



LAWRENCE COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

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

Report No. 99-56  
August 19, 1999

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

**IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Lawrence, 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.**

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

- < As similarly recommended in prior audit reports the County Commission should require all county employees to complete time sheets which reflect actual time worked and leave taken. Centralized leave records should be maintained for county employees, a comprehensive employee manual needs to be developed and the county needs to ensure overtime and compensatory time policies comply with federal law.
- < The county did not always solicit bids nor was bid documentation always kept for various purchases. The County Commission and the County Clerk indicated they had procedures in place to ensure the best price obtained, but will work on retaining the necessary documentation.

Also included in the audit are recommendations regarding revenue maximization, county officials' compensation, property tax system and computer controls and general fixed assets. The audit also suggested improvements in controls and procedures of the County Treasurer, Health Center, County Collector, Recorder of Deeds, Sheriff, and Public Administrator.

**Copies of the audit are available upon request.**

YELLOW SHEET

LAWRENCE COUNTY, MISSOURI

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FINANCIAL SECTION



State Auditor's Reports



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

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

To the County Commission  
and  
Officeholders of Lawrence County, Missouri

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

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

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

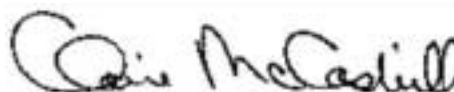
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Lawrence County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated April 5, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Lawrence 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

April 5, 1999 (fieldwork completion date)



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

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

To the County Commission  
and  
Officeholders of Lawrence County, Missouri

We have audited the special-purpose financial statements of various funds of Lawrence County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated April 5, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

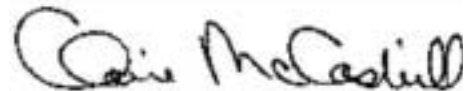
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Lawrence County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance 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 Lawrence County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

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

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

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive style with a large initial "C".

Claire McCaskill  
State Auditor

April 5, 1999 (fieldwork completion date)

## Financial Statements

Exhibit A-1

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 432,023	2,478,119	2,371,988	538,154
Special Road and Bridge	281,954	1,969,844	1,997,897	253,901
Assessment	144,395	199,122	173,873	169,644
Law Enforcement Training	1,286	6,324	7,476	134
Prosecuting Attorney Training	2,380	1,397	0	3,777
Common #1 Road District	40,522	299,934	271,440	69,016
Common #2 Road District	15,376	261,620	248,149	28,847
Prosecuting Attorney Bad Check	17,130	25,820	20,697	22,253
Domestic Violence	0	1,221	1,221	0
Drug and Dare	2,821	1,675	1,754	2,742
Emergency 911	139,249	164,009	164,586	138,672
Sheriff Special Fund	2,391	12,590	9,435	5,546
Developmentally Disabled	82,714	183,664	158,526	107,852
Senior Citizens Service	79,515	125,496	119,204	85,807
Law Library	9,533	5,030	4,312	10,251
Circuit Clerk Interest	6,636	2,241	0	8,877
Recorder User Fee	78,751	20,197	41,491	57,457
Associate Circuit Division Interest	9,476	1,584	0	11,060
Total	\$ 1,346,152	5,759,887	5,592,049	1,513,990

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

Exhibit A-2

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 180,747	2,457,002	2,205,726	432,023
Special Road and Bridge	303,550	1,857,002	1,878,598	281,954
Assessment	129,837	177,102	162,544	144,395
Law Enforcement Training	3,199	3,559	5,472	1,286
Prosecuting Attorney Training	1,227	1,789	636	2,380
Common #1 Road District	55,531	392,268	407,277	40,522
Common #2 Road District	24,261	196,604	205,489	15,376
Prosecuting Attorney Bad Check	6,048	26,969	15,887	17,130
Domestic Violence	0	1,320	1,320	0
Drug and Dare	2,559	2,027	1,765	2,821
Emergency 911	10,690	212,018	83,459	139,249
Sheriff Special Fund	0	2,391	0	2,391
Developmentally Disabled	48,987	161,796	128,069	82,714
Senior Citizens Service	65,301	110,332	96,118	79,515
Law Library	8,737	5,049	4,253	9,533
Circuit Clerk Interest	7,442	2,152	2,958	6,636
Recorder User Fee	62,192	17,160	601	78,751
Law Enforcement Block Grant	0	2,601	2,601	0
Associate Circuit Division Interest	7,940	1,536	0	9,476
Total	\$ 918,248	5,630,677	5,202,773	1,346,152

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



Exhibit B

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 229,500	244,792	15,292	169,500	228,249	58,749
Sales taxes	950,000	954,999	4,999	925,000	938,499	13,499
Intergovernmental	679,689	678,421	-1,268	585,068	701,909	116,841
Charges for services	430,700	474,440	43,740	394,400	447,023	52,623
Interest	46,000	47,489	1,489	35,000	45,673	10,673
Other	37,590	39,728	2,138	52,850	57,149	4,299
Transfers in	38,250	38,250	0	38,485	38,500	15
Total Receipts	2,411,729	2,478,119	#VALUE!	2,200,303	2,457,002	#VALUE!
<b>DISBURSEMENTS</b>						
County Commission	179,600	197,404	-17,804	146,100	129,068	17,032
County Clerk	60,000	59,575	425	58,992	58,062	930
Elections	93,132	92,935	197	59,982	47,948	12,034
Buildings and grounds	81,535	94,753	-13,218	73,188	77,998	-4,810
Employee fringe benefits	197,300	182,468	14,832	176,300	177,154	-854
County Treasurer	26,740	25,655	1,085	26,150	25,435	715
County Collector	61,666	59,839	1,827	59,969	59,323	646
Recorder of Deeds	81,565	76,798	4,767	78,932	73,489	5,443
Circuit Clerk	12,950	12,759	191	15,725	14,168	1,557
Associate Circuit Court	28,363	24,928	3,435	27,035	23,341	3,694
Court administration	42,902	15,852	27,050	35,364	38,875	-3,511
Public Administrator	19,150	19,072	78	16,926	17,220	-294
Sheriff	535,600	533,088	2,512	482,633	510,020	-27,387
Jail	217,000	206,334	10,666	177,367	208,261	-30,894
Prosecuting Attorney	177,919	169,895	8,024	171,765	162,501	9,264
Juvenile Officer	124,157	118,377	5,780	85,640	97,956	-12,316
Child support enforcement	89,755	86,515	3,240	83,491	78,590	4,901
County Coroner	19,790	16,593	3,197	18,460	17,853	607
Health Center	323,794	308,916	14,878	298,641	291,984	6,657
Insurance and bonds	50,000	8,125	41,875	50,000	43,974	6,026
University extension	29,890	29,890	0	27,628	37,628	-10,000
Civil defense	9,500	8,793	707	9,200	8,301	899
TIF distribution	8,432	17,349	-8,917	0	0	0
Other	7,921	6,075	1,846	6,664	6,577	87
Emergency Fund	72,400	0	72,400	66,100	0	66,100
Total Disbursements	2,551,061	2,371,988	179,073	2,252,252	2,205,726	46,526
RECEIPTS OVER (UNDER) DISBURSEMENTS	-139,332	106,131	#VALUE!	-51,949	251,276	#VALUE!
CASH, JANUARY 1	432,023	432,023	0	180,747	180,747	0
CASH, DECEMBER 31	\$ 292,691	538,154	#VALUE!	128,798	432,023	#VALUE!

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

Exhibit C

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 34,776	37,813	3,037	42,500	36,284	-6,216
Sales taxes	950,000	960,182	10,182	925,000	936,433	11,433
Intergovernmental	927,000	935,943	8,943	841,400	873,317	31,917
Interest	10,000	10,550	550	4,500	10,768	6,268
Other	25,000	25,356	356	0	200	200
Total Receipts	<u>1,946,776</u>	<u>1,969,844</u>	<u>23,068</u>	<u>1,813,400</u>	<u>1,857,002</u>	<u>43,602</u>
<b>DISBURSEMENTS</b>						
Distributions to special road districts	1,439,245	1,427,044	12,201	1,402,136	1,381,078	21,058
Interfund loan	30,000	30,000	0	0	0	0
Road sign project	40,000	29,687	10,313	40,000	25,491	14,509
TIF distribution	8,432	17,349	-8,917	0	0	0
Other	70,300	43	70,257	178,132	249	177,883
Transfers out	497,755	493,774	3,981	496,682	471,780	24,902
Total Disbursements	<u>2,085,732</u>	<u>1,997,897</u>	<u>87,835</u>	<u>2,116,950</u>	<u>1,878,598</u>	<u>238,352</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-138,956	-28,053	110,903	-303,550	-21,596	281,954
CASH, JANUARY 1	281,954	281,954	0	303,550	303,550	0
CASH, DECEMBER 31	\$ <u>142,998</u>	<u>253,901</u>	<u>110,903</u>	<u>0</u>	<u>281,954</u>	<u>281,954</u>

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

Exhibit D

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Intergovernmental	\$ 196,275	191,096	-5,179	168,274	171,642	3,368
Charges for services	3,000	8,026	5,026	4,724	5,460	736
Other	5,525	0	-5,525	0	0	0
Total Receipts	204,800	199,122	-5,678	172,998	177,102	4,104
<b>DISBURSEMENTS</b>						
Assessor	202,300	172,623	29,677	173,088	160,312	12,776
Transfer out	2,500	1,250	1,250	2,217	2,232	-15
Total Disbursements	204,800	173,873	30,927	175,305	162,544	12,761
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	25,249	25,249	-2,307	14,558	16,865
CASH, JANUARY 1	144,395	144,395	0	129,837	129,837	0
CASH, DECEMBER 31	\$ 144,395	169,644	25,249	127,530	144,395	16,865

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

Exhibit E

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	3,375	3,375	0	0	0
Charges for services	3,000	449	-2,551	7,500	3,559	-3,941
Transfer in	0	2,500	2,500	0	0	0
Total Receipts	3,000	6,324	3,324	7,500	3,559	-3,941
DISBURSEMENTS						
Sheriff	4,286	7,476	-3,190	10,699	5,472	5,227
Total Disbursements	4,286	7,476	-3,190	10,699	5,472	5,227
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,286	-1,152	134	-3,199	-1,913	1,286
CASH, JANUARY 1	1,286	1,286	0	3,199	3,199	0
CASH, DECEMBER 31	\$ 0	134	134	0	1,286	1,286

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

Exhibit F

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	1,600	1,397	-203	3,000	1,789	-1,211
Total Receipts		1,600	1,397	-203	3,000	1,789	-1,211
DISBURSEMENTS							
Prosecuting Attorney		3,980	0	3,980	4,227	636	3,591
Total Disbursements		3,980	0	3,980	4,227	636	3,591
RECEIPTS OVER (UNDER) DISBURSEMENTS		-2,380	1,397	3,777	-1,227	1,153	2,380
CASH, JANUARY 1		2,380	2,380	0	1,227	1,227	0
CASH, DECEMBER 31	\$	0	3,777	3,777	0	2,380	2,380

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

Exhibit G

LAWRENCE COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 COMMON #1 ROAD DISTRICT FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 33,000	33,552	552	29,000	31,067	2,067
Intergovernmental	0	0	0	120,000	100,221	-19,779
Interest	0	123	123	0	703	703
Other	0	760	760	1,000	6,903	5,903
Transfer in	268,001	265,499	-2,502	271,714	253,374	-18,340
Total Receipts	301,001	299,934	-1,067	421,714	392,268	-29,446
<b>DISBURSEMENTS</b>						
Salaries and fringe benefits	99,300	86,181	13,119	107,746	92,515	15,231
Maintenance	171,600	159,346	12,254	270,371	246,924	23,447
Equipment	60,000	20,198	39,802	55,800	62,321	-6,521
Mileage and training	600	283	317	600	384	216
Other	6,500	5,432	1,068	6,500	5,133	1,367
Total Disbursements	338,000	271,440	66,560	441,017	407,277	33,740
RECEIPTS OVER (UNDER) DISBURSEMENTS	-36,999	28,494	65,493	-19,303	-15,009	4,294
CASH, JANUARY 1	40,522	40,522	0	55,531	55,531	0
CASH, DECEMBER 31	\$ 3,523	69,016	65,493	36,228	40,522	4,294

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

Exhibit H

LAWRENCE COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 COMMON #2 ROAD DISTRICT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 15,000	15,430	430	13,500	14,193	693
Intergovernmental	0	24,915	24,915	160,000	0	-160,000
Charges for services	0	0	0	1,275	0	-1,275
Interfund loan	0	30,000	30,000	0	0	0
Other	0	0	0	0	273	273
Transfer in	222,754	191,275	-31,479	188,700	182,138	-6,562
<b>Total Receipts</b>	<b>237,754</b>	<b>261,620</b>	<b>23,866</b>	<b>363,475</b>	<b>196,604</b>	<b>-166,871</b>
<b>DISBURSEMENTS</b>						
Salaries and fringe benefits	58,500	49,123	9,377	63,396	58,903	4,493
Maintenance	152,819	171,525	-18,706	281,800	110,453	171,347
Equipment	40,500	24,983	15,517	29,000	31,645	-2,645
Mileage and training	2,000	277	1,723	3,500	1,888	1,612
Other	3,000	2,241	759	4,600	2,600	2,000
<b>Total Disbursements</b>	<b>256,819</b>	<b>248,149</b>	<b>8,670</b>	<b>382,296</b>	<b>205,489</b>	<b>176,807</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>-19,065</b>	<b>13,471</b>	<b>32,536</b>	<b>-18,821</b>	<b>-8,885</b>	<b>9,936</b>
CASH, JANUARY 1	15,376	15,376	0	24,261	24,261	0
CASH, DECEMBER 31	\$ -3,689	28,847	32,536	5,440	15,376	9,936

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

Exhibit I

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>							
Charges for services	\$	30,000	25,364	-4,636	22,000	26,969	4,969
Intergovernmental		0	434	434	0	0	0
Other		0	22	22	0	0	0
Total Receipts		<u>30,000</u>	<u>25,820</u>	<u>-4,180</u>	<u>22,000</u>	<u>26,969</u>	<u>4,969</u>
<b>DISBURSEMENTS</b>							
Prosecuting Attorney		44,800	20,697	24,103	28,048	15,887	12,161
Total Disbursements		<u>44,800</u>	<u>20,697</u>	<u>24,103</u>	<u>28,048</u>	<u>15,887</u>	<u>12,161</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		-14,800	5,123	19,923	-6,048	11,082	17,130
CASH, JANUARY 1		17,130	17,130	0	6,048	6,048	0
CASH, DECEMBER 31	\$	<u>2,330</u>	<u>22,253</u>	<u>19,923</u>	<u>0</u>	<u>17,130</u>	<u>17,130</u>

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



Exhibit J

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,320	1,221	-99	1,400	1,320	-80
Total Receipts	1,320	1,221	-99	1,400	1,320	-80
DISBURSEMENTS						
Domestic violence shelters	1,320	1,221	99	1,400	1,320	80
Total Disbursements	1,320	1,221	99	1,400	1,320	80
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

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

Exhibit K

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Other	2,000	1,675	-325	4,000	2,027	-1,973
Total Receipts	2,000	1,675	-325	4,000	2,027	-1,973
DISBURSEMENTS						
Sheriff	4,821	1,754	3,067	6,559	1,765	4,794
Total Disbursements	4,821	1,754	3,067	6,559	1,765	4,794
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,821	-79	2,742	-2,559	262	2,821
CASH, JANUARY 1	2,821	2,821	0	2,559	2,559	0
CASH, DECEMBER 31	\$ 0	2,742	2,742	0	2,821	2,821

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

Exhibit L

LAWRENCE COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 EMERGENCY 911 FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>							
Charges for services	\$	191,613	162,415	-29,198	242,687	212,018	-30,669
Interest		0	0	0	6,531	0	-6,531
Other		0	1,594	1,594	0	0	0
Total Receipts		191,613	164,009	-27,604	249,218	212,018	-37,200
<b>DISBURSEMENTS</b>							
Salaries and fringe benefits		60,065	52,585	7,480	0	2,863	-2,863
Supplies		10,615	3,866	6,749	0	874	-874
Mileage and training		1,620	1,792	-172	3,000	253	2,747
Telephone networking		35,606	49,754	-14,148	0	0	0
Equipment		175,555	39,508	136,047	20,920	8,264	12,656
Mapping services		5,000	4,577	423	53,941	70,684	-16,743
Other		15,000	12,504	2,496	5,000	521	4,479
Total Disbursements		303,461	164,586	138,875	82,861	83,459	-598
RECEIPTS OVER (UNDER) DISBURSEMENTS		-111,848	-577	111,271	166,357	128,559	-37,798
CASH, JANUARY 1		139,249	139,249	0	10,690	10,690	0
CASH, DECEMBER 31	\$	27,401	138,672	111,271	177,047	139,249	-37,798

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

Exhibit M

LAWRENCE COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SHERIFF SPECIAL FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 12,590	12,590	0
Total Receipts	12,590	12,590	0
DISBURSEMENTS			
Sheriff	7,000	6,935	65
Transfer out	2,500	2,500	0
Total Disbursements	9,500	9,435	65
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,090	3,155	65
CASH, JANUARY 1	2,391	2,391	0
CASH, DECEMBER 31	\$ 5,481	5,546	65

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

Exhibit N

LAWRENCE COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 DEVELOPMENTALLY DISABLED FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>							
Property taxes	\$	173,506	174,568	1,062	140,996	149,961	8,965
Intergovernmental		1,465	1,465	0	3,004	3,004	0
Interest		2,600	5,981	3,381	2,500	3,241	741
Other		0	1,650	1,650	3,500	5,590	2,090
Total Receipts		<u>177,571</u>	<u>183,664</u>	<u>6,093</u>	<u>150,000</u>	<u>161,796</u>	<u>11,796</u>
<b>DISBURSEMENTS</b>							
Contractual services		200,000	140,203	59,797	150,000	126,338	23,662
Loan to sheltered workshop		0	16,000	-16,000	0	0	0
Other		8,000	2,323	5,677	9,000	1,731	7,269
Total Disbursements		<u>208,000</u>	<u>158,526</u>	<u>49,474</u>	<u>159,000</u>	<u>128,069</u>	<u>30,931</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		-30,429	25,138	55,567	-9,000	33,727	42,727
CASH, JANUARY 1		82,714	82,714	0	49,642	48,987	-655
CASH, DECEMBER 31	\$	<u>52,285</u>	<u>107,852</u>	<u>55,567</u>	<u>40,642</u>	<u>82,714</u>	<u>42,072</u>

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

Exhibit O

LAWRENCE COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SENIOR CITIZENS SERVICE FUND

				Year Ended December 31,		
				1998		
				Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$	113,954		121,122		7,168
Intergovernmental		1,046		1,046		0
Interest		2,000		3,328		1,328
Total Receipts		<u>117,000</u>		<u>125,496</u>		<u>8,496</u>
<b>DISBURSEMENTS</b>						
Contractual services		131,667		116,587		15,080
Office expenditures		500		2,617		-2,117
Emergency Fund		35,833		0		35,833
Total Disbursements		<u>168,000</u>		<u>119,204</u>		<u>48,796</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		<u>-51,000</u>		<u>6,292</u>		<u>57,292</u>
CASH, JANUARY 1		79,515		79,515		0
CASH, DECEMBER 31	\$	<u><u>28,515</u></u>		<u><u>85,807</u></u>		<u><u>57,292</u></u>

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

Exhibit P

LAWRENCE COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LAW LIBRARY FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,150	5,030	-120	5,000	5,049	49
Total Receipts	5,150	5,030	-120	5,000	5,049	49
DISBURSEMENTS						
Law Library	4,450	4,312	138	4,050	4,253	-203
Total Disbursements	4,450	4,312	138	4,050	4,253	-203
RECEIPTS OVER (UNDER) DISBURSEMENTS	700	718	18	950	796	-154
CASH, JANUARY 1	9,533	9,533	0	8,737	8,737	0
CASH, DECEMBER 31	\$ 10,233	10,251	18	9,687	9,533	-154

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

Exhibit Q

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Interest	\$	2,350	2,241	-109	2,200	2,152	-48
Total Receipts		2,350	2,241	-109	2,200	2,152	-48
DISBURSEMENTS							
Circuit Clerk		3,500	0	3,500	4,250	2,958	1,292
Total Disbursements		3,500	0	3,500	4,250	2,958	1,292
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,150	2,241	3,391	-2,050	-806	1,244
CASH, JANUARY 1		4,484	6,636	2,152	5,071	7,442	2,371
CASH, DECEMBER 31	\$	3,334	8,877	5,543	3,021	6,636	3,615

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



Exhibit R

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Charges for services	\$ 18,000	20,197	2,197	17,000	17,160	160
Total Receipts	18,000	20,197	2,197	17,000	17,160	160
<b>DISBURSEMENTS</b>						
Recorder of Deeds	90,000	41,491	48,509	40,000	601	39,399
Total Disbursements	90,000	41,491	48,509	40,000	601	39,399
RECEIPTS OVER (UNDER) DISBURSEMENTS	-72,000	-21,294	50,706	-23,000	16,559	39,559
CASH, JANUARY 1	77,511	78,751	1,240	60,958	62,192	1,234
CASH, DECEMBER 31	\$ 5,511	57,457	51,946	37,958	78,751	40,793

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

Notes to the Financial Statements

LAWRENCE COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Lawrence County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Developmentally Disabled Board or the Senior Citizens Service Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

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

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Associate Circuit Division Interest Fund for the years ended December 31, 1998 and 1997, and the Senior Citizens Service Fund, Sheriff Special Fund, and Law Enforcement Block Grant Fund for the year ended December 31, 1997.

Warrants issued were in excess of budgeted amounts for the Law Enforcement Training Fund in 1998, and the Emergency 911 Fund and Law Library Fund in 1997. Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

A deficit budget balance is presented for the Common #2 Road District Fund for the year ended December 31, 1998. However, the budget of that fund also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before

December 31. Such resources were sufficient to offset the deficit budget balance presented.

D. Published Financial Statements

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

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Developmentally Disabled Fund	1998 and 1997
Senior Citizens Service Fund	1998 and 1997
Law Library Fund	1998 and 1997
Circuit Clerk Interest Fund	1998 and 1997
Recorder User Fee Fund	1998 and 1997
Associate Circuit Division Interest Fund	1998 and 1997
Law Enforcement Block Grant Fund	1997

2. Cash

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

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

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

The Developmentally Disabled Board's and Senior Citizens Service Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 1994, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Use Tax Liability

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

The county has received \$383,186 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$175,408. As of December 31, 1998, \$75,776 remains to be paid.

Supplementary Schedule

Schedule

LAWRENCE COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.6	Food Distribution	N/A \$	0	244
Department of Health -				
10.6	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-8155	117,028	116,558
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.7	Public Safety Partnership and Community Policing ("Cops") Grants	N/A	20,714	35,340
Passed through:				
State Department of Public Safety -				
16.6	Local Law Enforcement Block Grants Program	96-LBG-074	0	2,340
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	203	479
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.2	Off-System Bridge Replacement and Rehabilitation Program	BRO-055-10 BRO-055-13	0 50,925	91,536 0
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.0	Donation of Federal Surplus Personal Property	N/A	0	6,139
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety -				
83.5	Emergency Management - State and Local Assistance	ERO172119	4,380	4,171
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.3	Immunization Grants	ERO146-8155	8,435	12,073
Department of Social Services -				

93.6	Child Support Enforcement	N/A	62,783	57,790
	Department of Health -			
93.6	Child Care and Development Block Grant	ERO146-8155	1,751	1,153
	Department of Social Services -			
93.7	Social Services Block Grant	ERO172119	29,349	16,678
::				
	Department of Health -			
93.9	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERO161	9,944	13,946
94.0	Maternal and Child Health Services Block Grant to the States	ERO146-8155	<u>70,397</u>	<u>57,684</u>
	Total Expenditures of Federal Awards		<u>\$ 375,909</u>	<u>416,131</u>

N/A - Not applicable

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



Notes to the Supplementary Schedule

LAWRENCE 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 Lawrence 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 Program (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services. Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

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

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



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

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

To the County Commission  
and  
Officeholders of Lawrence County, Missouri

Compliance

We have audited the compliance of Lawrence 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, 1998 and 1997. 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

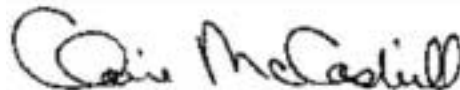
In our opinion, Lawrence County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997.

## Internal Control Over Compliance

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

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

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

April 5, 1999 (fieldwork completion date)

Schedule



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

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?  yes  no

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

Noncompliance material to the financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

Material weakness identified?  yes  no

Reportable condition identified that is not considered to be a material weakness?  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?  yes  no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.710	Public Safety Partnership and Community Policing ("Cops") Grants
20.205	Off-System Bridge Replacement and Rehabilitation Program



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

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

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

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

LAWRENCE 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 three years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings



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

We have audited the special-purpose financial statements of various funds of Lawrence County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated April 5, 1999. We also have audited the compliance of Lawrence 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, 1998 and 1997, and have issued our report thereon dated April 5, 1999.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review 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 review was made in accordance with applicable generally accepted government auditing standards 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 review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review 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 review 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 audits of the special-purpose financial statements of Lawrence County and of its compliance with the types of compliance requirements applicable to each of its major federal programs but does not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for audits performed in

accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

<b>1. County Expenditures</b>
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- A. The county did not always solicit bids nor was bid documentation always retained for various purchases. Examples of items purchased for which bid documentation could not be located are as follows:

<u>Item Purchased</u>	<u>Cost</u>
Gravel & base rock (1998 and 1997)	\$121,947
Road sign repairs (1998 and 1997)	32,920
Recorder indexing equipment	19,476
Computer equipment	15,706
Emergency 911 communications equipment	13,186
Electrical and wiring services	8,905
Printing of assessment forms	6,630
Printer for assessor's office	5,502

The County Commission and the County Clerk indicated that bids were often solicited through telephone calls or the needed items were only available from one vendor in the area; however, documentation of these calls and sole source procurement situations were not maintained.

Section 50.660, RSMo Cumulative Supp. 1998, requires bids for all purchases of \$4,500 or more from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidders. Competitive bidding ensures all parties are given equal opportunity to participate in county business.

- B. The Sheriff's Office uses reserve officers to transport prisoners to the state penitentiary. Drivers are paid 30 cents per mile to reimburse them for using their personal vehicles and are also paid \$7 per hour for their time worked. Guards are paid 25 cents per mile to reimburse them for their time. The county records all amounts paid as mileage; however, amounts paid to drivers as an hourly wage and amounts paid to guards represent compensation and should be subject to payroll withholdings and reported on W-2 forms.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain documentation of bids. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.
- B. Ensure amounts paid to reserve officers are properly reported on W-2 forms. Amended W-2 forms should be prepared for amounts paid to reserve officers in prior years.

**AUDITEE'S RESPONSE**

- A. *We have procedures to ensure the best price is obtained for purchases; however, we will work on retaining documentation of all bids or quotes obtained, and on retaining documentation of decisions made.*
- B. *This has already been implemented.*

<b>2. Revenue Maximization</b>
--------------------------------

During 1997, the county completed a federal bridge project which was administered by the Missouri Department of Transportation (MODOT). The county was to receive reimbursement of 80 percent of the approved total cost from MODOT on related bridge project expenditures. The county did not reconcile project expenditures to the amounts reimbursed by MODOT, and as a result, did not request nor receive reimbursement of \$5,528 for which it was entitled.

To ensure revenues are maximized, the county should compare expenditures to the related reimbursements. In addition, the county should seek reimbursement for the \$5,528 from MODOT.

**WE RECOMMEND** the County Commission develop procedures to ensure all federal grant reimbursements are requested and received, and seek reimbursement of the \$5,528 from MODOT.

**AUDITEE'S RESPONSE**

*We have already sought reimbursement for the \$5,528. We believed we had procedures in place to monitor the billings and reimbursements; however, we will reexamine our procedures and make corrections as necessary.*

**3.****Personnel Policies and Procedures**

- A. Time sheets or other records of actual time worked are not maintained by employees of the County Clerk, County Assessor, County Collector, Recorder of Deeds, and Prosecuting Attorney. As a result, the County Commission has no documentation of work performed to support some payroll expenditures.

The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid. The time records should be prepared by the employee, approved by the applicable supervisor, and filed in a central location with the county's payroll records.

- B. Records of vacation or sick leave earned, taken, and accumulated are not maintained for some county employees. Currently, each individual officeholder or department is responsible for maintaining leave records. The Health Center, Public Administrator, and Sheriff are the only county offices which maintain leave records.

Without centralized leave records, the County Commission cannot ensure that employees' annual and sick leave balances are accurate and that all employees are treated equitably. Centralized leave records will also aid in determining final pay for employees leaving county employment.

- C. The county does not have a comprehensive employee manual. Such a manual should detail personnel matters, such as vacation and sick leave policies, overtime and compensatory time policies, employee duties and responsibilities, lines of authority, grievance procedures, and any other items of interest to employees. Currently, individual officeholders or departments provide their employees with procedures which vary from office to office.

A comprehensive employee manual which summarizes both written and unwritten policies can benefit both county officials and employees by providing a basic understanding between management and employees regarding each other's rights and responsibilities. It can also help ensure that management's policies are fairly and consistently applied to all county employees.

- D. The Health Center and the Prosecuting Attorney have written policies that prohibit employees from carrying any compensatory time balances for more than 60 days. Any compensatory time accrued and carried for more than 60 days is lost. In addition, the Prosecuting Attorney's policy prohibits employees from accruing more than eight hours of compensatory time. The Prosecuting Attorney indicated he does not follow this policy; however, there has been no formal amendments to change his policy. These policies may not comply with the FLSA.

The County Commission should review the policies of the Prosecuting Attorney and Health Center, and adopt overtime and compensatory time policies which comply with the FLSA.

Similar conditions were noted in our prior three reports and the County Commission responded that they would implement these recommendations; however, no action has been taken to implement these recommendations.

**WE AGAIN RECOMMEND** the County Commission:

- A. Require all county employees to complete time sheets which reflect actual time worked and leave taken. The records should be prepared by employees, approved by the applicable supervisor, and filed in a central location with the county's payroll records.
- B. Maintain centralized leave records for all county employees.
- C. Develop a comprehensive employee manual.
- D. Ensure overtime and compensatory time policies adopted by the Prosecuting Attorney and Health Center comply with the FLSA.

**AUDITEE'S RESPONSE**

*We see a need for all of these items and will try to implement these recommendations. Time sheets will be required for all employees effective July 1, 1999. In addition, we are working on developing an employee manual.*

<b>4. County Officials' Compensation</b>
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- A. The county salary commission met on November 1, 1995, and approved the following:

“Salaries shall be adjusted each year on the official’s incumbency for any change in the last applicable decennial census or any change in the last completed assessment that would affect the maximum allowable compensation for that office.”

Adjustments were made to applicable officials’ salaries on their incumbency, except for the former County Collector. His term began on March 1, 1995; however, adjustments were made to his salary on January 1, 1997 and 1998. In addition, the county made a retroactive adjustment to the County Assessor’s salary as of January 1, 1996, to be consistent with the other officials; however, the County Assessor’s term began on September 1, 1993.

Based on the wording of the salary commission minutes noted above, it would appear that annual salary adjustments on the official's incumbency would allow for adjustments on March 1 for the County Collector, September 1 for the County Assessor, and January 1 for the remaining officials. The County Commission should review this situation with the Prosecuting Attorney and determine whether the proper adjustments were made to the applicable officials' salaries.

- B. In December 1996, the former County Treasurer received a salary payment of \$500 which was processed manually outside the normal payroll process and was not recorded on the payroll register (although it was reported on the applicable W-2 form). The County Clerk and former County Treasurer indicated the payment was to correct the 1996 salary but could not provide documentation of their calculation. Based on the salary commission minutes, it appears the former County Treasurer was paid the correct salary in 1996 and the \$500 appears to be an overpayment. In addition, it appears the former County Treasurer's salary for 1997 and 1998 was not computed in accordance with salary commission minutes, and he may have received a total of \$1,230 in salary overpayments for 1996 through 1998.

The County Commission should review the salary payments and calculations with the Prosecuting Attorney and determine whether the former County Treasurer was overpaid, and seek reimbursement of any overpayments.

- C. The Public Administrator receives fees from the various cases which are assigned to him. In addition, Section 473.739, RSMo Cumulative Supp. 1998, states the Public Administrator shall be paid an annual salary of \$4,000 if his fees do not exceed \$25,000.

During the year ended December 31, 1998, the Public Administrator received fees totaling \$25,342, and the county paid him a salary of \$4,000 in January 1999 as compensation. Because the Public Administrator received more than \$25,000 in fees during 1998, it is questionable whether any additional salary was allowable for that year.

**WE RECOMMEND** the County Commission review these matters with the various officials and Prosecuting Attorney to ensure the proper amounts were paid to the various officials and seek reimbursement for any overpayments.

### **AUDITEE'S RESPONSE**

*We will review these matters with the Prosecuting Attorney and take appropriate action.*

The county's assessment lists and tax books are maintained on a computerized property tax system. The County Assessor is responsible for entering the assessed valuation data. The County Clerk enters the tax rates and extends and prints the tax books. In addition to the property tax computer system, the County Clerk maintains a computer system for preparing checks and maintaining receipt and disbursement information. In our review of controls relating to the two computer systems, we noted the following concerns:

- A. The County Assessor is responsible for entering the assessed valuation data from the assessment sheets. This data is to be completed by May 31 of each year. In addition, the County Assessor has access to the assessment data in the property tax system during the meetings of the county Board of Equalization so he can change assessed valuations when approved by the board. After the meetings of the Board of Equalization are completed, the County Assessor has no statutory authority to make changes to the assessment data. However, the County Assessor and his staff are allowed access to the assessment data at all times. As a result, there is an increased risk that unauthorized changes can be made to the assessment data.
- B. Controls over property tax additions and abatements are not adequate. The County Collector makes manual changes to the property tax records for additions and abatements occurring throughout the year, while the County Assessor makes these changes to the computer property tax data files. The County Collector provides monthly totals of abatements and additions to the County Commission for their approval. However, the manual changes to the tax books are not compared to the actual changes in the tax data files or to amounts reflected on the County Collector's annual settlement by someone independent of tax collection duties.

Since the County Collector is responsible for collecting the taxes, this procedure for making changes, without independent and subsequent review of actual changes made, weakens controls over the collection of taxes.

Section 137.260, RSMo 1994, requires the tax books only be changed by the County Clerk under order of the County Commission. Controls should be established so that the County Clerk periodically reconciles all additions and abatements to changes made to the property tax system and charge these amounts to the County Collector.

- C. The County Clerk does not maintain an account book with the County Collector. An account book would summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts by tax book. These figures would be verified by the County Clerk from aggregate abstracts, court orders, monthly statements of collections and the tax books. These verifications are the County Clerk's means of ensuring the amount of taxes charged to the County Collector is complete and accurate.

Section 51.150(2), RSMo 1994, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. A properly maintained account book can be used by the County Commission to verify the County Collector's annual settlements.

- D. The county does not have an adequate password system or procedures to restrict access to the computer systems. Passwords are not kept confidential and are not changed on a regular basis. In addition, user identification codes (IDs) are not used.

User IDs should identify the employee signing on to the computer system and should restrict each employee's access to only his or her assigned responsibilities. Confidential passwords should be used to authenticate these claimed identities by helping to ensure the person using the ID has the authority to use it. Since user IDs are not needed to gain access to the system, the county does not have an effective method to verify the identity of those using the system. In addition, the sharing of passwords can significantly reduce the effectiveness of the security because confidentiality is lost. As a result, there is an increased risk of unauthorized changes to the computer files.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the County Commission work with the applicable county officials to:

- A. Restrict access to the assessment data during periods when changes to the data are not statutorily allowed.
- B. Establish controls over the property tax addition and abatements process that would allow the County Clerk to periodically reconcile all additions and abatements to changes made to the property tax records and charge these amounts to the County Collector.
- C. Ensure the County Clerk maintains an account book with the County Collector.
- D. Implement a password system which requires each user be assigned a unique user ID and password, and require passwords to be changed periodically.

**AUDITEE'S RESPONSE**

- A. *We have discussed this with the Assessor and will work toward complying with this recommendation.*
- B. *We will discuss this matter with the applicable officials and attempt to implement this recommendation.*



- C. *We are looking into developing a computerized account book.*
- D. *We will check with our programmer and determine whether this can be implemented.*

<b>6. General Fixed Asset Records and Procedures</b>
--

The county maintains manual general fixed asset records; however, the records have not been updated for property acquired or disposed of since June 1997. In addition, the County Clerk does not perform physical inventories of assets and compare the results to the property records.

Also, most fixed assets are not properly numbered, tagged, or otherwise identified as county owned property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.

Adequate general fixed asset records and procedures are necessary to secure better internal control over county assets and provide a basis for determining proper insurance coverage.

**WE RECOMMEND** the County Clerk maintain general fixed asset records on a current basis, periodically reconcile these records to property purchases and deletions, and conduct annual physical inventories of all county-owned property. In addition, property control tags should be affixed on all fixed assets immediately upon receipt.

**AUDITEE'S RESPONSE**

*We are in the process of computerizing the records and are about 75 percent complete with this process.*

<b>7. County Treasurer's Procedures</b>
---

- A. The county has not established procedures to monitor collateral securities pledged by the county's depository bank, and as a result, the county's funds were under-collateralized by over \$2,600,000 for a few days in January 1998.

Section 110.020, RSMo 1994, requires the value of securities pledged 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 a bank failure.

- B. Interest earned on the County Treasurer's general checking account is not allocated properly. Various funds, including schools, special road and bridge, assessment, and

prosecuting attorney bad check, are combined into the checking account; however, earnings on this account are credited to the General Revenue Fund.

Section 110.150, RSMo 1994, and Attorney General's Opinion No. 126, 1981 to Antonio; No. 148, 1980 to Antonio; No. 108, 1981 to Busker; and No. 40, 1965 to Owensby, provide the interest on school funds shall be placed to the credit of those funds, the interest on county hospital funds and hospital district funds to the credit of those funds, the interest on the county health center funds to the credit of those funds, the interest on the county library fund to the credit of that fund, the interest on the Special Road and Bridge Fund to the credit of that fund, the interest on the Assessment Fund to the credit of that fund, and all other interest to the credit of the county General Revenue Fund. In addition, Section 570.120, RSMo. 1994, requires that the Prosecuting Attorney Bad Check Fund be maintained by the County Treasurer in an interest-bearing account.

**WE RECOMMEND** the County Treasurer:

- A. Work with other applicable officials and establish monitoring procedures to ensure the depository bank pledges adequate collateral securities at all times.
- B. Distribute all interest earned in accordance with statutory provisions and opinions of the Attorney General.

**AUDITEE'S RESPONSE**

- A. *We have a plan where the bank will provide the Collector and Treasurer a monthly print-out of all securities pledged and the total of all county account balances. Copies of releases will be provided to the Collector and Treasurer as they occur.*
- B. *At this time, we plan to follow current procedures, but will consider distributing interest to the various funds in the future.*

<b>8. Health Center's Controls and Procedures</b>
---

Employees of the Health Center handle receipts for donations, sanitation permits, health inspections, and birth and death certificates of approximately \$64,000 annually. We noted the following concerns regarding receipts:

- A. Monies received for death and birth certificates, sanitation permits, and health inspections are recorded on a daily receipt log. In addition, separate logs documenting the number of birth and death certificates, sanitation permits, and health inspections issued are maintained. The number of certificates, permits, and inspections issued per the logs did not always agree with the corresponding receipts on the daily receipt log. In addition, donation receipts are not recorded on the daily

receipt log and the method of payment received (cash, check, money order, etc.) is not always indicated on the receipt log.

To ensure receipts are accounted for properly and transmitted intact, all receipts should be recorded on the receipt log and the method of payments received should be recorded and the composition of recorded receipts should be reconciled to the composition of amounts transmitted to the County Treasurer. In addition, the number of certificates, permits, and inspections issued should be reconciled to monies received.

- B. Receipts are not always transmitted to the County Treasurer intact on a timely basis. Receipts are transmitted approximately once per week, and the Health Center retains small cash amounts from transmittals to provide change. As a result, the change fund is not maintained at a set amount. In addition, receipts are kept in a file room accessible to all employees.

To adequately safeguard against theft or misuse of funds and to provide assurance that all receipts are properly transmitted, all receipts should be maintained in a secure location, receipts should be transmitted intact on a daily basis or when accumulated receipts exceed \$100, and the change fund should be maintained at a constant amount.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the County Commission require the Health Center to:

- A. Record all receipts, including method of payment, on the receipt log and reconcile the composition of receipts to the composition of transmittals to the County Treasurer. In addition, the number of certificates, permits, and inspections issued should be reconciled to applicable receipts.
- B. Maintain receipts in a secure location, transmit all monies intact to the County Treasurer on a timely basis, and maintain the change fund at a constant amount.

**AUDITEE'S RESPONSE**

*The County Commission indicated they will discuss these matters with the health center administrator and comply with the recommendations.*

*The health center administrator provided the following response:*

- A. *This recommendation has been implemented.*
- B. *We will try to deposit more timely, and we will establish the change fund at a set amount.*

<b>9.</b>	<b>County Collector's Controls and Procedures</b>
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- A. The current and former County Collectors perform monthly reconciliations of the bank account but do not reconcile the bank balance to existing liabilities. We compared the reconciled bank balance to known liabilities at February 28, 1999, and noted that liabilities exceeded the reconciled bank balance by \$117, as follows:

Reconciled bank balance	\$ 236,396
NSF checks	7,247
February collections distributed in March	(231,473)
Accumulated interest	(12,053)
Unidentified balance	<u>\$ 117</u>

In addition, the former County Collector did not distribute interest earned on the bank account on a timely basis and did not attempt to collect on insufficient funds (NSF) checks on a timely basis. The current and former County Collectors indicated two-years' accumulation of interest is maintained to cover NSF checks. The current County Collector has performed follow-up procedures and has collected on the majority of these NSF checks.

Adequate reconciliations are necessary to ensure receipts and disbursements are properly accounted for and the cash balance agrees to liabilities and other reconciling items. In addition, timely disposition of interest income and NSF checks reduces the amount of reconciling items and helps ensure proper accounting for these items.

- B. Although the County Collector's office has procedures to indicate the method of payment received on the tax receipts, the method of payment was not always indicated on some receipts. In addition, the former County Collector and his employees routinely cashed personal checks from tax receipts for themselves, friends, and other courthouse employees. Cash refunds were also made for overpayments of taxes and licenses paid by check.

To ensure receipts are deposited intact, the method of payment should be indicated on all tax receipts and the composition of receipts should be reconciled to the composition of the bank deposits. In addition, personal checks should not be cashed with official tax receipts and refunds should be made by check.

- C. Receipts are not always deposited on a timely basis. During October through January of each year, deposits are made daily; however, at other times, deposits are generally made once or twice a week. For instance on February 25, 1999, \$46,228 was deposited which included some receipts held as long as seven days. To adequately safeguard cash receipts and reduce the potential for loss, theft, or misuse of funds,

deposits should be made daily or when accumulated receipts exceed \$100. In addition, timely deposit of monies would increase interest income.

- D. The former County Collector accepted partial payments on property taxes. These monies are held in the collector's vault until the taxes are paid in full. The former County Collector indicated that if such payments were made by check, he deposited the check and withheld a corresponding amount of cash from tax collection monies and retained it in the vault until the entire tax amount is paid in full. At February 8, 1999, partial payments totaling \$2,282 were held in cash.

No ledger is maintained to account for the partial payments received. Although dates and amounts of payments are noted on the envelopes where the money is kept, there is no record showing the cumulative amount of monies on hand, and the corresponding amounts still due. This weakness, and the fact that such monies are held in cash, greatly increases the possibility of loss or misuse of such monies without detection.

- E. State law requires five percent commission to be added on all delinquent and back tax payments. Two-fifths of the amount collected is paid into the General Revenue Fund and three-fifths into the County Employees' Retirement Fund (CERF). The former County Collector did not believe the five percent additional commission was being calculated correctly by his computer system, so he made manual calculations on both current and delinquent taxes and adjusted distributions of commissions during July 1997 through August 1998 by increasing the amounts distributed to the CERF and decreasing the amounts distributed to the General Revenue Fund. He discontinued this because he realized the commission was being calculated correctly; however, he did not adjust distributions to reverse the effects of the manual adjustments. The manual adjustments resulted in overpayments of approximately \$19,471 to the CERF. The current County Collector should adjust subsequent distributions made to the CERF and distribute these monies to the General Revenue Fund to correct this error.

Conditions similar to Parts B. & C. were noted in our prior report.

**WE RECOMMEND** the County Collector:

- A. Reconcile the amounts in the bank account to related liabilities and other reconciling items on a monthly basis. In addition, interest income should be distributed on a timely basis and follow-up on NSF checks should be performed on a timely basis.
- B. Indicate the method of payment on each tax statement issued and reconcile total cash, checks, and money orders received to bank deposits. In addition, the County Collector should discontinue the practice of cashing personal checks from tax receipts, and make refunds by check.

- C. Deposit all receipts daily or when accumulated receipts exceed \$100.
- D. Deposit partial payments into the bank and maintain records of total partial payments held in the bank.
- E. Withhold \$19,471 of future distributions from the CERF and distribute this amount to the General Revenue Fund.

**AUDITEE’S RESPONSE**

*The current County Collector provided the following response:*

- A. *We currently reconcile our account monthly. We have collected all of the NSF checks and plan to monitor interest balances and distribute interest at least annually.*
- B. *We are indicating method of payment received. Our current practice is to cash small checks for county employees only as a convenience to them.*
- C. *Our current practice is to deposit twice a week and we plan to continue this practice until we see a need for daily deposits. We plan to deposit daily when we start collecting current taxes.*
- D. *We have opened a partial payment bank account and have deposited all of the partial payments. We have also developed a ledger system to keep track of the partial payments.*
- E. *We have discussed this with applicable employees of the retirement system and they indicated they will refund the overpayment to the county.*

<b>10. Recorder of Deeds’ Controls and Procedures</b>
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- A. Receipts are not always deposited intact. Employees are allowed to cash personal checks from official receipts. To adequately safeguard against theft or misuse of funds and to provide assurance that all receipts are accounted for, all receipts should be deposited intact and employees should not be allowed to cash personal checks from official receipts.
- B. All receipts are recorded in a daily receipt book which is reconciled to total bank deposits. When the related document is filed and recorded, the document and fee are recorded on an abstract sheet. The abstract sheet is totaled each month and the fees are disbursed to the applicable parties. In most instances, the document and fee are recorded in the abstract book at the same time the fee is received. However marriage licenses are not recorded in the abstract book until the license is returned. In some cases, the marriage license is never returned and the marriage license fee remains in the bank account.

Total receipts are not reconciled to total fees abstracted and disbursed, and listings of marriage license fees remaining in the bank account are not prepared. In January 1999, the former Recorder of Deeds distributed \$2,600 to the County Treasurer which remained in his bank account but could not be identified.

Monthly reconciliations between total receipts, total fees abstracted, and undistributed marriage license fees would provide assurance that the records are in balance and that sufficient cash is available for fees which will be distributed at a later date.

- C. The Recorder of Deeds maintains custody of the Recorder User Fee Fund. Section 59.319, RSMo 1994, requires the Recorder User Fee Fund to be maintained by the County Treasurer.

In addition, the former Recorder of Deeds paid approximately \$24,000 during 1998 from this fund for computer indexing equipment and software. Bids were not solicited for this purchase. Section 50.660, RSMo Cumulative Supp. 1998, requires bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the Recorder of Deeds:

- A. Deposit monies intact and discontinue the practice of allowing employees to cash personal checks from official receipts.
- B. Perform monthly reconciliations of total receipts and total fees abstracted, and prepare monthly listings of undistributed marriage license fees to ensure the cash balance agrees to the amount of undistributed fees. Any amounts remaining unidentified should be investigated to determine the proper disposition.
- C. Turn custody of the Recorder User Fee Fund to the County Treasurer and solicit bids for all purchases as required by state law.

**AUDITEE'S RESPONSE**

- A. *Cashing personal checks will no longer be allowed.*
- B. *We will review this and try to develop a system to implement this recommendation.*
- C. *We plan to follow our current procedures; however, we will try to obtain bids for applicable expenditures in the future.*

**11.****Sheriff's Controls and Procedures**

- A. One employee in the Sheriff's office is responsible for recording receipts, depositing receipts, preparing and signing checks, and maintaining the accounting records. To safeguard against loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties helps provide this assurance. This could be achieved by designating an employee who does not have access to cash receipts to perform reconciliations of accounting records to bank statements. At a minimum, there should be a review made and documented by a supervisor or by someone independent of these duties.
  
- B. Civil process fees are not recorded and deposited until the related process papers are served. Most fees are received by check, and the Sheriff's bookkeeper indicated the checks are returned to the payor if papers cannot be served. A cash count on February 1, 1999 noted cash and checks for civil process fees totaling \$574 that had not been recorded.

To ensure civil process fees are accounted for properly, receipt slips should be issued immediately upon receipt and the monies deposited into the Sheriff's bank account. If it is later determined that the related process papers cannot be served, refund checks should be issued.

- C. Receipts are not deposited on a timely basis. Deposits are made approximately once a week and average from \$1,500 to \$2,000. In addition, checks are not restrictively endorsed when received. 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, and checks should be restrictively endorsed immediately upon receipt.

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

**WE RECOMMEND** the Sheriff:

- A. Segregate the duties of receiving, recording, depositing, and reconciling. If segregation of duties cannot be achieved, at a minimum the accounting records should be periodically reviewed by a supervisor or someone independent of those duties.
  
- B. Issue receipt slips for civil process fees immediately upon receipt and deposit them in the bank account. Any refunds should be made by check.
  
- C. Restrictively endorse checks as received and deposit monies daily or when accumulated receipts exceeds \$100.



**AUDITEE'S RESPONSE**

- A. *I will review the records monthly.*
- B. *We will follow this recommendation.*
- C. *We will follow this recommendation and make deposits when receipts exceed \$100.*

<b>12. Public Administrator's Controls and Procedures</b>
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- A. The value of some assets was not included in some settlement balances or otherwise reported. Examples include real estate valued at \$30,000, and a vehicle valued at approximately \$10,000. Also, another vehicle purchased in 1996, valued at \$5,900, was not listed on the settlement until 1998. The settlements filed by the Public Administrator should be complete and accurate reports of the applicable estates' assets, receipts, and disbursements.
- B. The Public Administrator did not always file annual settlements by the required due dates. The Probate Division sends notices to the Public Administrator when the settlements are due; however, some annual settlements were filed between two and seven months after the due date.

Section 473.540, RSMo 1994, states that every personal representative shall file with the court an annual statement of accounts for settlement. Timely, accurate and complete settlements are necessary for the court to properly oversee the administration of these estates.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the Public Administrator:

- A. File settlements which are accurate and include all assets of the respective estates.
- B. File annual settlements on a timely basis as required by state law.

**AUDITEE'S RESPONSE**

- A. *I agree with the recommendation.*
- B. *I agree with the recommendation and have started a new procedure that the attorneys are to complete the settlements within two weeks of receiving them, or a new attorney will be appointed.*

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

LAWRENCE 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 Lawrence County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the three years ended December 31, 1996. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. County Expenditures

- A. The County Commission obtained two loans payable over a two-year period. These loans may have constituted long-term debt and the County Commission had no legal authority to enter into such agreements.
- B. Bids were not always solicited nor was bid documentation always retained for various purchases made by the county.
- C. The county did not issue Forms 1099-MISC as required.
- D. Reserve officers were paid fees to serve as guards which represented compensation which was not subjected to payroll withholdings and reported on W-2 forms.
- E. A reserve officer was paid \$300 per month in mileage for patrolling and answering disturbance calls in his area. Although he used his personal vehicle, he did not prepare reports of mileage incurred. In addition, these payments were not reported as compensation on W-2 forms.

Recommendation:

The County Commission:

- A. Ensure monies are borrowed in accordance with the provisions of state law.
- B. Solicit bids for all purchases in accordance with state law and maintain documentation of bids. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.
- C. Ensure Forms 1099-MISC are filed as required by the Internal Revenue Code, and file amended forms for payments made in prior years.
- D. Ensure amounts paid to reserve officers are properly reported on W-2 forms. Amended W-2 forms should be prepared for amounts paid to reserve officers in prior years.
- E. Obtain monthly mileage reports to support mileage paid to the reserve officer and report undocumented payments on W-2 forms. Amended W-2 forms should be prepared for undocumented expense payments made in prior years.

Status:

A, C,  
& E. Implemented.

B&D. Not implemented. See MAR No. 1.

2. Distributions to Special Road Districts

The County Commission distributed road funds from the Special Road and Bridge Fund to the special road districts without written agreements. In addition, the county did not monitor the special road districts' use of these funds.

Recommendation:

The County Commission obtain written agreements with each special road district and establish a system to monitor the special road districts' expenditures of county monies, including capital improvement sales tax monies.

Status:

Implemented.

3. Budgets and Published Financial Statements

- A. The County Commission annually estimated to spend all available cash resources of the Special Road and Bridge Fund, resulting in significant over-budgeting of disbursements and unreasonable estimates of ending cash balances.
- B. As a result of a budget amendment, the County Commission approved a budget deficit for Common #2 Road District Fund for the year ended December 31, 1996.
- C. The county's annual published financial statements did not include the financial activity of several county funds.

Recommendation:

The County Commission:

- A. Estimate receipts and disbursements as closely as possible to the anticipated actual amounts so that reasonable estimates of the county's financial position are presented in the Special Road and Bridge Fund budgets.
- B. Discontinue deficit budgeting.
- C. Ensure financial information for all county funds is reported in the annual published financial statements in accordance with state law.

Status:

A&B. Implemented.

C. Not implemented. Six funds held outside the county treasury were not included in the 1997 or 1998 published financial statements. Although not repeated in the current report, our recommendation remains as stated above.

4. Personnel Policies and Procedures

A. Time sheets or other records of actual time worked were not maintained by employees of the County Clerk, County Assessor, County Collector, Recorder of Deeds, and Prosecuting Attorney.

B. Records of vacation or sick leave earned, taken, and accumulated were not maintained for some county employees.

C. The county did not have a comprehensive employee manual.

D. The Health Center and the Prosecuting Attorney had overtime and compensatory time policies that did not appear to comply with the Fair Labor Standards Act (FLSA).

E. The county did not have a drug-free workplace policy or awareness program for its employees as required by federal guidelines.

Recommendation:

The County Commission:

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

B. Maintain centralized leave records for all county employees.

C. Develop a comprehensive employee manual.

D. Ensure overtime and compensatory time policies adopted by the Prosecuting Attorney and Health Center comply with the FLSA.

E. Develop a drug-free workplace policy and an awareness program in compliance with federal requirements.

Status:

A-D. Not implemented. See MAR No. 3.

E. Implemented.

5. Property Tax System and Computer Controls

- A. The County Assessor and his staff were allowed access to the assessment data at times when they had no statutory authority to make changes to the assessment data.
- B. The County Collector made manual changes to the property tax records for additions and abatements; however, there was no independent comparison of these to the changes in the tax data files or to the amounts reflected on the County Collector's annual settlements.
- C. The County Clerk did not maintain an account book with the County Collector.
- D. The county did not have an adequate password system or procedures to restrict access to the computer systems.

Recommendation:

The County Commission work with the applicable county officials to:

- A. Restrict access to the assessment data during periods when changes to the data are not statutorily allowed.
- B. Establish controls over the property tax addition and abatements process that would allow the County Clerk to periodically reconcile all additions and abatements to changes made to the property tax records and charge these amounts to the County Collector.
- C. Ensure the County Clerk maintains an account book with the County Collector.
- D. Implement a password system which requires each user be assigned a unique user ID and password, and require passwords to be changed periodically.

Status:

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

6. Health Center's Controls

- A. Receipts were not transmitted to the County Treasurer intact, and employees were allowed to cash personal checks from official receipts. Receipts were kept in an area accessible to all employees.
- B. The method of payment received was not always indicated on the receipt log.
- C. Checks and money orders were not restrictively endorsed immediately upon receipt.

Recommendation:

The County Commission require the Health Center to:

- A. Maintain receipts in a secure location and transmit all monies intact to the County Treasurer. In addition, the practice of cashing personal checks from official receipts should be discontinued.

- B. Record the method of payment for all receipts and reconcile the composition of receipts to the composition of transmittals to the County Treasurer.
- C. Restrictively endorse checks and money orders immediately upon receipt.

Status:

- A. Partially implemented. The Health Center discontinued the practice of cashing employee's personal checks; however, receipts are not transmitted intact nor maintained in a secure location. See MAR No. 8.
- B. Not implemented. See MAR No. 8.
- C. Implemented.

7. County Collector's Controls and Procedures

- A. Tax statements issued by the County Collector did not indicate the method of payment received.
- B. The County Collector and his employees routinely cashed personal checks from tax receipts.
- C. Receipts were not always deposited on a timely basis.

Recommendation:

The County Collector:

- A. Indicate the method of payment on each tax statement issued and reconcile total cash, checks, and money orders received to bank deposits.
- B. Discontinue the practice of cashing personal checks from tax receipts.
- C. Deposit all receipts daily or when accumulated receipts exceed \$100.

Status:

- A. Partially implemented. Procedures exist to record the method of payment on the tax statements; however, method of payment is not always indicated and the composition of receipts is not reconciled to the composition of bank deposits. See MAR No. 9.
- B&C. Not implemented. See MAR No. 9.



8. County Assessor's Controls and Procedures

- A. Rediform receipt slips were issued only when requested by the payor, and the receipt slips did not always indicate the method of payments received. The County Assessor did not maintain summary records of receipts nor ensure all receipts were transmitted to the County Treasurer.
- B. Some receipt slips could not be located.
- C. The County Assessor did not file monthly reports of fees collected.

Recommendation:

The County Assessor:

- A. Adopt accounting procedures and records to ensure all receipts are recorded, including the method of payments received, and all amounts transmitted to the County Treasurer agree to the accounting records.
- B. Retain all accounting records.
- C. Prepare monthly reports of fees as required by state law.

Status:

- A&B. Implemented.
- C. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.

9. Sheriff's Accounting Controls and Procedures

- A. Receipts were not always recorded and deposited immediately upon receipt.
- B. One employee was responsible for recording and depositing receipts, preparing and signing checks, and maintaining the accounting records.
- C. The Sheriff maintained a Prisoner Seizure Account which appeared to have partial payments and overpayments on board bills which should have been distributed.

Recommendation:

The Sheriff:

- A. Issue receipt slips immediately upon receipt for all monies and deposit all monies intact daily or when accumulated receipts exceed \$100.
- B. Segregate the duties of receiving, recording, depositing, and reconciling. If segregation of duties cannot be achieved, at a minimum the accounting records should be periodically reviewed by a supervisor or someone independent of those duties.

- C. Attempt to identify the balance remaining in the Prisoner Seizure Account, distribute amounts to the appropriate parties, and close the account.

Status:

A&B. Not implemented. See MAR No. 11.

- C. Implemented.

10. Recorder of Deeds' Controls and Procedures

- A. Receipts were not always deposited intact. Employees were allowed to cash personal checks from official receipts.
- B. The Recorder of Deeds did not reconcile total receipts to total fees abstracted and disbursed, nor did he prepare a listing of marriage license fees remaining in the bank account.
- C. The Recorder of Deeds served as custodian of the Recorder User Fee Fund although there was no statutory authority to allow this.

Recommendation:

The Recorder of Deeds:

- A. Deposit monies intact and discontinue the practice of allowing employees to cash personal checks from official receipts.
- B. Perform monthly reconciliations of total receipts and total fees abstracted, and prepare monthly listings of undistributed marriage license fees to ensure the cash balance agrees to the amount of undistributed fees. Any amounts remaining unidentified should be investigated to determine the proper disposition.
- C. Turn custody of the Recorder User Fee Fund to the County Treasurer, as required by state law.

Status:

A-C. Not implemented. See MAR No. 10.

11. Public Administrator's Controls and Procedures

- A. Supporting documentation was not available for some expenditures.
- B. Voided checks were not retained for some estate files. In addition, checks were sometimes signed in advance so bills could be paid in the Public Administrator's absence.

- C. The cash value of burial policies was not included in some settlement balances or otherwise reported.
- D. The Public Administrator did not always file annual settlements by the due date.

Recommendation:

The Public Administrator:

- A. Retain supporting documentation for all expenditures.
- B. Deface and retain all voided checks and discontinue signing checks in advance.
- C. File settlements which are accurate and include all assets of the respective estates.
- D. File annual settlements on a timely basis as required by state law.

Status:

A&B. Implemented.

C&D. Not implemented. See MAR No. 12.

12. Senior Citizens Service Board

- A. The budgets prepared by the board did not include estimated revenues or projected ending fund balances. In addition, the budgets were not filed with the County Clerk and did not include actual revenues and expenditures for the two preceding years.
- B. A member of the board was appointed treasurer and served as custodian of the Senior Citizens Service Fund. There appeared to be no statutory authority to allow this.
- C. Collateral securities were not pledged by the board's depository bank for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) coverage.

Recommendation:

The Senior Citizens Service Board:

- A. Prepare annual budgets as required by state law and submit a copy to the County Clerk.
- B. Turn over custody of the Senior Citizens Service Fund to the County Treasurer.
- C. Ensure adequate collateral securities are pledged for all deposits in excess of FDIC coverage, if the board maintains custody of its funds.

Status:

A&C. Implemented.

- B. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

LAWRENCE COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1845, the county of Lawrence was named after James Lawrence, a naval hero of the War of 1812. Lawrence County is a county-organized, third-class county and is part of the Thirty-Ninth Judicial Circuit. The county seat is Mount Vernon.

Lawrence 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 Lawrence County received its money in 1998 and 1997 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 282,605	7	264,533	6
Sales taxes	1,915,181	43	1,874,932	43
Federal and state aid	1,614,364	36	1,575,226	37
Fees, interest, and other	635,813	14	599,313	14
Total	\$ 4,447,963	100	4,314,004	100

The following chart shows how Lawrence County spent monies in 1998 and 1997 from the General Revenue and Special Road and Bridge Funds:

USE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 932,270	21	838,561	21
Public safety	1,130,802	26	1,075,181	26
Health and welfare	308,916	7	291,984	7
Highways and roads	1,997,897	46	1,878,598	46
Total	\$ 4,369,885	100	4,084,324	100

The county maintains approximately 118 county bridges and 1,067 miles of county roads.

The county's population was 24,545 in 1970 and 30,236 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	1998	1997	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 163.2	157.1	91.1	35.3	23.4
Personal property	64.3	59.2	23.2	13.9	5.3
Railroad and utilities	28.6	28.8	16.3	15.6	8.9
Total	\$ 256.1	245.1	130.6	64.8	37.6

\* First year of statewide reassessment.

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

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

		Year Ended December 31,	
		1998	1997
General Revenue Fund	\$	0.09	0.1
Special Road and Bridge Fund*		0.07	0.07
Developmentally Disabled Fund		0.07	0.07
Senior Citizens Service Fund		0.05	0.05

\* The county has thirteen special and two common road districts that receive 80 percent of the tax collections from property within the districts, and 20 percent is retained in the County Special Road and Bridge Fund. The two common road districts and most special road districts have additional tax levies which are distributed entirely to those districts.

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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,	
		1999	1998
State of Missouri	\$	77,442	75,453
General Revenue Fund		235,773	263,183
Road funds		661,901	649,266
Assessment Fund		104,716	99,037
Developmentally Disabled Fund		180,436	175,838
Senior Citizens Service Fund		125,078	121,810
Schools		7,813,034	7,328,675
Library district		400,935	390,932
Nursing home district		283,517	277,380
Fire district		11,495	11,232
Ambulance districts		184,259	167,809
Junior college		2,892	2,389
Cities		216,342	175,774
County Clerk		291	291
County Employees' Retirement		65,320	52,313
Commissions and fees:			
General Revenue Fund		155,669	160,292
County Collector		2,432	2,295
Total	\$	<u>10,521,532</u>	<u>9,953,969</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	1999	1998
Real estate	94.1 %	94.1 %
Personal property	89.7	91.6
Railroad and utilities	98.0	100.0

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

		Rate	Expiration Date	Required
				Property Tax Reduction
General	\$	0.005	None	50 %
Road capital improvements		0.005	1999	None
::				

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

Officeholder	1999	1998	1997
County-Paid Officials:			



Joe Ruscha, Presiding Commissioner	\$	22,000	22,000
J. Everett Ament, Associate Commissioner		22,000	22,000
Gary Robb, Associate Commissioner			18,333
Jim Stearns, Associate Commissioner		22,000	2,139
Donald (Don) Washam, Recorder of Deeds		31,000	31,000
Bob Bartelsmeyer, County Clerk		33,500	33,500
Robert E. George, Prosecuting Attorney		39,000	39,000
Doug Seneker, Sheriff		39,000	39,000
William (Bill) Hubbard, County Treasurer		22,990	22,990
Don C. Lakin, County Coroner		8,000	8,000
Austin Barrett, Public Administrator *		29,342	28,537
Carol Young, County Collector **, year ended February 28,	36,265	36,045	
David Tunnell, County Assessor ***, year ended August 31,		42,400	33,500
Sam Goodman, County Surveyor ****		N/A	N/A

\* Includes fees received from probate cases.

\*\* Includes \$2,432 and \$2,295, respectively, of commissions earned for collecting city property taxes.

\*\*\* Includes \$900 annual compensation received from the state.

\*\*\*\* Compensation on a fee basis.

State-Paid Officials:

Cindy Faucett, Circuit Clerk		42,185	40,176
Scott S. Sifferman, Associate Circuit Judge		85,158	81,792
Samuel C. Jones, Associate Circuit Judge		85,158	81,792

::

A breakdown of employees (excluding the elected officials) by office at December 31, 1998,  
is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk	0	5
Recorder of Deeds	4	0
County Clerk	4	0
Prosecuting Attorney	9	0
Sheriff	33	0
County Coroner*	1	0
Public Administrator	1	0
County Collector	3	0
County Assessor	4	0
Associate Division**	2	5
Probate Division	0	1
Road and Bridge	6	0
Health Center	12	0
Custodian	1	0
Civil Defense	1	0
Emergency 911	5	0
Total	<u>86</u>	<u>11</u>

\* Includes one part-time employee.

\*\* Includes two part-time county employees and one part-time state employee

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Lawrence County's share of the Thirty-Ninth Judicial Circuit's expenses is 39.34 percent.

\*\*\*\*\*