



2004 ANNUAL REPORT
OFFICE OF THE MISSOURI STATE AUDITOR
www.auditor.mo.gov

CLAIRE McCASKILL
STATE AUDITOR

ANNUAL REPORT

-----A MESSAGE FROM
THE STATE AUDITOR

The Citizens of Missouri
The Honorable Matt Blunt
The Missouri General Assembly



Dear Citizens of Missouri,

It is with pleasure that I present the Missouri State Auditor's Annual Report. This document is required by the Missouri Constitution in order to categorize all of the audit reports issued by our office for calendar year 2004.

During 2004 the State Auditor's Office conducted audits on a variety of health issues affecting Missourians, including the Senior Rx Program.

Our follow-up on the audit of the child abuse hotline showed too many Missouri children are still at risk. We found caseworkers that did not adequately follow-up on family centered service cases. In such cases, a caseworker is supposed to closely monitor the child and family through several face-to-face contacts. These contacts are designed to prevent further abuse. Our review notes a fatality case, in which a caseworker responsible for monitoring a 5 year old child with a degenerative medical condition did not follow-up. The case worker only checked on the child's medical treatment with the mother, and did not confirm treatment with the physician. The child eventually died from lack of medical attention.

As part of our commitment to assisting educators, students and families throughout the state we conducted several audits of both elementary and secondary education issues, as well as higher education issues in 2004.

We continue to provide taxpayers with important tax credit information, even though documentation is lacking or unavailable. In addition, our auditing of surplus agency/department computers sold by state agencies to the public found they contained sensitive data.

It remains our mission to provide audit reports that can be helpful to others in state government, and provide real measures of accountability for Missouri taxpayers and all who call Missouri home.

Very truly yours,

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

Claire McCaskill

OVERVIEW OF THE MISSOURI STATE AUDITOR'S OFFICE

DUTIES OF THE STATE AUDITOR

In the Missouri Constitution, under Article IV, Section 13, the Missouri State Auditor is responsible for auditing all state agencies, boards and commissions; the state court system; counties that do not have a county auditor; and other political subdivisions, such as cities or school districts upon petition by the voters of those subdivisions.

All audits are conducted in an impartial, nonpartisan manner, in accordance with government auditing standards issued by the United States General Accounting Office. State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence free from preconceived notions and the influence of personal opinions.

AUDITS PERFORMED IN THE OFFICE

There are primarily five types of audits that are performed in the State Auditor's Office. They include the following:

- 1) State Government Audits: consist of state agencies and departments, boards and commissions, statewide elected officials, the legislature, the judiciary, the state's financial statements, or federal awards expended by the state.
- 2) Petition Audits: the State Auditor may be called on to audit any political subdivision of the state, such as cities, school districts, water districts etc., if enough qualified voters of that political subdivision request an audit. The political subdivision pays the actual cost of the audit.
- 3) Performance Audits: independent examinations for the purpose of reporting on the extent to which agencies and departments of state government are faithfully carrying out the programs for which they are responsible and determining whether the programs are achieving their desired result.
- 4) County Audits: the State Auditor is required to conduct audits once every four years in counties that do not have a county auditor.
- 5) Special County Audits: the State Auditor conducts a special audit after a vacancy occurs in a county official's office, before the Governor appoints a replacement county official.

For a complete listing of year 2004 audits delivered, please see Appendix A / page 37.

BOND REGISTRATION

The State Auditor's Office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds were issued. For a complete listing of bonds registered in 2004 with the State Auditor's Office, please see Appendix B/ page 41.

REVIEW OF PROPERTY TAX RATES

State law requires the Missouri State Auditor to annually check all taxing jurisdictions throughout Missouri as to their compliance with the tax limitation provisions of Missouri's Hancock Amendment. Our tax report shows whether or not a taxing jurisdiction has met its constitutional and statutory obligation to set an overall tax rate at a level approved by voters and within the bounds of limits set by Missouri's Constitution and the State Legislature. Through the efforts of the State Auditor's Office, local governments levying taxes in excess of what is allowable by law have been reduced from 67 in 1999 to 4 in 2004.

IMPORTANT: The State Auditor's Office has no authority to determine or review individual tax assessments. Chapter 138, RSMo governs the appeals process for assessed valuations as they pertain to individual taxpayers.

All individual tax assessment matters are the responsibility of each county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.



YEAR 2004 AUDIT HIGHLIGHTS

SENIOR RX PROGRAM



During 2004 the State Auditor's Office conducted an audit of the Senior Rx Program. The cost of prescription drugs, especially for senior citizens on fixed incomes, has been an ongoing concern for the last several years. The Missouri Senior Rx program was established in a September 2001 special legislative session to help seniors with these costs. Enrollment was less than half what was anticipated for fiscal year 2003 and declined in fiscal year 2004. Lower enrollment for fiscal years 2003 and 2004 may have resulted from benefit details not being announced until after the initial fiscal year 2003 enrollment period and limited marketing opportunities between the fiscal years 2003 and 2004 open enrollment periods.

The Senior Rx program and seniors could have saved over 12 percent of total prescription expenditures (\$2.9 million of \$23.6 million) in fiscal year 2003 by using pharmacy reimbursement options similar to the state's Medicaid program. Legislative action is needed to implement this change.

Most brand-name pharmaceutical manufacturers and other organizations operate discount programs to help low income individuals. Auditors determined some seniors and the state could have saved approximately \$60,000 and \$28,000, respectively, if they had enrolled in private pharmaceutical companies discount programs instead. While state law allows the Senior Rx Commission to establish a clearinghouse to assist Missouri residents in accessing prescription drug programs to help evaluate the most cost-effective option, it was not funded by the legislature for fiscal years 2003 or 2004.

(Report No. 2004-15)

CHILDREN'S ISSUES

The Missouri State Auditor's Office took a follow-up look at the child abuse hotline and checked into the management and oversight of the Parents' Fair Share Program.

Of the seven recommendations most related to children's safety made in



our previous Child Abuse Hotline audit, the Department of Social Services (DSS) has implemented three, partially implemented three and not implemented one. The audit concluded that while some improvements have been made

since the previous report in December 2000, further improvements are needed.

In fiscal year 2003, the hotline unit handled 108,685 hotline calls and determined 79 percent needed investigation or follow-up by local offices. Auditors focused on the case handling of children who had at least seven hotline calls made on their behalf over a two and a half-year period in Jackson and Greene counties and St. Louis. These 45 children and the 371 separate hotline calls included some children who died of abuse/neglect, despite more than two previous hotline calls.

Overall, auditors found 39 percent of the abuse/neglect reports were overdue by 3 months (similar to 36 percent in the first audit), and 45 percent of the reports reviewed were not completed in 30 days as required. Auditors found at least two cases in which slow report completion led to the child and family not receiving services for several months.

Auditors found caseworkers did not always follow policy in how quickly to contact a child who was the subject of a hotline call. Face-to-face visits are supposed to occur within 24 hours of a call considered an "investigation" and within 72 hours of a call deemed a "family assessment". Auditors found that in 16 percent of the cases tested, caseworkers did not see the child within the required time frame. Auditors also found in 19 percent of the investigations reviewed, caseworkers did not interview the children apart from the alleged perpetrator or other influential parties.

Auditors found caseworkers did not adequately follow-up on family centered service cases, in such cases, a caseworker is supposed to closely monitor the child and family through several face-to-face and collateral contacts to help prevent further abuse and keep the family together. Auditors found caseworkers did not make the appropriate number of contacts in 19 of 41 cases reviewed. In a fatality case, a caseworker responsible for monitoring a 5-year-old child with a degenerative medical condition only checked on the child's medical treatment with the mother, and did not confirm treatment with a physician. The child eventually died from lack of medical attention.

Division officials began implementing screening tools in the local offices in September 2002 to determine risk levels and whether to open a case for services. However, further guidance and training is needed.

(Report No. 2004-27)



The Parents' Fair Share Program's goal is to help non-custodial parents (NCPs) obtain jobs and become involved in their children's lives, including paying child support. In order to meet eligibility requirements, the NCP must have a current child support obligation and be unemployed or under-employed. To successfully complete the program, a

participant must hold a job and make a full child support payment plus an amount towards a past due balance for three consecutive months.

In April 2003, the Department of Social Services (DSS) had caseworkers stop referring NCPs to the program during the transfer of program management from DSS to the Department of Economic Development – Division of Workforce Development (division). DSS restarted the referral process in July 2003; however, program referrals have not rebounded to the levels prior to the transfer for several reasons. DSS staff said high caseloads prevented caseworkers from having time to identify and refer NCPs to the program. Additionally, the DSS program coordinator said caseworkers may not refer NCPs to the program because many of the NCPs referred chose not to participate once they understood the program's requirements and that the child support order is not eliminated. Also, child support caseworkers are no longer required to refer NCPs to the program before referring them to the Attorney General's office or prosecuting attorneys for prosecution.

Due to software problems, the division has not complied with key provisions of the division's cooperative agreement with DSS for management of the program. This includes not preparing any of the required reports. Division program officials expect the software revisions, to correct these problems, will be operational by Spring 2005.

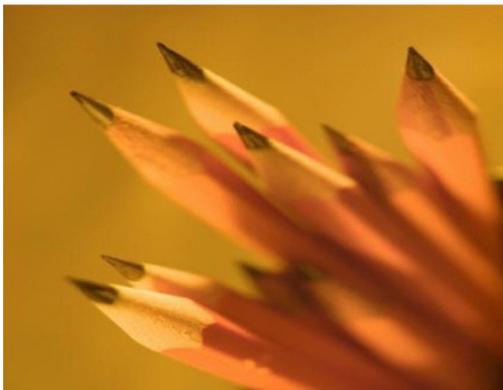
Transportation related expenses and work-related expenses nearly tripled from \$59,000 in fiscal year 2003 to \$169,000 in fiscal year 2004. Division program supervisors performed limited or no review of

transportation related expenses and work-related expenses during fiscal year 2004 because division procedures did not require it. After discussing identified expenditure weaknesses with division officials, they said review procedures would be established.

(Report No. 2004-90)

EDUCATION ISSUES

The State Auditor conducted audits of both elementary and secondary education issues and Higher education issues in 2004. Audits included *Department of Elementary and Secondary Education's Charter School Oversight, a two-part audit of the St. Louis Public School District's financial viability, Missouri Western State College, and Oversight of University Procurement Card Programs.*



Since 1998, the legislature has allowed charter schools to be established in the St. Louis and the Kansas City public schools districts. Primary responsibility for oversight of charter schools rests with sponsors that grant charter schools the right to operate.

The Department of Elementary and Secondary Education (DESE) provided approximately \$73 million in state and federal funds for distribution to 25 charter schools in fiscal year 2003.

DESE did not take a pro-active role in ensuring charter schools are fully accountable and in compliance with state statutes. DESE officials believe their role has been limited by charter school laws; however, the department has placed other requirements on charter schools in addition to those established by state regulation, and penalized schools for not meeting certain requirements.

The lack of oversight by sponsors and involvement by DESE has contributed to problems regarding teacher certification, submission of annual financial audit reports, school charters, and funds deposited in banks. Auditors found half of the schools in operation in September 2003 did not meet the 80 percent teacher certification requirement. This certification percentage is lower than the 95 percent teacher certification requirement for public schools.

(Report No. 2004-59)



The first of two reports related to the St. Louis Public School District's financial viability reviewed the factors causing the district's current financial hardship.

Before the prior Superintendent left the district, he and his staff projected the district would suffer a budget deficit of \$55 million as of June 30, 2004. The School Board hired a management team to review the budget situation and run the district. In July 2003, the management team conducted their own analysis and figured a \$73 million

deficit as of June 30, 2004. The management team prepared this projection using similar methods as the prior Superintendent, but were able to use updated information from the Department of Elementary and Secondary Education and end of the fiscal year figures. Auditors found the \$473 million projection more accurate of the district's actual financial status.

The district has experienced cash flow deficiencies since early fiscal year 2003, but no cash flow projections had been performed. The prior administration covered cash flow shortfalls with restricted funds. The management team projected a cash flow shortfall of \$99 million in December 2003. After reducing some expenditures and receiving local property taxes earlier, the actual cash flow shortfall in December came to \$37.6 million, which the district covered using desegregation funds.

Significant decreases in state funding, inadequate budgetary procedures and limited reductions in expenditures all led to the district's current financial difficulties. The substantial decrease in state funding was the most significant factor in the district's financial decline. The district has operated with expenditures exceeding revenues since fiscal year 2002. In addition, budgetary procedures were insufficient to monitor the budget. The budget approved in August 2003 included a projected deficit of \$14 million at June 30, 2004, which violated state laws prohibiting unbalanced budgets.

(Report No. 2004-09)

The second of two reports related to the St. Louis Public School District's financial viability focused on the internal controls over management and financial functions, the factors that may have led to the declining financial condition, and the impact on the district of various cost reduction strategies.



In both fiscal years 2002 and 2003, the district's expenditures exceeded revenues, leaving the district with a \$12.3 million deficit at the end of fiscal year 2003. From 2003 to 2004, district officials reduced expenditures by \$41.4 million; however, expenditures are still projected to exceed revenues, leaving the district with a \$38.6 million deficit at June 30, 2004. If additional cuts are not made, the district is projecting a \$54.6 million deficit for fiscal year 2004. The state will not sanction the district as long as the district is improving its financial condition.

The district expended 30 percent more per student on non-instructional costs – such as transportation, food services, and warehouse operations – than the average of nine peer districts of comparable size. Also, the salaries of top administrators do not appear reasonable. In addition, should the district pay its new superintendent the average salary based on a compensation study they used, that salary will rank in the top four in the nation.

Total district enrollment has steadily declined over the past 15 years by 12 percent. The current Board closed 16 schools. The resulting school closures saved an estimated \$14.5 million, while classroom sizes remained

within state standards. Even after the consolidation, 6 of the 26 schools that received students from a closed school had occupancy levels below 70 percent. Additionally, district officials were not using bus routing software owned by the St. Louis School District since 2002. By using the software, which increased efficiency and reduced the number of buses needed, there is an anticipated \$5.6 million in cost savings in fiscal year 2004.

In the fall of 2003, the district contracted for warehouse services and expects to pay approximately \$400,000 less than previously paid. The inadequate, manual-tracking systems in the former warehouse system resulted in significant overstocking, including \$5.4 million in unused textbooks, expired janitorial supplies, and large quantities of chemicals.

(Report No. 2004-47)

Missouri Western State College (MWSC) completed 15 construction projects costing approximately \$14.6 million during the two years ended June 30, 2002. The cost of several of the construction contracts was significantly increased through change orders. Our office reviewed nine construction expenditures made from August 2000 to February 2002, totaling approximately \$596,000, for various construction projects and noted that none of the expenditures were properly reviewed and approved. Additionally, college officials could not locate contracts and/or RFPs signed by both the college and contractor for 12 construction projects, with original bids totaling approximately \$12.9 million. Also, 60 change orders, totaling approximately \$260,000, on 6 projects were not in the project files.

MWSC participates in the A+ Schools Program (A+ Program). State law provides for the "reimbursement of the costs of tuition, books, and fees to any public community college or vocational or technical school" for eligible students. The college entered into an agreement with the local vocational technical school (Hillyard) whereby students would be enrolled at Hillyard and could attend classes at MWSC; however, it appears the A+ students are students at MWSC. Hillyard requests the A+ reimbursements because the Department of Elementary and Secondary Education (DESE) has identified Hillyard as an eligible institution for the A+ Program. Since fall 2000 through spring 2003, DESE has paid Hillyard approximately \$1,567,000. In turn, Hillyard has paid MWSC approximately \$1,425,000 for the A+ student's tuition, books, and fees assessed by the college and has retained approximately \$142,000 as their fee. The legislature should evaluate participation in the A+ program statewide to be certain its implementation is following the intent of the legislation.

(Report No. 2004-24)

Government and private organizations have implemented procurement



card programs to reduce administrative costs and provide a more convenient and efficient procurement method than a purchase order system. However, Central Missouri State University (CMSU) staff used procurement

cards to purchase fast food, gasoline, computer equipment, leases/rentals,

and personal purchases totaling approximately \$43,000 between January 1, 2003 and March 31, 2004. The CMSU procurement cardholder agreement and manual specifically list these items as unauthorized purchases.

Our office found 59 of 252 sample purchases, totaling \$46,066, had been approved by budget directors without itemized receipts as required in the university's procurement cardholder manual. Further review disclosed 26 of the 59 purchases, totaling \$17,000 had not been recorded in a "transaction log" which should be used to record cardholder purchases, as required in the university's procurement cardholder manual. In addition, budget directors were approving their own purchases, totaling approximately \$28,000, during our review period, because CMSU had not delegated anyone above the budget directors to review and approve their purchases.

(Report No. 2004-87)

STATE EXPENDITURES



During the years ended June 30, 2003 and 2002, the Office of Highway Safety (OHS) spent more than \$200,000 for various promotional and incentive items. Numerous items, with a total cost of \$158,165, were purchased to be given out to the general public at

training/safety events and the state fair, including stress balls, paperboard fans, reflective arm bands, key chains, zipper pulls, and bicycle seat reflectors.

Each year the OHS assists in sponsoring the Law Enforcement Traffic Safety Advisory Council (LETSAC) Conference. The OHS paid \$8,854 for incentive items, including plaques, ribbons, coasters, and briefcases, to be given to conference participants. Because the conference participants are already knowledgeable of highway safety and OHS, the purchase and distribution of such items does not appear necessary. Items purchased for other training sessions and conferences, totaling approximately \$15,993, were also considered unnecessary because recipients included state and federal highway safety personnel, law enforcement agents, and state employees. Additionally, expenditures related to the 2003, 2002, and 2001 LETSAC conferences, totaling \$57,018, were paid without a review of actual invoices.

(Report No. 2004-54)



State agencies have the opportunity to reduce costs or redirect funds by discontinuing purchases and distribution of promotional items and gifts. The audit sample determined 12 agencies unnecessarily spent up to \$1.2 million for promotional items and gifts during the 2 years ended June 30, 2003. One agency spent \$11,546 for portfolios with calculators, mugs, lanyards, post-it note pads, and mouse pads to be used for recruitment. Other agencies

made similar purchases. Officials said it was necessary to have an item to "draw" or "attract" individuals to their booths at fairs and trade shows. Some of the items purchased included pencils, pens, bandage dispensers, stress balls and key chains. State agencies purchased and distributed promotional items to state legislators, state employees, and private organizations or functions. These distributions are not necessary to conduct state business or promote the agency or its programs.

(Report No. 2004-55)

MISSOURI TAX CREDITS



Although the \$2 million in Missouri Special Needs Adoption Tax Credits may have originally been intended to help residents adopt Missouri children, auditors found more than 90 percent of the credits issued involved adoptions of international children. Nothing in the current law restricts the credit's use to Missouri Children. Division of Family Services (DFS) officials said all the adoptable children in state custody are considered special needs children, which totaled 2,187 children at the end of 2002. If the Missouri program was restricted to Missouri-born or resident special needs children, approximately \$1.8 million in tax credits

would be available for such adoptions. A similar federal tax credit is restricted to U.S. citizens or residents.

The tax credit, which is capped at \$2 million, is so popular all credits are claimed within the first few weeks of availability. Any Missouri resident who adopts a special needs child can receive a tax credit of up to \$10,000 for nonrecurring adoption expenses for each adoption. Inadequate tax credit records keeping by the DFS made it impossible for auditors to determine how many families willing to adopt a resident Missouri special needs child could not use the tax credit because the cap had been reached. Legislation changes in 2004 led to the tax credit cap rising to \$4 million, with a minimum of half of the tax credits to go for in-state special needs adoptions and the remainder for other applicable adoptions.

(Report No. 2004-13)

The Missouri Certified Capital Company Tax Credit and the New Enterprise Tax Creation Act (NECA) Tax Credit Programs are not an effective use of state tax credits. The CAPCO program was established in 1996 and authorized tax credits to insurance companies that made investments into venture capital firms (CAPCOs). The insurance companies received \$1 in tax credits for each \$1 loaned to a CAPCO. The CAPCO program will use \$140 million in tax credits while only generating \$23.6 million in projected revenues and creating an average projected 293

jobs for 15 years. This results in a net reduction in state revenue of \$116.4 million over the life of the program.

The CAPCOs have collected or accrued about \$21.3 million in management fees since 1997 and fees will total \$35 million by 2008. If the CAPCOs reach the mandated 100 percent investment threshold by 2008, each dollar of management fees will have yielded four dollars of qualified investments. The NECA program will use \$16.8 million in tax credits while generating \$7.3 million in projected state revenues. It is projected the program will cost the state \$9.5 million and will create an average of 129 jobs over 15 years.

(Report No. 2004-56)

STATE BOARDS AND COMMISSIONS

In response to the extensive problems in St. Louis during the November 2000 election, our office evaluated policies and management practices of the St. Louis Board of Election Commissioners (BEC) in conducting elections and voter registration. In responding to the audit, the BEC agreed with all recommendations and has already implemented or begun to implement them.



The BEC began issuing cell phones to election judges in 1999 and racked up nearly \$180,000 in charges over three fiscal years. But when the BEC did not track the phones, more than 100 ended up lost or stolen and the board incurred thousands of additional charges. A police investigation found the BEC's poor record-keeping made it impossible to tell who had the phones. In addition, auditors found the cell phone vendor overcharged the BEC by \$45,800 in trying to settle a \$317,000 outstanding bill.

The BEC registers St. Louis voters and maintains the voter registration data. There were 249,346 voters as of April 2003 (194,060 were active voters and 55,286 were inactive voters). Auditors found more than 24,000 questionable voters including: deceased persons, convicted felons, Illinois residents, voters who listed a city vacant lot as their addresses, and voters registered in other Missouri counties. Additionally, auditors found the board should consider redrawing the precinct boundaries to reduce the number of precincts and decrease city-wide election costs. Consolidating precincts could significantly reduce the number of voting machines and total cost of a new voting system when the BEC replaces the punch card system now in use.

(Report No. 2004-40)



The Kansas City Board of Police Commissioners (KCBPC) assigns take-home vehicles to 377 personnel. At least 151 of these 377 personnel were sergeants or higher ranking officers. We noted that 248 of the 377 personnel assigned take-home vehicles fell under the standby/on-call criteria. Based on information provided by personnel assigned a take-home vehicle, we estimated that 168 employees with take-home standby/on-call vehicles were called back less than 3 times each month. The annual cost of the commuting mileage for the 168 take-home standby/on-call vehicles was about \$329,000. We estimated the cost of reimbursing the 168 employees for the use of their personal vehicles in lieu of providing a take-home vehicle in these limited use situations would have been about \$34,000 annually, resulting in an annual savings of about \$295,000.

We also found the KCBPC could further reduce cellular telephone expenses by ensuring established review procedures are fully performed each month, and by changing some phones to more economical plans. We obtained the cellular bills for 475 phones that were not assigned to undercover operations. During the three years ended April 30, 2004, the department spent about \$866,000 for cellular services for these 475 phones.

A follow-up on prior audit findings from audit report number 99-115, released December 1999, found the KCBPC has not implemented our recommendation to reevaluate the department policy of compensating

retiring employees for any unused sick leave. We found the department paid out approximately \$3.75 million for the three years ended April 30, 2004, under the sick leave buyout program.

(Report No. 2004-86)

COMPUTER SECURITY



Each year the state disposes of hundreds of computers through surplus property sales to political subdivisions and certain not-for-profit organizations and auctions open to the public. Test results showed our office could read or use data recovery software to read data on 37 of the 56 computers tested, which indicated there had been no attempt to remove data or attempts were ineffective. For 13 of the 37 computers, the agency formatted the drive or removed the partition, attempting to remove data. Twenty-three of the 37 computers which had not been sanitized had sensitive data, including: social security numbers, bank account information, computer network access information and medical data. All 37 computers still had licensed software.

(Report No. 2004-70)

FOLLOW-UP ON DEPARTMENT OF AGRICULTURE, COMMERCIAL DOG BREEDER INSPECTIONS



Auditors found the majority of findings noted in the February 2001 audit of the animal care inspection program were still occurring, four years later. Of ten recommendations in the first report, #2001-09, only one finding was fully implemented, while the nine remaining were partially implemented.

Auditors found inspectors did not always cite violations which auditors observed. For example, during a pre-license inspection, we observed cages with inadequate flooring, unsealed concrete runs with accumulated fecal materials, multiple shelters in poor condition and improper food storage. The inspector indicated they had not seen these violations, but agreed observed situations should have been cited. The same inspector did not check for expired medication, verify the canine count to the facility records; or verify the canines' identification tag information to facility records. The inspector called criticism of these areas "nitpicking". Additionally, state regulations require division inspectors to inspect all licensed facilities once a year, however, inspectors averaged 27 percent of required facilities for 2004, as of September 1, 2004. Rescue facilities have been exempted from required yearly inspections due to the overwhelming number within the state.

The number of licensed facilities has increased by 29 percent since 2000. However, only one of nine inspectors worked full-time on the animal care facilities inspection program. Other duties include state fair responsibilities, testing milk samples, cattle herd testing, and other animal health issues. Additionally, division priorities require inspectors to spend a significant amount of time handling citizen complaints, identifying unlicensed breeders, and performing administrative duties in addition to inspecting facilities. Inspectors spend an average of 17 percent of their time handling complaints and approximately 40 percent of all complaints documented since January 2002, have been related to unlicensed activity.

(Report No. 2004-91)

MISAPPROPRIATIONS



Receipts totaling \$39,701 were collected by the City of Nevada from January 2002 to April 2004 but were not deposited.

The city does not track payments for various types of tax revenues to ensure all payments are properly received and recorded in the city's accounting records. As a result, cigarette and franchise taxes totaling \$24,445 received by check were deposited into the city's bank account but were not recorded in the city's accounting records. These

checks were substituted into the city's deposits and recorded cash receipts were not deposited, and apparently misappropriated. Additionally, adequate controls have not been established over receipts collected by the city's pool and golf course resulting in \$15,256 received by these facilities apparently being misappropriated. A lack of internal control and little or no independent review allowed these misappropriations to occur and not be detected.

(Report No. 2004-67)

Receipts of cash totaling at least \$32,771 were collected by the city of Kimberling City and the Municipal Division from May 2003 to October 2004 but were not deposited. Checks received for payment of sewer bills, sewer deposits, and other city fees were substituted into deposits of the municipal division and other city bank accounts, and recorded cash receipts were not deposited, and apparently misappropriated. Additionally, some cash received for the payment of sewer bills, sewer deposits, and other city fees was not deposited in to the city city's bank accounts, and apparently misappropriated.

In most instances credit adjustments rather than payments were posted to the city's sewer accounts receivable records to conceal the shortage. Between May 2003 and October 2004, monthly credit adjustments totaled approximately \$40,913. On October 20, 2004, the city placed the city's accounting clerk on administrative leave with pay and then terminated the employee on November 1, 2004.

(Report No. 2004-98)



The Pulaski County Public Administrator contacted the State Auditor's Office and the Missouri State Highway Patrol in November 2003 concerning possible misappropriations discovered in her wards' checking accounts. Weaknesses in the internal control system and records keeping system of the Public Administrator's office allowed misappropriations of at least \$40,808 to occur during the period January 1, 2002 through November 7, 2003. In addition, the Public Administrator identified additional misappropriations of at least \$1,814 made during 2000 and 2001. Information regarding these misappropriations has been shared with law enforcement authorities.

The former accounting clerk also made unauthorized transfers among various accounts of at least \$98,277, in part to attempt to conceal the various misappropriations and shortages. The accounting records indicate another \$13,675 was received but never deposited into various accounts, which may represent additional misappropriations. The Public Administrator's former accounting clerk has been charged with 28 counts of felony stealing.

(Report No. 2004-52)

The audit of McDonald County included the Sheriff's Department. We found cash receipts totaling \$16,375 collected by the McDonald County Sheriff's office from January 2003 through March 2004, were not deposited and are missing. Unrecorded checks totaling \$12,148 of accountable fees were deposited into the Sheriff's bond bank account. These unrecorded checks were apparently substituted for the missing cash bond receipts. In an effort to further conceal the shortage, \$1,000 was transferred to the bond account from the civil fee bank account and \$1,600 of cash from the Sheriff's calendar sales proceeds and another \$500 unrecorded bond was deposited into the bond account.

In March 2003, our office performed a limited review of the Sheriff's management practices and provided recommendations of how accounting controls and procedures could be improved; however the Sheriff failed to implement most of those recommendations. These shortages may have been prevented or detected if our recommendations had been implemented. These missing funds were not detected on a timely basis due to various internal control weaknesses including little or no review by someone independent of the Sheriff, lax cash receipting procedures, and the lack of appropriate reconciliations. The Sheriff indicated he is cooperating with the Missouri State Highway Patrol investigation.

(Report No. 2004-83)

PETITION AUDITS

The Missouri State Auditor's Office performs a variety of petition audits on political subdivisions during the year. These political subdivisions include, but are not limited to, cities, school districts and water districts. A few of the petition audits our office conducted in 2004 include the *City of Strafford*, *City of Hermann*, and *City of Mexico*.

Cash receipts totaling \$2,597 that were collected by the City of Strafford Municipal Court from October 1, 2002 through November 24, 2004, were not deposited. Cash and check amounts recorded on the municipal division's receipts slips did not agree to transmittal spreadsheets prepared by the Court Clerk, or to the actual amounts deposited. Additionally, some checks actually deposited were not recorded and were apparently substituted for the missing cash receipts, including two checks dated December 2002. In other instances, some checks deposited were not recorded on the transmittal spreadsheet and were never found recorded. These missing funds were not detected on a timely basis due to various internal control weaknesses including little or no review by someone independent of the Court Clerk, lax cash receipting procedures and no periodic reconciliations of liabilities. The Court Clerk was charged with felonious stealing in January 2005.



Unreconcilable differences have continually existed between the various bank account records and the general ledger accounts. Although the independent auditor's engagement letter estimated audit fees of \$5,000 for the year ended September 30, 2002; the city paid over \$20,000, primarily due to the independent auditor's performance of bank reconciliations for the twelve month period which was being audited. Also, an \$80,528 expenditure for the purchase of a police department building made in November was not posted to the accounting records as of February 11, 2004. The city has also spent approximately \$80,000 to implement a new meter reading system which was supposed to be in place by July 2002 and has yet to be implemented.

(Report No. 2004-53)



Electric, water and sewer, and natural gas user fees for the City of Hermann have not been established at levels consistent with the costs of providing those services. The Board of Aldermen (board) uses utility funds, especially the Electric Fund, to help finance other city operations. It appears the city has established higher than necessary utility rate structures in lieu of increasing general revenues or reducing services provided by the city. These utility services should not generate profits to fund other services provided by the city.

Some expenditures do not appear to be a necessary or prudent use of city funds, including \$9,400 for planning/goals setting meetings for city

officials at various resorts in the state, \$3,100 for a staff meeting for 8 people at a resort in Excelsior Springs, and approximately \$2,000 and \$2,500 in December 2003 and 2002, respectively, for a holiday dinner and gifts for employees and their families. Additionally, the city purchased a motel for \$175,000, without obtaining a formal independent appraisal. Instead the city relied upon its agent to value the property, and then paid the agent 5 percent of the purchase price as his commission.

(Report No. 2004-88)

The employment contract between the City of Mexico and the former city manager was prepared and signed in 1988 when the former city manager began employment and was not periodically updated. Changes in benefits provided to the former city manager were not always recorded in the council minutes or otherwise documented as approved by the council; including increasing the former city manager's annual administration leave, making city contributions to his deferred compensation account, and changing the hourly rate for vacation and sick leave payouts.

The city council provided vacation and sick leave buyback benefits to the former city manager; however, these benefits are not normally provided to other city employees. The city council should review the practice of providing leave buyback benefits to ensure it is a reasonable and prudent use of city funds. In addition, council approval should be clearly documented for the payment of such benefits.

The city council voted to purchase and finish construction on an industrial building without adequately documenting the estimated economic benefit to the city. During 2002, the city paid approximately \$400,000 to acquire and \$625,000 to complete this building. Additionally, the city council voted to enter into an agreement to complete construction on the building prior to acquiring ownership of the property. Although, the council had the intent to purchase the building at the time the construction contract was approved, the purchase should have been concluded first to avoid potential problems.

(Report No. 2003-46)

SPECIAL REVIEWS

Expenditures from the City of Independence General Fund have exceeded revenues in three of the last five years resulting in a decline of the fund balance. The city's goal is to maintain 5 percent of General Fund annual revenues in undesignated fund balance to be used for unanticipated and/or catastrophic events. At June 30, 2003, the undesignated fund balance was approximately \$2.5 million below the city's goal of 5 percent of annual revenues and the city has not developed a plan to restore the balance in accordance with its policy.

The city paid approximately \$6.8 million from the General Fund for its portion of employee medical insurance premiums during the year ended June 30, 2003. The city continues to pay 86 percent of the total premium costs. Additionally, the city has not been meeting the Council-approved funding goals established for the Stay Well plan, and as of June 30, 2003, the plan was under funded by approximately \$1.9 million. Expenditures have exceeded revenues in three of the last five years, resulting in a decline in the plan's fund balance. The city has not enacted the required rate increases to fully fund the plan. If every employee/retiree was enrolled in the HMO option, instead of the Stay Well plan, the city could have potentially saved over \$1 million in premium costs during the year ended June 30, 2003.

The construction of the Santa Fe Trail Tax Increment Financing (TIF) area has been delayed and no additional development is expected within the next year. Currently, TIF expenses (bond payments) are significantly higher than the revenues generated. If additional development is not started soon, the city will need to use general funds to make the majority of the remaining debt service payments, which increase significantly during the latter years of the project and average \$921,000 per year through 2023.

(Report No. 2004-69)

MISSOURI STATE AUDITOR'S OFFICE

WEBSITE
www.auditor.mo.gov

All audit reports issued in 2000, 2001, 2002, 2003, and 2004, are listed on the site and each audit report is categorized in order to locate it quickly and easily. These reports are posted for individuals to view and print. There are "Yellow Sheet" summaries available for each audit.

In addition, posted on the office's website are bonds registered with the office. The date of registration, whom the bond was issued by, and the amount of the bond are listed on the site. There is also a link to the individual bond registration report that contains additional information, such as the purpose of the bond and election results. The website lists all the bond registrations for 1999, 2000, 2001, 2002, 2003, and 2004.

Furthermore, anyone can request an audit report(s) by contacting the State Auditor's Office through e-mail at moaudit@auditor.mo.gov or writing to the office under the "Your Input" section on our website. Individuals may also contact the office by mail or by telephone.

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Jefferson City, Missouri 65101
(573) 751-4213
Fax: (573) 751-7984

Truman State Office Building
301 W. High Street, Suite 880
P.O. Box 869
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In Kansas City:

Fletcher Daniels State Office Building
615 East 13th Street, Suite 511
Kansas City, Missouri 64106
(816) 889-3590
Fax: (816) 889-6200

In St. Louis:

Wainwright State Office Bldg.
111 North 7th Street, Suite 401
St. Louis, Missouri 63101
(314) 340-7575
Fax Number: (314) 340-7605

In Springfield:

Landers State Office Building
149 Park Central Square
Springfield, Missouri 65806
(417) 895-6515
Fax: (417) 895-6521

APPENDIX A

Office of the Missouri State Auditor Audit Reports Delivered from January 1, 2004 through December 31, 2004

<u>AUDIT</u>	<u>DATE ISSUED</u>	<u>AUDIT NUMBER</u>
Review Of 2004 Property Tax Rates	12-30-2004	2004-102
Gentry County, Missouri Years Ended December 31, 2003 And 2002	12-30-2004	2004-101
Department Of Mental Health Kansas City Regional Center	12-30-2004	2004-100
Bates County, Missouri Years Ended December 31, 2003 And 2002	12-30-2004	2004-99
Thirty-Ninth Judicial Circuit City Of Kimberling City, Missouri Municipal Division	12-29-2004	2004-98
Pike County, Missouri Years Ended December 31, 2003 And 2002	12-22-2004	2004-97
Department Of Corrections Algoa Correctional Center	12-22-2004	2004-96
Department Of Agriculture State Milk Board Two Years Ended June 30, 2004	12-21-2004	2004-95
Public Defender Commission	12-17-2004	2004-94
Vernon County, Missouri Years Ended December 31, 2003 And 2002	12-17-2004	2004-93
Comprehensive Annual Financial Report	12-16-2004	2004-92
Follow-Up Review Of Animal Care Facilities Inspection Program	12-16-2004	2004-91
Parents' Fair Share Program	12-08-2004	2004-90
Missouri 3rd Class Counties	12-02-2004	2004-89
City Of Hermann, Missouri Year Ended June 30, 2003	11-22-2004	2004-88
Oversight Of University Procurement Card Programs	11-19-2004	2004-87
Kansas City Board Of Police Commissioners	11-18-2004	2004-86
Office Of Attorney General Missouri Office Of Prosecution Services Five Years Ended June 30, 2004	11-12-2004	2004-85
Crime Victims' Compensation Program Two Years Ended June 30, 2004	11-10-2004	2004-84
Mcdonald County, Missouri Years Ended December 31, 2003 And 2002	09-30-2004	2004-83
Polk County, Missouri Years Ended December 31, 2003 And 2002	09-30-2004	2004-82
Containing Costs In The State's Medicaid Program For Claims Paid For Veterans	09-29-2004	2004-81
Bollinger County, Missouri Years Ended December 31, 2003 And 2002	09-29-2004	2004-80
Livingston County, Missouri Years Ended December 31, 2003 And 2002	09-29-2004	2004-79
City Of Nelson, Missouri Year Ended June 30, 2003	09-29-2004	2004-78
Chariton County, Missouri Years Ended December 31, 2003 And 2002	09-28-2004	2004-77

Wright County, Missouri Years Ended December 31, 2003 And 2002	09-28-2004	2004-76
Wayne County, Missouri Years Ended December 31, 2003 And 2002	09-27-2004	2004-75
Carter County, Missouri Years Ended December 31, 2003 And 2002	09-24-2004	2004-74
Audit Of Out-Of-State Purchases	09-22-2004	2004-73
Knox County, Missouri Years Ended December 31, 2003 And 2002	09-21-2004	2004-72
Benton County, Missouri Years Ended December 31, 2003 And 2002	09-20-2004	2004-71
State Agency Removal Of Data From Surplus Computers	09-15-2004	2004-70
City Of Independence, Missouri Year Ended June 30, 2003	09-15-2004	2004-69
Linn County, Missouri Years Ended December 31, 2003 And 2002	09-13-2004	2004-68
Oregon County, Missouri Years Ended December 31, 2003 And 2002	09-09-2004	2004-67
City Of Nevada, Missouri Management Of Cash Receipts	09-02-2004	2004-66
State Lottery Commission Two Years Ended June 30, 2003	08-31-2004	2004-65
Cedar County, Missouri Years Ended December 31, 2003 And 2002	08-31-2004	2004-64
Macon County, Missouri Years Ended December 31, 2003 And 2002	08-30-2004	2004-63
Montgomery County, Missouri Years Ended December 31, 2003 And 2002	08-27-2004	2004-62
Department Of Public Safety Missouri Veterans Commission Cape Girardeau Veterans' Home	08-30-2004	2004-61
Miller County, Missouri County Collector	08-26-2004	2004-60
Department Of Elementary And Secondary Education's Charter School Oversight	08-25-2004	2004-59
Eleventh Judicial Circuit Municipal Divisions	08-24-2004	2004-58
Public School And Non-Teacher School Employee Retirement Systems Of Missouri	08-13-2004	2004-57
Review Of State Tax Credits Administered By The Department Of Economic Development	07-02-2004	2004-56
Cost Of Promotional Items	07-02-2004	2004-55
Missouri Department Of Transportation Office Of Highway Safety Two Years Ended June 30, 2003	07-02-2004	2004-54
City Of Strafford, Missouri Year Ended September 30, 2003	06-29-2004	2004-53
Public Administrator Pulaski County, Missouri	06-25-2004	2004-52
Review Of Missouri Consolidated Health Care Plan Management	06-25-2004	2004-51
City Of Cardwell, Missouri Year Ended December 31, 2002	06-21-2004	2004-50
Office Of Attorney General Four Years Ended June 30, 2003	06-17-2004	2004-49
Department Of Public Safety Missouri Veterans Commission Warrensburg Veterans' Home	06-15-2004	2004-48
Review of the St. Louis Public School District	06-14-2004	2004-47
City Of Mexico, Missouri Year Ended September 30, 2003	06-10-2004	2004-46
General Assembly And Supporting Functions House of Representatives Four Years Ended June 30, 2003	06-03-2004	2004-45
General Assembly And Supporting Functions Senate Four Years Ended June 30, 2003	06-03-2004	2004-44
Marion County, Missouri Two Years Ended December 31, 2002	06-01-2004	2004-43
Department Of Natural Resources Oversight Of State Parks	05-27-2004	2004-42
Blue Mound Special Road District Year Ended December 31, 2003	5-26-2004	2004-41
Board Of Election Commissioners City Of St. Louis, Missouri	05-26-2004	2004-40

<u>Audit Of Out-Of-State Travel Expenditures</u>	05-14-2004	2004-39
<u>Texas County Public Water Supply District #2 Year Ended December 31, 2002</u>	05-11-2004	2004-38
<u>Department Of Public Safety</u>	05-08-2004	2004-37
<u>Review Of Department Of Transportation's Excess And Future Right-Of-Way Property</u>	05-07-2004	2004-36
<u>State Efforts To Acquire Federal Funding</u>	05-06-2004	2004-35
<u>Missouri Investment Trust Year Ended December 31, 2003</u>	05-05-2004	2004-34
<u>Office Of State Treasurer Year Ended June 30, 2003</u>	05-05-2004	2004-33
<u>Seventeenth Judicial Circuit Cass County, Missouri</u>	05-04-2004	2004-32
<u>Review Of Article X Sections 16 Through 24 Constitution Of Missouri Year Ended June 30, 2003</u>	05-04-2004	2004-31
<u>Department Of Corrections Northeast Correctional Center</u>	04-30-2004	2004-30
<u>Department Of Social Services Medicaid Eligibility</u>	04-27-2004	2004-29
<u>Children's Trust Fund Board Two Years Ended June 30, 2003</u>	04-09-2004	2004-28
<u>Follow-Up Of Child Abuse And Neglect Reporting And Response System</u>	04-08-2004	2004-27
<u>Butler County, Missouri Two Years Ended December 31, 2002</u>	04-01-2004	2004-26
<u>Review Of The Impact Of HB1150's Implementation</u>	03-31-2004	2004-25
<u>Missouri Western State College</u>	03-18-2004	2004-24
<u>Warren County, Missouri Two Years Ended December 31, 2002</u>	03-12-2004	2004-23
<u>Village Of Pascola, Missouri Year Ended December 31, 2002</u>	03-12-2004	2004-22
<u>City Of Wright City, Missouri Year Ended December 31, 2002</u>	03-10-2004	2004-21
<u>Eighteenth Judicial Circuit Pettis County, Missouri</u>	03-10-2004	2004-20
<u>Statewide Advantage For Missouri - Human Resources/Payroll (Sam li-Hr) System</u>	03-09-2004	2004-19
<u>Review Of Independent Audits Of Fire Protection Districts In Greene County</u>	03-08-2004	2004-18
<u>Review Of Department Of Natural Resources Clean Water State Revolving Fund</u>	03-08-2004	2004-17
<u>State Of Missouri Single Audit Year Ended June 30, 2003</u>	03-05-2004	2004-16
<u>Missouri Senior Rx Program</u>	03-04-2004	2004-15
<u>Compilation Of 2003 Criminal Activity Forfeiture Act Seizures</u>	02-27-2004	2004-14
<u>Special Needs Adoption Tax Credit</u>	02-16-2004	2004-13
<u>Review Of Vocational Rehabilitation Program</u>	02-10-2004	2004-12
<u>Review Of Independent Audits Of Fire Protection Districts In St. Louis County</u>	02-06-2004	2004-11
<u>City Of Trenton, Missouri Year Ended April 30, 2003</u>	02-02-2004	2004-10
<u>St. Louis Public School District Review Of Financial Condition And Projections</u>	02-02-2004	2004-09
<u>Office Of Lieutenant Governor Three Years Ended June 30, 2003</u>	01-26-2004	2004-08
<u>Office Equipment Acquisition And Maintenance</u>	01-27-2004	2004-07
<u>Ray County, Missouri</u>	01-22-2004	2004-06
<u>Department Of Public Safety Missouri Veterans Commission Mexico Veterans' Home</u>	01-16-2004	2004-05

<u>Department Of Mental Health Metropolitan St. Louis Psychiatric Center</u>	01-16-2004	2004-04
<u>Howard County</u>	01-15-2004	2004-03
<u>Medicaid Personal Care Services Program</u>	01-13-2004	2004-02
<u>Oversight Controls And Management In The State's Managed Care Program</u>	01-13-2004	2004-01

Copies of the year 2004 audits or other audit reports can be obtained by contacting the State Auditor's Office by phone at (573) 751-4213, by e-mail at moaudit@auditor.mo.gov, or by mail at P.O. Box 869, Jefferson City, Missouri 65102.

APPENDIX B

Bonds Registered with the Missouri State Auditor's Office

The Missouri State Auditor's Office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri, with certain exceptions, to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds are issued. Information regarding each bond issue registered with this office since January 1, 2004 to December 31, 2004 are listed below.

Date of Registration	Bonds Issued By	Amount of Issue
Date of Registration	Bonds Issued By	Amount of Issue
12-23-2004	<u>Fort Zumwalt School District</u>	\$16,375,000.00
12-23-2004	<u>Cape Girardeau School District No.63</u>	\$2,270,000.00
12-23-2004	<u>Normandy School District</u>	\$851,000.00
12-22-2004	<u>School District of Maplewood-Richmond Heights</u>	\$1,500,000.00
12-22-2004	<u>Santa Fe R-X School District</u>	\$2,100,000.00
12-22-2004	<u>Chaffee Reorganized School District No.2</u>	\$501,000.00
12-20-2004	<u>City of Raymore</u>	\$4,625,000.00
12-20-2004	<u>Central Cass County Fire Protection District</u>	\$1,030,000.00
12-16-2004	<u>Ferguson Reorganized School District R-2</u>	\$10,000,000.00
12-16-2004	<u>Normandy School District</u>	\$1,500,000.00
12-14-2004	<u>Bernie Reorganized School District No.13</u>	\$500,000.00
12-14-2004	<u>Chaffee Reorganized School District No.2</u>	\$414,000.00
12-13-2004	<u>Lincoln County R-III School District</u>	\$7,050,000.00
12-13-2004	<u>Center School District No.58</u>	\$7,250,000.00
12-13-2004	<u>Reorganized School District R-2</u>	\$2,549,966.60
12-13-2004	<u>Lockwood R-I School District</u>	\$2,175,000.00
12-10-2004	<u>Platte County</u>	\$2,810,000.00
12-10-2004	<u>Pattonburg Reorganized School District No. R-2</u>	\$725,000.00
12-06-2004	<u>Normandy School District</u>	\$8,835,000.00
12-06-2004	<u>Pike County R-III School District</u>	\$1,215,000.00

12-06-2004	<u>Lincoln County R-III School District</u>	\$6,700,000.00
11-30-2004	<u>West Platte R-II School District</u>	\$2,775,000.00
11-30-2004	<u>Camdenton Reorganized School District No. R-3</u>	\$9,330,000.00
11-23-2004	<u>Lone Jack C.6 School District</u>	\$800,000.00
11-23-2004	<u>Kirksville R-III School District</u>	\$4,050,000.00
11-19-2004	<u>Oak Grove R-VI School District</u>	\$1,750,000.00
11-19-2004	<u>Oak Grove R-VI School District</u>	1,525,000.00
11-19-2004	<u>Farmington R.7 School District</u>	\$3,445,000.00
11-16-2004	<u>Warrensburg R-VI School District</u>	\$5,830,000.00
11-16-2004	<u>School District of North Kansas City</u>	\$15,998,305.00
11-03-2004	<u>School District of Clayton</u>	\$12,563,639.90
11-03-2004	<u>Moberly School District No.81</u>	\$3,367,718.40
11-02-2004	<u>Lamar School District No. R.I</u>	\$3,605,000.00
10-28-2004	<u>Webb City R-VII School District</u>	\$4,250,000.00
10-27-2004	<u>Aurora Reorganized School District No. R-VIII</u>	\$7,000,000.00
10-27-2004	<u>St. James R-I School District</u>	\$3,675,000.00
10-27-2004	<u>Normandy School District</u>	\$10,000,000.00
10-25-2004	<u>Warren County R-III School District</u>	\$1,785,000.00
10-22-2004	<u>School District of St. Joseph</u>	\$4,040,000.00
10-22-2004	<u>Fort Osage Fire Protection District</u>	\$2,500,000.00
10-21-2004	<u>City of Holts Summit</u>	\$105,000.00
10-18-2004	<u>School District of Maplewood Richmond Heights</u>	\$7,100,000.00
10-13-2004	<u>Camden County, Missouri</u>	\$1,478,000.00
10-05-2004	<u>Miller County R-III School District</u>	\$350,000.00
09-29-2004	<u>City of Pevely</u>	\$6,235,000.00
09-27-2004	<u>Grandview R-II School District</u>	\$1,500,000.00
09-24-2004	<u>Grandview R-II School District</u>	\$1,850,000.00
09-24-2004	<u>School District of Riverview Gardens</u>	\$9,653,926.45
09-24-2004	<u>Pattonville R-III School District</u>	\$24,780,000.00
09-22-2004	<u>Mid-County Fire Protection District</u>	\$1,000,000.00
09-21-2004	<u>Arcadia Valley R-II School District</u>	\$770,000.00
09-20-2004	<u>City of Greendale</u>	\$400,000.00
09-20-2004	<u>Nodaway Township</u>	\$135,000.00
09-16-2004	<u>City of Saint Charles</u>	\$3,295,000.00

09-15-2004	<u>Parkway C-2 School District</u>	\$12,066,967.70
09-15-2004	<u>West Overland EMS and Fire Protection District</u>	\$800,000.00
09-14-2004	<u>City of Pasadena Hills</u>	\$1,700,000.00
09-13-2004	<u>Independence Township</u>	\$125,000.00
09-13-2004	<u>City of Richmond</u>	\$3,200,000.00
09-07-2004	<u>Osage Beach Fire Protection District</u>	\$1,645,000.00
09-02-2004	<u>City of Blue Springs</u>	\$1,110,000.00
08-31-2004	<u>Monett, Missouri</u>	\$394,230.00
08-31-2004	<u>Jackson Township</u>	\$125,000.00
08-27-2004	<u>Union Township</u>	\$75,000.00
08-26-2004	<u>Central R-III School District</u>	\$1,300,000.00
08-26-2004	<u>West St. Francois County R-IV School District of Leadwood, Missouri</u>	\$1,500,000.00
08-24-2004	<u>City of Independence</u>	\$111,000.00
08-17-2004	<u>Francis Howell School District</u>	\$28,870,000.00
08-10-2004	<u>Jefferson City School District</u>	\$4,325,000.00
08-04-2004	<u>City of Lawson</u>	\$800,000.00
07-20-2004	<u>Center School District No.58</u>	\$7,590,000.00
07-19-2004	<u>Benton County R-II School District</u>	\$625,000.00
07-19-2004	<u>Reorganized School District No.7</u>	\$54,735,000.00
07-13-2004	<u>Monroe Township</u>	\$100,000.00
07-12-2004	<u>Reorganized School District No.2 (Willard)</u>	\$6,000,000.00
07-09-2004	<u>Monarch Fire Protection District1:</u>	\$4,300,000.00
07-06-2004	<u>Greene County Reorganized School District No.3 (Republic)</u>	\$3,100,000.00
07-06-2004	<u>White Cloud Township</u>	\$150,000.00
07-02-2004	<u>City of Black Jack</u>	\$4,500,000.00
06-29-2004	<u>Strafford R-VI School District</u>	\$6,000,000.00
06-29-2004	<u>Winfield R-IV School District</u>	\$2,500,000.00
06-28-2004	<u>Jefferson County, Missouri</u>	\$1,430,000.00
06-28-2004	<u>Reorganized School District No. R-IX</u>	\$720,000.00
06-28-2004	<u>South Metropolitan Fire Protection District</u>	\$6,750,000.00
06-25-2004	<u>Bolivar R-I School District</u>	\$3,900,000.00
06-25-2004	<u>Sullivan School District</u>	\$3,950,000.00
06-24-2004	<u>Northwest R-I School District</u>	\$14,100,000.00

06-23-2004	<u>Reorganized School District No.5</u>	\$1,900,000.00
06-23-2004	<u>Lake Ozark Fire Protection District</u>	\$1,250,000.00
06-22-2004	<u>Clever Reorganized School District No. R-V</u>	\$1,900,000.00
06-18-2004	<u>School District of University City</u>	\$9,600,000.00
06-15-2004	<u>Wentzville R-IV School District</u>	\$25,000,000.00
06-15-2004	<u>Poplar Bluff R-I School District</u>	\$3,470,000.00
06-14-2004	<u>Pierce City R-VI School District</u>	\$985,000.00
06-08-2004	<u>City of Lake Winnebago</u>	\$525,000.00
06-04-2004	<u>Parkway C-2 School District</u>	\$45,000,000.00
06-02-2004	<u>St. Charles Community College</u>	\$23,000,000.00
06-02-2004	<u>New Bloomfield R-III School District</u>	\$1,200,000.00
06-01-2004	<u>School District of Washington</u>	\$9,400,000.00
06-01-2004	<u>Wheaton R-III School District</u>	\$420,000.00
06-01-2004	<u>Smithville R-II School District</u>	\$7,815,000.00
05-28-2004	<u>Grain Valley R.V School District</u>	\$4,750,000.00
05-28-2004	<u>City of St. Charles</u>	\$2,240,000.00
05-28-2004	<u>Cameron R-I School District</u>	\$5,800,000.00
05-28-2004	<u>Excelsior Springs 40 School District</u>	\$3,410,000.00
05-28-2004	<u>Excelsior Springs 40 School District</u>	\$4,590,000.00
05-27-2004	<u>Taneyville Reorganized School District No.2</u>	\$205,000.00
05-26-2004	<u>Hillsboro R-III School District</u>	\$9,750,000.00
05-25-2004	<u>Hartville R-2 School District</u>	\$1,400,000.00
05-25-2004	<u>City of Independence</u>	\$995,000.00
05-25-2004	<u>Gasconade County R-I School District</u>	\$4,500,000.00
05-24-2004	<u>Consolidated School District No.4</u>	\$3,000,000.00
05-17-2004	<u>Liberty Public School District No.53</u>	\$37,800,000.00
05-14-2004	<u>Brookfield R-III School District</u>	\$3,650,000.00
05-12-2004	<u>City of Rolla</u>	\$7,000,000.00
05-10-2004	<u>Green Ridge R-VIII School District</u>	\$300,000.00
05-10-2004	<u>City of Platte City</u>	\$2,000,000.00
05-10-2004	<u>Reorganized School District R-3</u>	\$24,000,000.00
05-10-2004	<u>Centralia R-VI School District</u>	\$2,600,000.00
05-05-2004	<u>Drexel R-IV School District</u>	\$1,300,000.00
05-04-2004	<u>City of Holden</u>	\$265,000.00

04-30-2004	<u>North Mercer County R III School District</u>	\$630,000.00
04-30-2004	<u>Avondale, Missouri</u>	\$190,000.04
04-29-2004	<u>Reorganized School District No.4</u>	\$2,750,000.00
04-29-2004	<u>Bonne Femme Levee District No.1</u>	\$192,000.00
04-23-2004	<u>Reorganized School District No. R.4</u>	\$4,550,000.00
04-23-2004	<u>Mexico School District No.59</u>	\$500,000.00
04-22-2004	<u>Hazelwood School District</u>	\$23,109,863.65
04-21-2004	<u>Warrensburg R-VI School District</u>	\$2,000,000.00
04-13-2004	<u>Reorganized School District No.4</u>	\$13,500,000.00
04-13-2004	<u>Boonville R-I School District</u>	\$6,395,000.00
04-13-2004	<u>Pleasant Hill R-III School District</u>	\$2,800,000.00
04-07-2004	<u>Reorganized School District No. R.7</u>	\$4,035,000.00
04-06-2004	<u>Arcadia Valley R-II School District</u>	\$1,350,000.00
04-01-2004	<u>Trenton R-IX School District</u>	\$5,600,000.00
03-31-2004	<u>Fair Play R-II School District</u>	\$1,090,000.00
03-31-2004	<u>North St. Francois County R-I School District</u>	\$2,200,000.00
03-31-2004	<u>School District of the City of Independence</u>	\$40,825,000.00
03-30-2004	<u>Thornfield Reorganized School District No.1</u>	\$189,999.80
03-30-2004	<u>Marshfield Reorganized School District R-1</u>	\$9,720,000.00
03-29-2004	<u>Pleasant Hill R-III School District</u>	\$3,485,000.00
03-26-2004	<u>Reorganized School District No. R-IV</u>	\$10,000,000.00
03-25-2004	<u>Nixa Reorganized School District No. R-2</u>	\$9,930,000.00
03-22-2004	<u>City of Rolla</u>	\$4,880,000.00
03-19-2004	<u>Branson Reorganized School District No.4</u>	\$6,050,000.00
03-19-2004	<u>School District of the City of St. Charles</u>	\$3,279,986.30
03-16-2004	<u>City of Oregon</u>	\$410,000.00
03-16-2004	<u>Lindbergh R-8 School District</u>	\$8,925,000.00
03-16-2004	<u>School District of Columbia</u>	\$8,800,000.00
03-10-2004	<u>St. Charles County, Missouri</u>	\$272,000.00
03-09-2004	<u>St. Charles County, Missouri</u>	\$514,000.00
03-02-2004	<u>City of Aurora</u>	\$448,000.00
02-27-2004	<u>Hollister, Missouri</u>	\$184,999.92
02-26-2004	<u>Callaway County, Missouri</u>	\$251,000.00
02-25-2004	<u>Lexington R-V School District</u>	\$535,000.00

02-25-2004	<u>Lexington R-V School District</u>	\$5,155,000.00
02-25-2004	<u>Miller County R-III School District</u>	\$425,000.00
02-23-2004	<u>Fort Osage School District R-1</u>	\$5,670,000.00
02-23-2004	<u>Reorganized School District No.5</u>	\$200,000.00
02-23-2004	<u>Harrisonville R-IX School District</u>	\$2,125,000.00
02-23-2004	<u>Platte County, Missouri</u>	\$16,200,000.00
02-20-2004	<u>Osage County R-II School District</u>	\$815,000.00
02-20-2004	<u>New Bloomfield R-III School District</u>	\$520,000.00
02-20-2004	<u>Community R-VI School District</u>	\$785,000.00
02-18-2004	<u>Reorganized School District R-2</u>	\$1,150,000.00
02-13-2004	<u>Park Hill School District</u>	\$27,090,000.00
02-11-2004	<u>City of Lake Ozark</u>	\$58,000.00
02-11-2004	<u>Sunrise R-IX School District</u>	\$440,000.00
02-11-2004	<u>Callaway County, Missouri</u>	\$55,000.00
02-10-2004	<u>City of Jonesburg</u>	\$126,000.00
02-03-2004	<u>Bismarck R-V School District</u>	\$400,000.00
02-03-2004	<u>St. Elizabeth R-IV School District</u>	\$400,000.00
01-29-2004	<u>City of St. Peters</u>	\$9,520,000.00
01-29-2004	<u>City of Sturgeon</u>	\$129,000.00
01-29-2004	<u>Lafayette County C-1 School District</u>	\$1,770,000.00
01-27-2004	<u>Union R-XI School District</u>	\$1,400,000.00
01-27-2004	<u>Union R-XI School District</u>	\$1,000,000.00
01-22-2004	<u>Higbee R.VIII School District</u>	\$550,000.00
01-16-2004	<u>South Nodaway County R-4 School District</u>	\$460,000.00
01-12-2004	<u>Lakeland R-III School District</u>	\$900,000.00
01-08-2004	<u>Fort Zumwalt School District</u>	\$8,850,000.00
01-05-2004	<u>Fulton Public School District No.58</u>	\$2,050,000.00
01-05-2004	<u>Henry County R-I School District</u>	\$2,000,000.00