed to make the repayments as specified in the loan agreements.

Recommendation:

The BCBDD:

Cease loaning monies in the future and take appropriate action to recover the unpaid loan amounts due from the NFP.

Status:

Partially implemented. The BCBDD no longer loans money to NFPs; however, the BCBDD forgave the loan mentioned above and did not receive any of the unpaid loan balance.

SPECIAL REVIEW OF BARRY COUNTY SHERIFF'S OFFICE FOR THE THREE YEARS ENDED DECEMBER 31, 1996

1. Prisoner Transportation Reimbursements

Reimbursements for costs associated with transporting prisoners to state correctional facilities totaling approximately $24,800 had not been billed to the state during the three years ended December 31, 1996.

Recommendation:

The new Sheriff file reimbursement claims for those cases on which the two-year limit has not expired. All future billings should be prepared and submitted to the state on a timely basis.

Status:

Implemented.

2. Civil and Criminal Process Fees Not Deposited

At least $1,731 in checks for civil and criminal process fees were received by the Sheriff's department during the period October 1995 through December 1996, but never deposited or negotiated.

Recommendation:

The new Sheriff contact the payees of the checks that were shredded and other checks identified that remain outstanding and request new checks be issued.

Status:

Implemented.

3. Sheriff's Accounting Controls and Procedures

A.1. Receipts were not deposited intact on a timely basis.

2. Receipt slips were not issued for some gun permit fees.

3. The numerical sequence of receipt slips was not properly accounted for.

B. Monthly bank reconciliations were not performed, resulting in old outstanding checks and unidentified balances in the fee account and the bond account.

C. The monthly cash control ledger was incomplete and could not be used to provide a reasonably accurate summary of transactions. Gun permit fees, disbursements and periodic cash balances were not always recorded on the cash control ledger.

D. Fees were not turned over to the Treasurer on a monthly basis.

E. The Sheriff did not consistently bill other counties and municipalities for boarding prisoners. The Sheriff did not attempt to follow up on amounts for which reimbursement was not received from other counties for the cost of serving criminal and civil process papers.

F. During the three years ended December 31, 1996, bond receipts totaling more than $34,500 were turned directly over to the court in cash rather than being processed through the bank account. Receipt slips were not retained to support the turnover of these cash bonds.

G. Some records were not properly retained.

H. In July 1994, the Sheriff administered an execution sale, but we were unable locate any evidence that the $3,015 fee was received by the Sheriff and subsequently disbursed to the County Treasurer.

I.1. Access to seized property was not limited to only a few employees.

2. Procedures had not been implemented to periodically review the cases related to seized property items to determine if those items could be disposed of. As a result, numerous items for which the related cases had been disposed in court were being stored unnecessarily.

Recommendation:

A.1. Deposit all monies intact, daily or when accumulated receipts exceed $100. The composition of receipt slips should be reconciled to the composition of deposits.

2. Issue receipt slips immediately upon receipt for all monies.

3. Retain copies of all receipt slips and retain the original copy of voided receipt slips.

B. Ensure complete and accurate bank reconciliations are prepared monthly and reconciled to accounting records. An attempt to locate the payees of the old outstanding checks should be made and the checks reissued if possible. Any remaining unclaimed amounts as well as unidentified balances in the fee account and bond account of the former Sheriff should be disbursed in accordance with state law.

C. Ensure a complete cash control ledger, including all receipts, disbursements, and periodic cash balances is maintained and reconciled to bank records on a monthly basis.

D. Turn over fees to the county monthly as required by state law.

E. Ensure all costs incurred are billed to the appropriate parties and that copies of all billings are filed with the Treasurer. Procedures should be implemented to ensure any unpaid amounts are followed up. In addition, reimbursement of any unpaid amounts should be requested.

F. Deposit all bond monies into the bond account, or, if bond monies must be transmitted directly to the courts, ensure that receipt slips are obtained and attached to the receipt book.

G. Retain the original copy of applicable records.

H. Ensure fees for administering execution sales are collected and remitted to the county treasury as required by state law.

I.1. Limit access to seized property to only a few employees.

2. Adopt procedures to periodically follow up on seized property items and obtain written authorization to dispose of the items upon final disposition of the cases.

Status:

A.1. Partially implemented. Deposits are being made intact and the composition of receipt slips is being reconciled to the composition of deposits; however, deposits are still not being made daily or when accumulated receipts exceed $100. Although not repeated in our current MAR, our recommendation remains as stated above.

A2-I. Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

BARRY COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1835, the county of Barry was named after William T. Barry, a U.S. postmaster general. Barry County is a county-organized, third-class county and is part of the Thiry-ninth Judicial Circuit. The county seat is Cassville.

Barry County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Barry County received its money in 2000 and 1999 to support the county General Revenue and Special Road and Bridge Funds:

	2000		1999	
SOURCE	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	$ 110,423	4	105,256	4
Sales taxes	1,491,230	51	1,355,642	50
Federal and state aid	538,273	18	514,657	19
Fees, interest, and other	778,132	27	747,141	27
Total	$ 2,918,058	100	2,722,696	100

The following chart shows how Barry County spent monies in 2000 and 1999 from the General Revenue and Special Road and Bridge Funds:

	2000		1999	
USE	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	$ 984,341	40	1,156,639	45
Public safety	1,148,036	47	1,047,120	41
Highways and roads	317,273	13	343,261	14
Total	$ 2,449,650	100	2,547,020	100

In addition, during 2000 and 1999 the Special Road Districts Fund and the Liberty Common Road District Fund received revenues of $3,120,968 and $2,955,505 and expended $3,117,854 and $2,962,439, respectively for road and bridge maintenance and improvements.

The county and special road districts maintain approximately 88 county bridges and 984 miles of county roads.

The county's population was 19,597 in 1970 and 27,547 in 1990. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		2000	1999	1985*	1980**	1970**
		(in millions)				
Real estate	$	192.5	186.8	100.9	28.9	18.2
Personal property		83.8	73.8	22.0	10.4	7.0
Railroad and utilities		16.5	15.7	6.6	6.6	3.8
Total	$	292.8	276.3	129.5	45.9	29.0

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

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

		Year Ended December 31,	
		2000	1999
Special Road and Bridge Fund*	$	N/A	N/A
Health Center Fund		0.07	0.07
Senate Bill 40 Board Fund		0.07	0.07

* All areas of the county are located in one of the county's twenty-five special road districts or the common road district. The road and bridge levies vary in each road district, and 20 percent is distributed to the Special Road and Bridge Fund and 80 percent is distributed to the various road districts.

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,	
		2001	2000
State of Missouri	$	86,446	83,861
General Revenue Fund		29,765	21,678
Special Road and Bridge Fund		624,067	631,815
Assessment Fund		116,609	114,188
Health Center Fund		198,909	193,531
Senate Bill 40 Board Fund		198,909	193,531
School districts		9,098,087	8,870,873
Library district		499,254	466,469
Hospital		146,743	141,595
Ambulance district		235,486	230,512
Fire protection district		179,832	183,793
Tax sale surplus		17,674	10,601
Tax increment financing		89,412	73,521
Cities		119,231	205,100
County Clerk		3,390	3,491
County Employees' Retirement		78,550	76,372
Commissions and fees:			
General Revenue Fund		201,475	195,222
County Collector		6,056	10,738
County Assessor		20	75
Total	$	11,929,915	11,706,966

Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	2001	2000
Real estate	91 %	93 %
Personal property	86	90
Railroad and utilities	100	99

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

		Rate	Expiration Date	Required Property Tax Reduction
General	$	.0050	None	100
Capital improvements		.0050	2001	None

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

Officeholder	2001	2000	1999
County-Paid Officials:			
Cherry Warren, Presiding Commissioner	$	27,950	27,039
Dayton Mackey, Associate Commissioner		18,480	17,640
J.H. (Red) Edens, Associate Commissioner		18,480	17,640
Gary Youngblood, County Clerk		39,560	38,180
Stephen Hemphill, Prosecuting Attorney		48,760	46,920
Mick Epperly, Sheriff		33,600	33,600
Lois Lowe, County Treasurer		29,274	28,253
Donald White, County Coroner		6,300	6,300
Shirley Keen, Public Administrator *		48,722	70,993
Misha Hull, County Collector**, year ended February 28,	45,616	48,652	
Glen D. Nicoll, County Assessor ***, year ended August 31,		40,494	40,861
Sam Goodman, County Surveyor ****			

* Includes fees received from probate cases.
** Includes $6,056 and $10,738, respectively, of commissions earned for collecting city property taxes.
*** Includes $900 annual compensation received from the state and $34 and $1,781, respectively, of commissions earned for city property taxes.
**** Compensation on a fee basis.

State-Paid Officials:			
Dick Sanders, Circuit Clerk and Ex Officio Recorder of Deeds		46,127	44,292
Mike Garrett, Associate Circuit Judge		97,382	87,235

A breakdown of employees (excluding the elected officials) by office at December 31, 2000, is as follows:

Office	Number of Employees Paid by County	State
Circuit Clerk and Ex Officio Recorder of Deeds	2	4
County Clerk	3	0
Prosecuting Attorney	6	0
Sheriff (1)	33	0
County Coroner (2)	1	0
County Collector (3)	4	0
County Assessor	10	0
Associate Division	0	3
Probate Division	0	1
Health Center	13	0
Juvenile Office (2)	3	6
Total	75	14

(1) Includes three part-time employees.
(2) Includes one part-time employee.
(3) Includes two part-time employees.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Barry County's share of the Thirty-ninth Judicial Circuit's expenses is 35.84 percent.