



**WRIGHT COUNTY, MISSOURI
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

**Report No. 2004-76
September 28, 2004
www.auditor.mo.gov**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2004

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

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

- The county's controls and procedures over county expenditures need improvement. Bids were not always solicited, adequate supporting documentation was not always retained, disbursements were not properly monitored, and mileage paid to the sheriff was not adequately documented.
- The county has not established procedures to monitor collateral securities pledged by its depository bank, and as a result, funds were undercollateralized by approximately \$870,000 and \$777,000 during January 2004 and 2003, respectively.
- County Commission minutes were not prepared to document the matters discussed in closed meetings and open meeting minutes did not always document the reasons for closing the meeting, or the final disposition of matters discussed in closed meetings.
- A Title IV-D (Child Support Enforcement) Program claim form was not filed timely with the Missouri Department of Social Services (DSS) resulting in \$1,969 in lost revenue to the county. The Prosecuting Attorney authorized a transfer of \$1,969 from the Prosecuting Attorney Bad Check Fund to reimburse the General Revenue Fund.
- Numerous problems were noted relating to Prosecuting Attorneys' accounting controls and procedures. Bad check collection procedures need improvement, court ordered restitution is not adequately monitored, and the bad check account and restitution account had \$3,441 and \$2,356 in unidentified funds, respectively. Additionally, improvements are needed with segregation of accounting duties and controls over receipts. Further, concerns were noted with the compensation paid to employees from the Prosecuting Attorney Bad Check Fund and Prosecuting Attorney Delinquent Tax Fund.
- The County Collector withheld excess commissions totaling approximately \$9,400 on railroad and utility taxes, and \$4,000 on surtax collections. Additionally, surtax distributions

YELLOW SHEET

need to be reviewed.

- Prior audit reports have addressed the inadequacy of the Sheriff's accounting controls and procedures; however, weaknesses still exist in controls over receipts and monthly bank reconciliation procedures. Receipts were not deposited timely, receipt slips were not always issued, and bank accounts were not properly reconciled. At June 30, 2004, the reconciled balance in the Sheriff's Civil Fees account was only \$2,403. Approximately \$1,230 of the balance was being held as civil process fees and \$1,740 was due to the County Treasurer, resulting in a shortage of \$567. Additionally, improvements are needed with the segregation of accounting duties, controls over seized property, and controls over fuel usage.
- The Juvenile Detention Center (JDC) has not established procedures to maintain accurate financial information, and operating costs have not been analyzed to ensure the JDC recovers all costs. In addition, budgets were incomplete, and the actual cash balance was not accurately reported on the 2003 and 2002 budgets. Further, accounting duties are not adequately segregated and controls over expenditures need improvement at the JDC and Juvenile Office.

Also included in the audit were recommendations related to budgetary practices, payroll, property tax system, preparation of the county's schedule of federal awards, and a road and bridge maintenance plan. The audit also suggested improvements in the procedures of the County Treasurer, Ex Officio Recorder of Deeds, Associate Circuit Division, Health Center and Developmentally Disabled Board.

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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 Wright County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Wright County, Missouri, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Wright 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, 2003 and 2002, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 10, 2004, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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



Claire McCaskill
State Auditor

August 10, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA
Audit Manager: Donna Christian, CPA, CGFM
In-Charge Auditor: April McHaffie Lathrom, CPA
Audit Staff: Jody Vernon, CPA
Ted Fugitt, CPA
Mark Hubbell



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 Wright County, Missouri

We have audited the financial statements of various funds of Wright County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 10, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Wright 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 financial statements of various funds of Wright County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide 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 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 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 and use of the management of Wright County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

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

Claire McCaskill
State Auditor

August 10, 2004 (fieldwork completion date)

Financial Statements

Exhibit A

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 438,899	1,302,847	1,414,658	327,088
Special Road and Bridge	138,091	1,496,673	1,350,534	284,230
Assessment	274	155,463	140,619	15,118
Law Enforcement Training	3,535	5,342	6,238	2,639
Prosecuting Attorney Training	1,286	869	772	1,383
Prosecuting Attorney Bad Check	3,156	31,499	20,942	13,713
Local Emergency Planning Commission	5,070	6,921	6,003	5,988
Recorder User Fee	81,141	11,337	0	92,478
Domestic Shelter	0	752	647	105
Computer Upgrade/Remodeling	48,837	540	48,500	877
Sheriff Civil Fees	11,259	62,188	70,144	3,303
Election Services	3,026	1,046	2,243	1,829
Collector's Tax Maintenance	715	14,700	4,868	10,547
Recorder Technology	8,521	6,280	0	14,801
Plat Book	0	10,761	9,218	1,543
Juvenile Detention Center	173,095	273,493	363,718	82,870
Developmentally Disabled	525,402	133,281	72,399	586,284
Health Center	202,226	453,537	436,454	219,309
Associate Circuit Division Interest	2,127	171	1,123	1,175
Circuit Clerk Interest	5,769	608	311	6,066
Law Library	2,254	3,744	4,567	1,431
Prosecuting Attorney Delinquent Tax	1,338	2,567	2,908	997
Children's Home	0	41,199	41,199	0
Inmate Security	0	472	0	472
Local Law Enforcement Block Grant	0	8,400	8,400	0
Total	\$ 1,656,021	4,024,690	4,006,465	1,674,246

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

Exhibit A

WRIGHT COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 440,586	1,331,962	1,333,649	438,899
Special Road and Bridge	172,285	1,393,915	1,428,109	138,091
Assessment	232	153,455	153,413	274
Law Enforcement Training	3,101	5,661	5,227	3,535
Prosecuting Attorney Training	357	943	14	1,286
Prosecuting Attorney Bad Check	13,374	24,207	34,425	3,156
Local Emergency Planning Commission	9,160	6,168	10,258	5,070
Recorder User Fee	73,427	11,329	3,615	81,141
Domestic Shelter	136	752	888	0
Computer Upgrade/Remodeling	50,748	8,932	10,843	48,837
Sheriff Civil Fees	6,220	31,999	26,960	11,259
Election Services	89	3,390	453	3,026
Children's Home	0	255,283	255,283	0
Drug	9	1	10	0
Juvenile Detention Center	250,899	195,068	272,872	173,095
Developmentally Disabled	545,558	97,558	117,714	525,402
Health Center	199,582	480,048	477,404	202,226
Associate Circuit Division Interest	2,300	242	415	2,127
Circuit Clerk Interest	6,304	1,101	1,636	5,769
Law Library	3,185	3,931	4,862	2,254
Prosecuting Attorney Delinquent Tax	2,446	1,120	2,228	1,338
Collector's Tax Maintenance	0	715	0	715
Recorder Technology	1,987	6,534	0	8,521
Total	\$ 1,781,985	4,014,314	4,140,278	1,656,021

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

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 4,195,762	3,972,052	(223,710)	4,154,504	4,005,945	(148,559)
DISBURSEMENTS	4,729,935	3,953,958	775,977	4,414,596	4,138,050	276,546
RECEIPTS OVER (UNDER) DISBURSEMENTS	(534,173)	18,094	552,267	(260,092)	(132,105)	127,987
CASH, JANUARY 1	1,615,986	1,654,683	38,697	1,758,655	1,777,552	18,897
CASH, DECEMBER 31	1,081,813	1,672,777	590,964	1,498,563	1,645,447	146,884
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	52,000	53,350	1,350	52,500	52,259	(241)
Sales taxes	667,000	703,932	36,932	690,000	667,781	(22,219)
Intergovernmental	193,286	204,517	11,231	313,550	267,876	(45,674)
Charges for services	246,050	239,427	(6,623)	198,000	236,907	38,907
Interest	20,000	15,113	(4,887)	23,000	23,374	374
Other	25,204	26,990	1,786	31,030	25,644	(5,386)
Transfers in	57,300	59,518	2,218	52,800	58,121	5,321
Total Receipts	1,260,840	1,302,847	42,007	1,360,880	1,331,962	(28,918)
DISBURSEMENTS						
County Commissioner	64,887	66,782	(1,895)	65,472	64,724	748
County Clerk	54,072	54,692	(620)	54,020	54,031	(11)
Elections	21,687	20,109	1,578	56,811	51,194	5,617
Buildings and grounds	67,329	70,359	(3,030)	58,965	65,556	(6,591)
Employee fringe benefit	173,799	177,581	(3,782)	146,500	184,217	(37,717)
County Treasurer	24,108	25,145	(1,037)	24,550	26,245	(1,695)
County Collector	78,921	76,097	2,824	73,815	76,819	(3,004)
Recorder of Deeds	22,586	22,324	262	24,899	23,536	1,363
Circuit Clerk	8,825	8,724	101	8,350	7,028	1,322
Associate Circuit Court	11,903	10,684	1,219	11,000	11,609	(609)
Court administration	10,551	9,592	959	9,551	9,012	539
Public Administrator	11,313	10,360	953	11,411	11,050	361
Sheriff	243,083	249,556	(6,473)	239,415	239,660	(245)
Jail	105,621	200,411	(94,790)	69,358	107,386	(38,028)
Prosecuting Attorney	94,077	96,515	(2,438)	96,777	97,298	(521)
Juvenile Offices	97,230	82,789	14,441	220,194	131,763	88,431
County Coroner	16,320	14,503	1,817	16,045	18,219	(2,174)
Public health and welfare service	22,788	22,083	705	22,645	18,363	4,282
Other	123,676	152,536	(28,860)	84,215	99,619	(15,404)
Transfers out	240,000	43,816	196,184	25,000	36,320	(11,320)
Emergency Fund	37,825	0	37,825	40,826	0	40,826
Total Disbursements	1,530,601	1,414,658	115,943	1,359,819	1,333,649	26,170
RECEIPTS OVER (UNDER) DISBURSEMENTS	(269,761)	(111,811)	157,950	1,061	(1,687)	(2,748)
CASH, JANUARY 1	438,899	438,899	0	431,440	440,586	9,146
CASH, DECEMBER 31	169,138	327,088	157,950	432,501	438,899	6,398

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	7,000	14,918	7,918	20,000	18,594	(1,406)
Sales taxes	670,000	681,981	11,981	400,000	399,108	(892)
Intergovernmental	883,000	788,499	(94,501)	930,000	965,771	35,771
Charges for services	0	0	0	25,000	0	(25,000)
Interest	5,500	6,365	865	20,000	7,478	(12,522)
Other	2,300	4,910	2,610	45,750	2,964	(42,786)
Transfers in	0	0	0	15,000	0	(15,000)
Total Receipts	1,567,800	1,496,673	(71,127)	1,455,750	1,393,915	(61,835)
DISBURSEMENTS						
Salaries	432,810	414,614	18,196	370,000	370,027	(27)
Employee fringe benefit	125,127	131,783	(6,656)	111,500	99,380	12,120
Supplies	74,900	87,169	(12,269)	77,100	64,404	12,696
Insurance	25,000	25,146	(146)	5,000	8,411	(3,411)
Road and bridge materials	322,550	223,206	99,344	430,000	493,001	(63,001)
Equipment repairs	100,000	79,906	20,094	80,000	96,947	(16,947)
Rentals	600	845	(245)	4,700	592	4,108
Equipment purchases	103,828	104,173	(345)	170,000	79,449	90,551
Construction, repair, and maintenance	27,500	29,111	(1,611)	0	42,433	(42,433)
Distribution to special road district	200,100	204,594	(4,494)	140,000	119,732	20,268
Other	12,425	10,946	1,479	15,100	12,045	3,055
Transfers out	42,745	39,041	3,704	45,000	41,688	3,312
Emergency Fund	100,000	0	100,000	0	0	0
Total Disbursements	1,567,585	1,350,534	217,051	1,448,400	1,428,109	20,291
RECEIPTS OVER (UNDER) DISBURSEMENTS	215	146,139	145,924	7,350	(34,194)	(41,544)
CASH, JANUARY 1	138,091	138,091	0	164,019	172,285	8,266
CASH, DECEMBER 31	138,306	284,230	145,924	171,369	138,091	(33,278)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	112,520	107,924	(4,596)	128,000	119,290	(8,710)
Charges for services	750	829	79	625	756	131
Interest	500	461	(39)	1,100	555	(545)
Other	1,000	2,749	1,749	275	3,248	2,973
Transfers in	46,196	43,500	(2,696)	33,700	29,606	(4,094)
Total Receipts	160,966	155,463	(5,503)	163,700	153,455	(10,245)
DISBURSEMENTS						
Assessor	160,966	140,619	20,347	163,637	153,413	10,224
Total Disbursements	160,966	140,619	20,347	163,637	153,413	10,224
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	14,844	14,844	63	42	(21)
CASH, JANUARY 1	274	274	0	232	232	0
CASH, DECEMBER 31	274	15,118	14,844	295	274	(21)

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for service:	5,600	4,969	(631)	8,000	5,511	(2,489)
Interest	0	63	63	100	109	9
Other	0	310	310	0	41	41
Total Receipts	5,600	5,342	(258)	8,100	5,661	(2,439)
DISBURSEMENTS						
Sheriff	9,000	6,238	2,762	7,100	5,227	1,873
Transfers out	0	0	0	1,000	0	1,000
Total Disbursements	9,000	6,238	2,762	8,100	5,227	2,873
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,400)	(896)	2,504	0	434	434
CASH, JANUARY 1	3,535	3,535	0	3,101	3,101	0
CASH, DECEMBER 31	135	2,639	2,504	3,101	3,535	434
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for service:	855	836	(19)	1,500	903	(597)
Interest	40	33	(7)	10	40	30
Total Receipts	895	869	(26)	1,510	943	(567)
DISBURSEMENTS						
Prosecuting Attorney	2,100	772	1,328	1,367	14	1,353
Total Disbursements	2,100	772	1,328	1,367	14	1,353
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,205)	97	1,302	143	929	786
CASH, JANUARY 1	1,287	1,286	(1)	357	357	0
CASH, DECEMBER 31	82	1,383	1,301	500	1,286	786
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for service:	22,611	31,157	8,546	26,167	23,680	(2,487)
Interest	520	342	(178)	460	527	67
Total Receipts	23,131	31,499	8,368	26,627	24,207	(2,420)
DISBURSEMENTS						
Prosecuting Attorney	3,400	3,708	(308)	11,713	20,438	(8,725)
Transfers out	19,461	17,234	2,227	20,000	13,987	6,013
Total Disbursements	22,861	20,942	1,919	31,713	34,425	(2,712)
RECEIPTS OVER (UNDER) DISBURSEMENTS	270	10,557	10,287	(5,086)	(10,218)	(5,132)
CASH, JANUARY 1	3,156	3,156	0	13,374	13,374	0
CASH, DECEMBER 31	3,426	13,713	10,287	8,288	3,156	(5,132)

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	2,830	6,753	3,923	7,700	5,715	(1,985)
Interest	300	168	(132)	500	453	(47)
Total Receipts	<u>3,130</u>	<u>6,921</u>	<u>3,791</u>	<u>8,200</u>	<u>6,168</u>	<u>(2,032)</u>
DISBURSEMENTS						
Emergency Planning	8,200	6,003	2,197	13,900	10,158	3,742
Transfers out	0	0	0	0	100	(100)
Total Disbursements	<u>8,200</u>	<u>6,003</u>	<u>2,197</u>	<u>13,900</u>	<u>10,258</u>	<u>3,642</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(5,070)</u>	<u>918</u>	<u>5,988</u>	<u>(5,700)</u>	<u>(4,090)</u>	<u>1,610</u>
CASH, JANUARY 1	<u>5,070</u>	<u>5,070</u>	<u>0</u>	<u>9,160</u>	<u>9,160</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>0</u></u>	<u><u>5,988</u></u>	<u><u>5,988</u></u>	<u><u>3,460</u></u>	<u><u>5,070</u></u>	<u><u>1,610</u></u>
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for service:	7,500	8,632	1,132	7,300	7,586	286
Interest	3,800	2,705	(1,095)	3,400	3,743	343
Total Receipts	<u>11,300</u>	<u>11,337</u>	<u>37</u>	<u>10,700</u>	<u>11,329</u>	<u>629</u>
DISBURSEMENTS						
Recorder	40,000	0	40,000	35,000	3,615	31,385
Total Disbursements	<u>40,000</u>	<u>0</u>	<u>40,000</u>	<u>35,000</u>	<u>3,615</u>	<u>31,385</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(28,700)</u>	<u>11,337</u>	<u>40,037</u>	<u>(24,300)</u>	<u>7,714</u>	<u>32,014</u>
CASH, JANUARY 1	<u>81,141</u>	<u>81,141</u>	<u>0</u>	<u>73,427</u>	<u>73,427</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>52,441</u></u>	<u><u>92,478</u></u>	<u><u>40,037</u></u>	<u><u>49,127</u></u>	<u><u>81,141</u></u>	<u><u>32,014</u></u>
<u>DOMESTIC SHELTER FUND</u>						
RECEIPTS						
Charges for service:	1,000	745	(255)	1,500	730	(770)
Interest	35	7	(28)	25	22	(3)
Total Receipts	<u>1,035</u>	<u>752</u>	<u>(283)</u>	<u>1,525</u>	<u>752</u>	<u>(773)</u>
DISBURSEMENTS						
Domestic violence shelte	1,035	647	388	800	888	(88)
Total Disbursements	<u>1,035</u>	<u>647</u>	<u>388</u>	<u>800</u>	<u>888</u>	<u>(88)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>0</u>	<u>105</u>	<u>105</u>	<u>725</u>	<u>(136)</u>	<u>(861)</u>
CASH, JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>136</u>	<u>136</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>0</u></u>	<u><u>105</u></u>	<u><u>105</u></u>	<u><u>861</u></u>	<u><u>0</u></u>	<u><u>(861)</u></u>

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
COMPUTER UPGRADE/REMODELING FUND						
RECEIPTS						
Interest	2,000	540	(1,460)	500	2,112	1,612
Transfers in	200,000	0	(200,000)	10,000	6,820	(3,180)
Total Receipts	202,000	540	(201,460)	10,500	8,932	(1,568)
DISBURSEMENTS						
Computers	1,837	0	1,837	15,000	10,843	4,157
Building repairs	249,000	48,500	200,500	40,000	0	40,000
Total Disbursements	250,837	48,500	202,337	55,000	10,843	44,157
RECEIPTS OVER (UNDER) DISBURSEMENTS	(48,837)	(47,960)	877	(44,500)	(1,911)	42,589
CASH, JANUARY 1	48,837	48,837	0	50,748	50,748	0
CASH, DECEMBER 31	0	877	877	6,248	48,837	42,589
SHERIFF CIVIL FEES FUND						
RECEIPTS						
Intergovernmental	45,388	31,743	(13,645)	0	0	0
Charges for service:	32,200	29,452	(2,748)	29,200	31,528	2,328
Interest	0	243	243	300	471	171
Other	0	750	750	0	0	0
Total Receipts	77,588	62,188	(15,400)	29,500	31,999	2,499
DISBURSEMENTS						
Sheriff	85,353	69,442	15,911	29,157	26,960	2,197
Transfers out	0	702	(702)	0	0	0
Total Disbursements	85,353	70,144	15,209	29,157	26,960	2,197
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,765)	(7,956)	(191)	343	5,039	4,696
CASH, JANUARY 1	11,259	11,259	0	6,220	6,220	0
CASH, DECEMBER 31	3,494	3,303	(191)	6,563	11,259	4,696
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	1,000	995	(5)	3,500	3,225	(275)
Interest	60	51	(9)	100	69	(31)
Other	0	0	0	0	96	96
Total Receipts	1,060	1,046	(14)	3,600	3,390	(210)
DISBURSEMENTS						
Election expense	4,000	2,243	1,757	3,600	229	3,371
Transfers out	0	0	0	0	224	(224)
Total Disbursements	4,000	2,243	1,757	3,600	453	3,147
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,940)	(1,197)	1,743	0	2,937	2,937
CASH, JANUARY 1	3,026	3,026	0	89	89	0
CASH, DECEMBER 31	86	1,829	1,743	89	3,026	2,937

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>COLLECTORS TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for service:	15,000	14,588	(412)			
Interest	500	112	(388)			
Total Receipts	<u>15,500</u>	<u>14,700</u>	<u>(800)</u>			
DISBURSEMENTS						
Collector	4,700	4,868	(168)			
Total Disbursements	<u>4,700</u>	<u>4,868</u>	<u>(168)</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	10,800	9,832	(968)			
CASH, JANUARY 1	715	715	0			
CASH, DECEMBER 31	<u>11,515</u>	<u>10,547</u>	<u>(968)</u>			
<u>RECORDER TECHNOLOGY FUND</u>						
RECEIPTS						
Charges for service:	6,200	5,959	(241)			
Interest	400	321	(79)			
Total Receipts	<u>6,600</u>	<u>6,280</u>	<u>(320)</u>			
DISBURSEMENTS						
Recorder	0	0	0			
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,600	6,280	(320)			
CASH, JANUARY 1	8,521	8,521	0			
CASH, DECEMBER 31	<u>15,121</u>	<u>14,801</u>	<u>(320)</u>			
<u>PLAT BOOK FUND</u>						
RECEIPTS						
Interest	25	54	29			
Other	15,769	10,707	(5,062)			
Total Receipts	<u>15,794</u>	<u>10,761</u>	<u>(5,033)</u>			
DISBURSEMENTS						
Plat book expense	10,969	9,218	1,751			
Total Disbursements	<u>10,969</u>	<u>9,218</u>	<u>1,751</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,825	1,543	(3,282)			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	<u>4,825</u>	<u>1,543</u>	<u>(3,282)</u>			

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CHILDREN'S HOME FUND</u>						
RECEIPTS						
Intergovernmental				296,482	255,283	(41,199)
Total Receipts				296,482	255,283	(41,199)
DISBURSEMENTS						
Children's home				296,482	255,283	41,199
Total Disbursements				296,482	255,283	41,199
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	0	0
CASH, JANUARY 1				0	0	0
CASH, DECEMBER 31				0	0	0
<u>DRUG FUND</u>						
RECEIPTS						
Interest				2	1	(1)
Total Receipts				2	1	(1)
DISBURSEMENTS						
Sheriff				11	10	1
Total Disbursements				11	10	1
RECEIPTS OVER (UNDER) DISBURSEMENTS				(9)	(9)	0
CASH, JANUARY 1				9	9	0
CASH, DECEMBER 31				0	0	0
<u>JUVENILE DETENTION CENTER FUND</u>						
RECEIPTS						
Intergovernmental	269,158	263,661	(5,497)	190,325	187,857	(2,468)
Charges for service:	13,000	3,992	(9,008)	9,000	4,501	(4,499)
Interest	0	492	492	0	2,131	2,131
Other	0	5,348	5,348	0	579	579
Total Receipts	282,158	273,493	(8,665)	199,325	195,068	(4,257)
DISBURSEMENTS						
Salaries	173,541	135,064	38,477	129,344	94,338	35,006
Office expenditures:	100,000	73,650	26,350	83,000	67,276	15,724
Equipment	5,500	31,863	(26,363)	172,813	99,860	72,953
Mileage and training	9,598	1,812	7,786	7,700	2,393	5,307
Building	128,519	120,727	7,792	56,233	9,002	47,231
Other	0	602	(602)	0	3	(3)
Total Disbursements	417,158	363,718	53,440	449,090	272,872	176,218
RECEIPTS OVER (UNDER) DISBURSEMENTS	(135,000)	(90,225)	44,775	(249,765)	(77,804)	171,961
CASH, JANUARY 1	135,000	173,095	38,095	249,765	250,899	1,134
CASH, DECEMBER 31	0	82,870	82,870	0	173,095	173,095

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DEVELOPMENTALLY DISABLED FUND</u>						
RECEIPTS						
Property taxes	100,507	120,390	19,883	106,100	82,651	(23,449)
Interest	10,060	12,891	2,831	20,061	14,907	(5,154)
Total Receipts	110,567	133,281	22,714	126,161	97,558	(28,603)
DISBURSEMENTS						
Funding for service:	57,500	65,850	(8,350)	71,000	80,552	(9,552)
Capital expenses	100,000	3,500	96,500	0	36,189	(36,189)
Office expenditures:	3,705	2,956	749	2,560	938	1,622
Mileage	40	93	(53)	50	35	15
Total Disbursements	161,245	72,399	88,846	73,610	117,714	(44,104)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(50,678)	60,882	111,560	52,551	(20,156)	(72,707)
CASH, JANUARY 1	525,402	525,402	0	545,558	545,558	0
CASH, DECEMBER 31	474,724	586,284	111,560	598,109	525,402	(72,707)
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	98,000	104,280	6,280	92,000	99,981	7,981
Intergovernmental	313,722	310,250	(3,472)	312,993	329,272	16,279
Charges for service:	14,885	14,534	(351)	15,215	16,513	1,298
Interest	9,500	5,969	(3,531)	10,379	11,292	913
Other	9,110	18,504	9,394	16,430	22,990	6,560
Total Receipts	445,217	453,537	8,320	447,017	480,048	33,031
DISBURSEMENTS						
Salaries	294,117	290,693	3,424	278,000	277,818	182
Office expenditures:	41,500	38,246	3,254	47,460	62,121	(14,661)
Equipment	7,000	9,346	(2,346)	7,677	15,487	(7,810)
Mileage and training	12,000	9,546	2,454	10,000	11,620	(1,620)
Other	90,600	88,623	1,977	93,880	110,358	(16,478)
Total Disbursements	445,217	436,454	8,763	437,017	477,404	(40,387)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	17,083	17,083	10,000	2,644	(7,356)
CASH, JANUARY 1	202,987	202,226	(761)	199,913	199,582	(331)
CASH, DECEMBER 31	202,987	219,309	16,322	209,913	202,226	(7,687)
<u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	181	171	(10)	425	242	(183)
Total Receipts	181	171	(10)	425	242	(183)
DISBURSEMENTS						
Associate Circuit Divisor	2,308	1,123	1,185	2,693	415	2,278
Total Disbursements	2,308	1,123	1,185	2,693	415	2,278
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,127)	(952)	1,175	(2,268)	(173)	2,095
CASH, JANUARY 1	2,127	2,127	0	2,300	2,300	0
CASH, DECEMBER 31	0	1,175	1,175	32	2,127	2,095

Exhibit B

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

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	400	608	208	500	1,101	601
Total Receipts	400	608	208	500	1,101	601
DISBURSEMENTS						
Circuit Clerk	1,800	311	1,489	1,200	1,636	(436)
Total Disbursements	1,800	311	1,489	1,200	1,636	(436)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	297	1,697	(700)	(535)	165
CASH, JANUARY 1	4,405	5,769	1,364	5,622	6,304	682
CASH, DECEMBER 31	3,005	6,066	3,061	4,922	5,769	847
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for service:	4,000	3,744	(256)	4,000	3,931	(69)
Total Receipts	4,000	3,744	(256)	4,000	3,931	(69)
DISBURSEMENTS						
Law Library	4,000	4,567	(567)	4,000	4,862	(862)
Total Disbursements	4,000	4,567	(567)	4,000	4,862	(862)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(823)	(823)	0	(931)	(931)
CASH, JANUARY 1	2,254	2,254	0	3,185	3,185	0
CASH, DECEMBER 31	2,254	1,431	(823)	3,185	2,254	(931)

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

Notes to the Financial Statements

WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Children's Home Fund	2003
Inmate Security Fund	2003
Local Law Enforcement Block Grant Fund	2003
Collectors Tax Maintenance Fund	2002
Recorder Technology Fund	2002

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Collectors Tax Maintenance Fund	2003
Law Library Fund	2003 and 2002
Prosecuting Attorney Bad Check Fund	2002
Domestic Shelter Fund	2002
Health Center Fund	2002
Developmentally Disabled Fund	2002
Circuit Clerk Interest Fund	2002

D. Published Financial Statements

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

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Elections Services Fund	2003 and 2002
Children's Home Fund	2003 and 2002
Local Law Enforcement Block Grant Fund	2003
Prosecuting Attorney Bad Check Fund	2002
Collector's Tax Maintenance Fund	2002

2. Cash

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

agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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 financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

Of the county's bank balance at December 31, 2003, \$682,396 was covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name, and \$2,063,641 was covered by collateral held by an independent bank but not in the county's name. Of the county's bank balance at December 31, 2002, \$710,088 was covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name, and \$2,021,826 was covered by collateral held by an independent bank but not in the county's name.

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.

The Health Center Board's deposits at December 31, 2003, were entirely covered by federal depository insurance or by collateral securities held by the Board's custodial bank in the Board's name. Of the Health Center Board's bank balance at December 31, 2002, \$126,000 was covered by federal depository insurance or by collateral securities held by the Board's custodial bank in the Board's name, and \$15,677 was uninsured and uncollateralized.

The Developmentally Disabled Board's deposits at December 31, 2003 and 2002, were entirely covered by federal depository insurance or by collateral securities held by the Board's custodial bank in the Board's name.

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

3. Prior Period Adjustment

The Recorder User Fee Fund's cash balance at January 1, 2002, as previously stated has been decreased by \$1,987 which represents the balance in the Recorder Technology Fund. These two funds were previously presented as one fund. The Circuit Clerk Interest Fund's cash balance at January 1, 2002, as previously stated has been increased by \$682 to reflect a correction of 2001 and 2000 revenues previously omitted.

Supplementary Schedule

Schedule

WRIGHT 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,	
			2003	2002
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state				
Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-2215	\$ 0	59,314
		ERS045-3215W	61,716	21,974
		ERS045-4215	21,932	0
	Program Total		<u>83,648</u>	<u>81,288</u>
10.559	Summer Food Service Program for Children	ERS146-2215I	0	420
		ERS146-4315I	390	0
	Program Total		<u>390</u>	<u>420</u>
Office of Administration				
10.665	Schools and Roads - Grants to States	N/A	3,293	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state				
Department of Economic Development -				
14.228	Community Development Block Grants/State' Program	2000-PF-08	41,199	255,283
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety				
16.523	Juvenile Accountability Incentive Block Grant	99JAIBG-INT-18	0	6,996
Missouri Sheriff's Meth-Amphetamine Relief Team				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	2000DDVX0055	42,165	0
State Department of Public Safety				
16.592	Local Law Enforcement Block Grants Program	N/A	7,650	0
Missouri Sheriffs' Association -				
16	Domestic Cannabis Eradication/Suppression Program	N/A	895	1,003

Schedule

WRIGHT 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,	
			2003	2002
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
Department of Public Safety				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	N/A	6,753	5,715
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration				
39.003	Donation of Federal Surplus Personal Property	N/A	76	142
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety				
83.544	Public Assistance Grants *	FEMA-MO-DR1412	0	75,452
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services -				
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	N/A	8,050	0
93.268	Immunization Grants	N/A	34,785	32,744
		PGA064-2215A	0	3,945
		PGA064-3215A	3,750	1,100
	Program Total		<u>38,535</u>	<u>37,789</u>
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	DH030380001	6,700	0
Department of Social Services -				
93.563	Child Support Enforcement	N/A	16,036	16,113
Department of Health and Senior Services -				
93.575	Child Care and Development Block Grant	PGA067-2215S	1,095	769
		PGA067-4215S	365	0
		PGA067-2215C	0	926
		PGA067-3215C	1,890	110
	Program Total		<u>3,350</u>	<u>1,805</u>
Department of Social Services -				
93.658	Foster Care - Title IV-E	AOC6000327	0	14,722
		AOC01380001	0	9,972
	Program Total		<u>0</u>	<u>24,694</u>

Schedule

WRIGHT 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,	
			2003	2002
93.667	Social Services Block Grant	ERO172121	8,392	12,021
		ERO172090	16,023	16,306
		AOC01380070	35,528	21,748
	Program Total		<u>59,943</u>	<u>50,075</u>
	Department of Health and Senior Services			
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	ERS161-20034	0	17,137
		ERS161-30014	19,398	4,121
		ERS161-40009	7,109	0
	Program Total		<u>26,507</u>	<u>21,258</u>
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-2215M	0	15,339
		ERS146-3215M	15,263	5,088
		ERS146-4215M	5,126	0
		N/A	326	287
		ERS175-2084F	0	6,422
		ERS175-3084F	4,646	3,186
			<u>25,361</u>	<u>30,322</u>
	Total Expenditures of Federal Award:		\$ <u><u>370,551</u></u>	<u><u>608,355</u></u>

* The CFDA number for this program changed to 97.036 in October 2003

N/A - Not applicable

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

Notes to the Supplementary Schedule

WRIGHT 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 Wright County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt. Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both

cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2003 and 2002.

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 Wright County, Missouri

Compliance

We have audited the compliance of Wright 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, 2003 and 2002. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Wright 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, 2003 and 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-1.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-1.

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

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



Claire McCaskill
State Auditor

August 10, 2004 (fieldwork completion date)

Schedule

WRIGHT COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2003 AND 2002

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

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

Noncompliance material to the financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

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

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

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

Identification of major program(s):

CFDA or	
Other Identifying	
<u>Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grants/State's Program
93.994	Maternal and Child Health Services Block Grant to the States

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

03-1.

Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health and Senior Services
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity	
Identifying Numbers:	ERS045-2215, ERS045-3215W, ERS045-4215
Award Years:	2003 and 2002
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grants/State's Program
Pass-Through Entity	
Identifying Numbers:	2000-PF-08
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Grantor: Department of Health and Senior Services
Federal CFDA Number: 93.994
Program Title: Maternal and Child Health Services Block Grant to the States
Pass-Through Entity
Identifying Numbers: ERS146-2215M, ERS146-3215M, ERS146-4215M, ERS175-2084F, ERS175-3084F
Award Years: 2003 and 2002
Questioned Costs: Not applicable

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

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported. For the years ended December 31, 2003 and 2002, the county's SEFA was not accurate; the SEFA understated expenditures in total by approximately \$37,479 and \$53,677, respectively. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and officials.

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

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

AUDITEE'S RESPONSE

The County Clerk provided the following response:

The Schedule is dependent on information collected from various individuals and I will try to ensure it is complete and accurate in the future.

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

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

The prior audit report issued for the two years ended December 31, 2001, 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

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

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

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

The prior audit report issued for the two years ended December 31, 2001, 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

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

We have audited the financial statements of various funds of Wright County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 10, 2004. We also have audited the compliance of Wright 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, 2003 and 2002, and have issued our report thereon dated August 10, 2004.

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

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

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

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

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

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

programs but do not meet the criteria for inclusion in the written reports on compliance and 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*.

1. County Expenditures

Controls and procedures over county expenditures need improvement. Bids were not always solicited, supporting documentation was not always retained, and mileage paid to the sheriff was not adequately documented. Additionally, Local Emergency Planning Commission expenditures were not adequately monitored.

- A. Bids were not always solicited or advertised nor was bid documentation always retained for various purchases by the county. In addition, the minutes did not adequately document bid information such as reasons for accepting other than the lowest bid. For example, the county paid \$30 per ton for asphalt and did not document why lower bids which ranged from \$18 to \$20 per ton were not accepted. County officials indicated the decision to accept the higher bid was based on product quality; however, this was not documented. Bids were not advertised or solicited, or adequate bid documentation was not maintained for the following purchases:

<u>Item or Service</u>	<u>Cost</u>
Mapping Services	\$ 9,218
Vehicle Repairs	7,971
Computers	7,282

Although some of these purchases represent one payment for the item, the county may spend more than these amounts for vehicle repairs on an annual basis.

Section 50.660, RSMo 2000, requires the advertisement for bids for any 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 the economical management of county resources and helps to assure the county receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested parties are given an equal opportunity to participate in county business. To show full compliance with state law, documentation of bids should include, at minimum, a listing of vendors from whom bids were requested, a copy of the request or proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.

- B. The county did not retain adequate supporting documentation for some expenditures. For example, the county paid \$2,500 in contract services to a dispatcher employed by the Sheriff's Office to remodel the dispatching area. The invoices for the services showed no detail of services performed such as the date or description of the work. In addition, an IRS Form 1099-MISC was not filed for this person.

To ensure the validity and propriety of expenditures, adequate supporting documentation should be obtained for all payments to vendors. Section 6041 of the Internal Revenue Code requires non-employee compensation paid of at least \$600 in a calendar year to an individual or unincorporated business to be reported to the IRS.

- C. The county did not properly monitor disbursements of the Local Emergency Planning Commission (LEPC). Computer equipment totaling \$7,282 was purchased by the county and given to local fire departments through the LEPC (This computer equipment was also not properly bid as discussed in point A above.) In addition, the county gave one fire department funds totaling \$1,100 because they already owned a computer. The fire departments were not required to provide documentation to the county to support how the equipment or money would be used. Further, the county paid an individual \$2,000 in 2002 for secretarial work related to emergency planning. The invoices for these services showed no detail such as the number of hours worked by day or the hourly rate charged.

To ensure state and federal funds received for the county's Local Emergency Planning Commission are used appropriately, the county should establish formal procedures to monitor these funds.

- D. Documentation was not always adequate to support approximately \$4,700 in mileage paid to the Sheriff from the Sheriff's Civil Fee and county's General Revenue Funds for patrolling during 2003. Some requests did not include destination and purpose nor did the Sheriff include details such as odometer readings.
- E. Federal surplus property from the State Agency for Surplus Property (SASP) totaling \$299 was purchased by the county in 2002 and immediately sold to three Sheriff's Office employees for their personal use. Items purchased included miscellaneous clothing, and laptop computers. According to state and federal regulations, surplus property acquired through the state must be used by the authorized public agency making the purchase for promoting public services for the residents of the political subdivision. Property not used in compliance with state and federal regulations may be subject to recovery and the county may be required to reimburse the original cost of the items.

WE RECOMMEND the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained and the justification for selecting the winning bid. If bids cannot be obtained and sole source procurement is necessary, the County Commission minutes should reflect the necessitating circumstances.
- B. Require adequate supporting documentation prior to approving expenditures for payment. In addition, the county should ensure IRS 1099-MISC forms are prepared and submitted as required.
- C. Develop procedures to properly monitor the use of funds received for the county's LEPC.
- D. And the Sheriff maintain adequate documentation to support mileage claims.
- E. And the Sheriff contact the SASP to resolve this matter, and ensure that future purchases from SASP be made in compliance with state and federal regulations.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *The asphalt was bid. The Commission did not take the lowest bid due to the quality of the asphalt. As now documented in the 2004 County Commission minutes, the company that was selected runs through a hot mix plant and has different materials which will make it last longer.*

Mapping services were for the plat books. The process was broken down into three separate contracts. None of the three contracts were over the \$4,500 limit that is required to be put out for bid. Wright County selected the only company who could do the plat books that would allow Wright County to sell their own advertising to pay for the production.

Vehicle repairs were for repairs the Sheriff made on a vehicle without getting approval from the County Commission and the Commission was stuck with paying the bill after the fact. The Commission did talk to the Sheriff and advised him to get bids in the future.

Computers were purchased for the LEPC (Local Emergency Planning Commission). The Director did solicit bids and reported back to LEPC but, did not document her bid process.

- B. *In the future, the county will get written agreements and issue Forms 1099 for contract labor.*
- C. *The LEPC Board is composed of members outside county government. The county will change the process and require detailed documentation of every transaction in the future.*

- D. *Only \$427.13 was paid from the county General Revenue Fund. The remaining \$4,272.87 was paid by the Sheriff from his civil fees account. The county has no control over the Civil Fees Account and by state statute they cannot deny any request from the Sheriff to disburse money from the fund. This recommendation should be directed to the Sheriff, not the County Commission.*

- E. *When the County Commission budgets money to an office holder and they submit a bill signed by the office holder requesting the expenditure of that money from their budget, the County Commission pays the bill. The Commission has no control over the Sheriff allowing employees to purchase the items for their own use. The Commission did have their names removed from the list of persons eligible to purchase materials at the State Surplus Property. The Commission feels this should be a recommendation to the County Sheriff.*

The Sheriff provided the following responses:

- D. *I submit a request for only half of the mileage I incur. In the future, I will include more details.*

- E. *I have stopped this practice.*

AUDITOR'S COMMENT

The \$9,218 for mapping services represents three separate payments to one vendor in a ninety day period. Section 50.660, RSMo 2000, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

2. Budgetary Practices and Published Financial Statements

Budgets were not prepared for some funds, and published financial statements were not complete.

The County Clerk and County Commission are responsible for preparing and approving a county budget and publishing an annual financial statement. Wright County's 2003 and 2002 budgets and published financial statements revealed the following deficiencies:

- A. Formal budgets were not prepared or obtained for various county funds for the years ended December 31, 2003 and 2002. Chapter 50, RSMo 2000, requires preparation of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission would be more able to effectively evaluate all county financial resources.

- B. A review of the annual financial statement published by the county noted the following concerns:

1. The county's published financial statements are not complete. Information contained in the published financial statement did not include the appropriate expenditure detail as required by Section 50.800, RSMo 2000. Expenditure detail was not shown for some of the smaller county funds.
2. The annual published financial statement did not include financial activity for five county funds. Section 50.800, RSMo 2000, provides that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds.

To adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be presented in the level of detail required by law and should be reconciled to the county's financial information.

WE RECOMMEND the County Commission:

- A. Ensure budgets are prepared or obtained for all county funds.
- B. Publish financial statements in accordance with state law and ensure all required financial information for all county funds is properly reported in the annual financial statements.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *The county is very conscientious about preparing and submitting budgets to the State Auditor's office. The budgets in question are for funds that were created in the middle of the year, did not pass through the county accounting office, and some are totally at the discretion of other elected officials. The County Commission can request budgets be prepared and submitted by other elected officials but, when expenditures do not require Commission approval, the County Commission has no recourse when they do not comply.*
- B. *Prosecutor's Bad Check Fund – this fund's expenditures and receipts do not pass through the County Commission and is the sole discretion of the Prosecuting Attorney. The County Commission cannot force the Prosecutor to release information for the financial statement. The County Commission feels this recommendation should be directed to the Prosecuting Attorney.*

Tax Maintenance Fund – this fund's expenditures and receipts do not pass through the County Commission and is at the sole discretion of the Collector. The County Commission cannot force the Collector to release information for the financial statement. The County Commission feels this recommendation should be directed to the Collector.

Election Services Fund – the county will add this fund to the financial statement.

Children's Home Grant – this was grant money that did not pass through the accounting office; however, this information was available from the County Treasurer.

Local Law Enforcement Block Grant – the county will add these grants to the financial statement in the future.

3.

Property Tax Controls

Controls over the preparation of the property tax books and the county's computer system are not adequate. The County Clerk does not prepare the current or back tax books. The County Clerk enters the tax rates and the County Collector prints the current tax books. The County Collector also prepares the back tax books. In addition, the County Clerk does not document the tests he performs to verify the totals of the back tax books for accuracy. Further, the property tax computer program does not generate tax book page or control totals, but only a summary total at the end of each tax book.

Sections 137.290 and 140.050, RSMo 2000, require the County Clerk to extend tax books and charge the County Collector with the whole amount of the current tax books, and the aggregate amount of taxes, interest, and clerk's fees contained in the back tax books. The procedures outlined in the statutes for the preparation of the tax books provide for the separation of duties and acts as a form of checks and balances on the Assessor, County Clerk, and County Collector. Failure of the County Clerk to prepare the tax books as required by statutes may result in errors and irregularities going undetected. In addition, without page and control totals, the ability to verify the accuracy of the tax book is limited.

WE RECOMMEND the County Clerk prepare the current and back tax books or document the tests performed to review the tax books for accuracy. Further, the County Commission should authorize programming changes to print future tax books with the appropriate control totals. This should include page totals and a summary page of all page totals.

AUDITEE'S RESPONSE

The County Commission and County Clerk provided the following response:

The County Assessor, County Collector, and County Clerk's office all perform functions in preparing the tax books and tax statements that cannot be accessed or changed by any other office. The Assessor enters assessed valuations that are verified by the County Clerk. The County Clerk enters levies. The Collector prints tax books and tax bills. The County Clerk checks assessed valuations and levies against tax books and charges the Collector with the total amount to be collected. Delinquent charges are verified by subtracting the amount collected and court ordered from the amount originally charged to the Collector. The County Clerk's office will print tax books in the future. Page totals and summary pages will be dependant upon the County Commission to appropriate programming money.

4.**Collateral Securities**

The county has not established procedures to monitor collateral securities pledged by its depository bank, and as a result, funds were undercollateralized at various times during the audit period. Collateral securities pledged by the county's depository banks to cover deposits of the County Treasurer and County Collector were insufficient by approximately \$870,000 and \$777,000 during January 2004 and 2003, respectively. The high balance periods were primarily due to deposits of property tax monies collected by the County Collector for county funds and disbursed to the County Treasurer.

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

WE RECOMMEND the County Commission ensure adequate collateral securities are pledged to protect county funds. This can be done by monitoring bank activity and providing timely notice to the depository bank of the need for additional collateral securities to be pledged.

AUDITEE'S RESPONSE

The County Commission provided the following response:

There was only a 30 day period during tax collection time that the collateral pledges were not adequate to cover the county's deposits. The Commission has talked with the bank about correcting this problem. The Commission has also requested that the County Treasurer report to the Commission monthly on the pledges.

5.**Closed Meeting Minutes**

Minutes were not prepared to document the matters discussed in closed meetings. In addition, open meeting minutes did not always document the reasons for closing the meeting, or the final disposition of matters discussed in closed meetings. The County Commission held six closed sessions between January 2003 and January 2004 and minutes were not maintained for the closed portion of the meetings. Further, we noted the County Commission held closed session meetings in January 2003 and 2004 to discuss a personnel issue; however, the regular session minutes did not disclose the reason for entering into closed session and did not document the final disposition of matters discussed in the closed session.

Section 610.021, RSMo 2000, allows the County Commission to close meetings to the extent they related to certain specified subjects, including litigation, real estate transactions, and

personnel issues. Without the preparation of closed minutes, there is less evidence that the provisions of the Sunshine Law, Chapter 610, RSMo, regarding these closed meetings, have been followed.

Section 610.022, RSMo 2000, requires that before any meeting may be closed, the reason for the closed meeting shall be voted on at an open session. This law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo 2000, requires certain matters discussed in closed meetings to be made public upon final disposition.

WE RECOMMEND the County Commission ensure minutes are prepared, and retained for all closed meetings, reasons for closing a meeting are documented, and the final disposition of matters discussed in closed meetings is made public as required by state law.

AUDITEE'S RESPONSE

The County Commission provided the following response:

Every closed session meeting the Wright County Commission has conducted meets every aspect of the law as set out in RSMo 610.021(6) and is properly recorded in the minute book for the Wright County Commission. The County Commission holds every agenda for every closed session and every agenda specifically states the reason for going into closed session and the County Commission is prohibited from going into closed session for any reason other than the reason stated on the agenda. If no vote or action is taken in closed session then there is nothing to report in the minutes and there would be no minutes for that session, other than the vote to go in and out of closed session. RSMo 610.021(6) states the minutes should contain a record of votes taken and that is the only statutory requirement. Nothing in the statutes that cover the time period of this audit specifies that the minutes of the County Commission meetings are required to contain discussion. The statutes have been changed effective from August 28, 2004 requiring the County Commission minutes taken after that date must include a brief synopsis of the discussion during the meeting before decisions and votes are made. The county has followed this practice since the new law went into effect. The Auditor contended that because a new law that went into effect on August 28, 2004 changed the requirements of the content of the minutes for the County Commission, this is something that should have been included all along. Based on this assumption, General Revenue should have been collecting a 5% administration fee from the Road and Bridge Fund rather than the 3% administration fee because of the increase due to the change in the state statute that went into effect August 28, 2004. Neither of these examples is valid. The Wright County Commission has complied with what the law requires even though it may not have included everything the Auditor would like to have in the minutes. We feel this is a personal issue with the Auditor and the county is within the statutory requirement for the minutes of the meetings. This is not a noncompliance and should be removed from the audit.

Some payroll expenditures were processed without adequate supporting documentation and the county overstated wages reported to the IRS.

- A. Timesheets are not prepared by some deputies of the Sheriff's Office. The payroll clerk pays the deputies the same amount each pay period unless told otherwise. Without timesheets, the County Commission cannot adequately monitor the number of hours worked or the amount of leave used. Further, the county's personnel policy manual requires timesheets to be completed by employees and submitted to the County Clerk within five working days after the end of the month.

Timesheets should be prepared and submitted to the County Clerk's office by all employees to provide supporting documentation to the County Commission that payroll disbursements are valid and proper. In addition, 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.

- B. The County Clerk's Office withholds taxes from compensation paid to employees, and reports these withholdings quarterly to the Internal Revenue Service on a 941 wage report. While the proper amount of taxes were withheld and paid during 2003 and 2004, wages were not properly reported on the 941 report. For example, the wages reported in 2003 were overstated by \$48,238 because the county included some pretax benefits in reported wages.

Procedures should be established to ensure IRS forms are accurately prepared.

WE RECOMMEND the County Commission:

- A. Require the Sheriff's deputies to submit time records approved by their supervisor to the County Clerk.
- B. Ensure that wage reporting errors are corrected, and that future quarterly 941 reports are accurately prepared.

AUDITEE'S RESPONSE

The County Commission provided the following response:

- A. *The Commission is issuing an order that paychecks will not be released until the employee has turned in all delinquent time sheets.*
- B. *The accounting program used by Wright County does not allow for pretax (Federal tax and Missouri state tax) premiums for medical insurance. The wages that are subjected to social*

security and Medicare taxes are correct. This requires that the quarterly 941 wage reports and the W-2 Forms must be manually adjusted to show the correct amount of wages that should have been subject to federal and state withholding. The county has contacted our current software company to determine if there is an alternative to making the manual correction on the withholding taxes. The current program is not capable of this pretax calculation. The county has researched software programs that will allow for the pretax medical premiums. The price of the software is in excess of \$12,000. With the current financial struggles that our county has, this expense is out of our price range at this time. All corrections have been made to the quarterly 941 wage reports to date.

7.

Road and Bridge Maintenance Plan

A formal maintenance plan for county roads and bridges has not been prepared annually. While the County Commission indicated that they discuss a maintenance plan annually when preparing the budget, no plan is documented. A formal maintenance plan should be prepared in conjunction with the annual budget and include a description of the roads and bridges to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan could be included in the budget message and be approved by the county commission. In addition, a public hearing should be held to obtain input from the county residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. A plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of roads and bridges throughout the year.

WE RECOMMEND the County Commission prepare and document a maintenance plan at the beginning of the year and periodically update the plan throughout the year. In addition, the county commission should review the progress made in the repair and maintenance of roads and bridges to make appropriate decisions on future projects.

AUDITEE'S RESPONSE

The County Commission provided the following response:

While the County Commission agrees that the Road and Bridge Maintenance plan is a good idea and one that the Commission will implement, there is no statute requiring the county to make a formal plan. The Auditor's office has not required or recommended a plan in the last 40 years and should have simply told the County Commission they would like for them to implement such a plan. The State Auditor's office should not have written this up as a noncompliance in an audit report since there is no state statute requiring the maintenance plan and there has never been a recommendation to develop and implement a Road and Bridge Maintenance plan by the State Auditor's office.

8.

Title IV-D Reimbursement Claims

A Title IV-D (Child Support Enforcement) Program claim form was not filed timely with the Missouri Department of Social Services (DSS) resulting in \$1,969 in lost revenue to the county. The county is reimbursed through the Title IV-D Program for time spent and supplies used by the Prosecuting Attorney's office on child support enforcement. To obtain reimbursement, the Prosecuting Attorney's office is required to submit claim forms to the DSS within 90 days of the month end. The DSS generally grants a 30 day extension if a request is made prior to the end of the original 90 day period. Reimbursement claim forms were typically not filed until the end of the 90 day period, and an extension had to be requested for the January 2004 claim form. Further, a claim form for October 2003 requesting reimbursement for \$1,969 of expenses was not prepared and filed.

There appears to be no controls in place to ensure claim forms are timely filed every month. To fully comply with federal requirements and ensure the county gets all federal financial assistance to which it is entitled, reimbursement claims should be filed in a timely manner.

The Prosecuting Attorney authorized a transfer of \$1,969 from the Prosecuting Attorney Bad Check Fund to the General Revenue Fund in May 2004 to reimburse General Revenue for these expenditures.

WE RECOMMEND the Prosecuting Attorney ensure Title IV-D reimbursement claims are submitted to the Missouri Department of Social Services in a timely manner.

AUDITEE'S RESPONSE

The Prosecuting Attorney provided the following response:

All claim forms have always been submitted in a timely manner in the past. The child support person hired the past year failed to submit the reports resulting in the \$1,969 in lost revenue to the county. This was reimbursed to the county out of the Bad Check Fund.

I am in the process of hiring a new person for this position and will monitor these claim forms and see that they are submitted in a timely manner.

9.

County Treasurer's Records and Procedures

The County Treasurer prepares a semi-annual settlement (SAS), which is a report to the County Commission of the receipts, disbursements, and ending cash balances of all funds and provides a reconciliation of how the total of these ending fund cash balances agree to the bank account balances. During our review of the SAS and the related bank reconciliations, the following concerns were noted:

- The SAS's are not complete. The County Treasurer's SAS did not include activity for the Prosecuting Attorney Bad Check Fund, Collector's Tax Maintenance Fund, Children's Home Fund, Local Law Enforcement Block Grant Fund or activity from the schools account. In total, receipts and disbursements of approximately \$4.1 million were omitted from the SAS in both 2003 and 2002.
- Some receipt and disbursement totals on the County Treasurer's SAS's did not agree to the County Treasurer's manual fund ledgers. For example, the SAS's for the year ended December 31, 2003 reported Juvenile Office revenues of \$31,423 when actual receipts were \$56,950. Further, the SAS's reported criminal cost receipts of \$42,161 when only \$28,356 was received. Similar errors were noted with reported disbursements of these funds. No documentation was available to explain these differences.
- The County Treasurer does not ensure the ending cash balances on the SAS agree to bank reconciliations. For example, the SAS's for the year ended December 31, 2003 reported the ending cash balance for the federal withholding account was \$41,435 when the correct ending balance should have been \$21,027. Further, formal detailed bank reconciliations, including documentation of reconciling items were not always prepared for all funds. Formal detailed bank reconciliations, including documentation of reconciling items, are necessary to ensure accounting records are in agreement with bank records and to identify errors in a timely manner. In addition, the SAS should be reconciled to bank records to ensure accounting records are accurate and complete.

While copies of the SAS are submitted to the County Clerk, there was no evidence that a review of the SAS was performed by the County Clerk or the County Commission. The County Clerk indicated he reconciles ending fund balances with the County Treasurer on a monthly basis and does not thoroughly review the SAS. Section 54.150, RSMo 2000, provides that the County Treasurer shall settle his accounts with the County Commission semiannually.

WE RECOMMEND the County Treasurer prepare a complete and accurate semi-annual settlement. In addition, the County Treasurer should reconcile the SAS to the bank account balances, and document detailed monthly bank reconciliations including listings of outstanding checks and adjusting items. Further, the County Commission should review and approve the Treasurer's semi-annual settlements.

AUDITEE'S RESPONSE

The County Treasurer provided the following response:

The Summary Settlement had been set up with the formulas transferring monthly, semi-monthly and annually. The beginning balance of each was pulled from the previous month's ending balance; therefore, the accounts in which receipts come in and were disbursed within the month showed zero ending balances for the month. The zero ending balances were carried forward for the beginning balances in those accounts for the following month. The Juvenile Justice center account being an

example. However, formulas have been corrected to show the cumulative totals of receipts and disbursements on the semi-annual and annual reports on each account for those time periods.

Even though the fund ledger is not required, it is just another way to document and keep a balance with the Quick Books accounting procedure. All bank accounts are now being reconciled monthly with printout of "full" bank reconciliation reports of each account. Canceled checks are also being reconciled with the fund ledger.

The federal withholding account was posted in the fund ledger when the bank statements came in which was not always the month-end balance showing on the summary, that has been corrected.

The Prosecuting Attorney Bad Check Fund, Collector's Tax Maintenance Fund, and the School Fund have all been added to the Summary Settlement with the County Commission.

All monies are receipted in and balanced with the County Clerk at the end of each month.

The County Commission provided the following response:

We agree with the recommendation and will review the SAS in July and January of each year.

10. County Collector's Distributions

The County Collector's office processed property taxes totaling in excess of \$4.6 million and \$4.5 million during the years ended February 28 (29), 2004 and 2003, respectively. Commissions on tax collections and surtax distributions were not always properly calculated.

A. The County Collector did not properly withhold commissions from tax collections resulting in approximately \$9,400 over withheld during the years ended February 29, 2004 and 2003. A three percent commission was withheld on current railroad and utility tax collections instead of a one percent commission (a three percent commission was allowable before the townships were abolished). The County Collector realized the error in February 2004 but has not corrected the mistake.

In addition, the County Collector inflated some school collections prior to computing surtax commissions resulting in approximately \$4,000 in excess commissions to be withheld from the various school districts and distributed to the county's General Revenue and Assessment Funds during the three years ending February 28 (29), 2004.

B. In April 2001, the county's townships were abolished; however, due to the lack of guidance related to township abolishment, the County Collector has been distributing the townships portion of Surtax collections to the county's General Revenue Fund, Special Road and Bridge Fund, and the Mountain Grove Special Road District. As a result, approximately \$11,700 and \$8,900 annually has been distributed to county

funds and the special road district, respectively, since the townships were abolished. If the County Collector had eliminated the townships from her surtax distribution calculations most of these funds would have been distributed to various school districts.

Surtax is a replacement tax which was intended by statute to replace revenue to taxing entities who had been collecting Merchant and Manufacturers (M&M) tax prior to 1985. Section 139.600, RSMo 2000, authorizes entities who lost revenue when the M&M tax was repealed in 1984, to set a surtax levy based on lost revenue and assessed valuations of subclass III commercial property. The County Collector should review the situation and consult with the Prosecuting Attorney to determine if the township information should be eliminated when calculating the surtax distribution.

WE RECOMMEND the County Collector:

- A. Recalculate commissions for the audit period and withhold from or make adjustments to the various political subdivisions' future distributions to correct for errors noted. In the future, the County Collector should calculate and withhold commissions in accordance with the statutes.
- B. Review the situation with the Prosecuting Attorney and determine if township information should be eliminated from the surtax distribution calculations, and if prior years distributions should be recalculated.

AUDITEE'S RESPONSE

The County Collector provided the following responses:

- A. *The mistake on the commission for Railroad and Utility was made because the disk that I used to disburse funds for 2001 had an error on it and I was unable to use it again in 2002. The only other spreadsheet that I had was used in 2000, which was before the townships were abolished. At that time the commission was 3% and I failed to change it to 1% for the current tax year. I did notice this error in February 2004. Railroad and Utility is collected only during November and December, at that time I will correct the commission and disburse it accordingly.*
- B. *When the townships were abolished I did make every effort to seek guidance from the State Auditor's office regarding the surtax distribution. There are no statutes that pertain to surtax distribution after township abolishment, so I had to rely solely on the advice from the State Auditor's office. During your audit, it was determined that the State Auditor's office did not agree with the way surtax was distributed. As a result of the audit, I have made the office policy to not include the townships as a part of my distribution in the future. I will also seek legal counsel to review the distribution of the prior years since the abolishment of the townships.*

11.**Prosecuting Attorney Records and Procedures**

Several deficiencies were noted in the internal controls and accounting procedures used by the Prosecuting Attorney's Office. While prior audits have addressed the inadequacy of the Prosecuting Attorney's accounting controls, conditions have not improved.

The Prosecuting Attorney's office collected and processed court ordered restitution, bad check restitution and fees, and delinquent sales taxes totaling approximately \$240,000 annually during the years ending December 31, 2003 and 2002, respectively. The office maintains two bank accounts, one for bad check restitution and fees, and the other for other court ordered restitution. Our review of the controls and procedures of the Prosecuting Attorney noted the following concerns:

A. Bad check collection procedures need improved:

1. A system to account for all bad checks submitted to the office for collection and their disposition has not been established. Although the Prosecuting Attorney's office does maintain a log which includes bad checks submitted to the office and the date a letter is sent to the offender, it does not include all checks and does not record disposition. The log does not include checks where the offender already has a bad check case. To ensure all bad checks are properly handled and accounted for, a log should be maintained showing each bad check and its disposition.

2. The Prosecuting Attorney's Office accepted partial payments for some bad check cases; however, the standard letter sent to bad check offenders prior to prosecution indicates that partial payments will not be accepted.

If the Prosecuting Attorney decides to continue allowing partial payments, a written and signed payment agreement would indicate the intent of the defendant to pay, and aid in accounting for and collecting the amounts due. In addition, a consistent and equitable policy should be established and followed regarding the acceptance of partial payments on bad check cases.

3. There is no policy addressing how restitution payments are applied when an offender has numerous bad checks. For example, a \$250 payment was applied to bad checks submitted for collection in August 2003 rather than to bad checks submitted by a different vendor four months earlier.

The Prosecuting Attorney' office should establish a fair and equitable policy regarding how restitution payments are applied to bad check cases.

- B. The Prosecuting Attorney's office does not adequately monitor court ordered restitution due from defendants. We noted numerous instances where defendants

who were on a court ordered restitution plan were delinquent in their payments and no follow up action had been taken by the Prosecuting Attorney' office such as the issuance of a warrant or the revocation of probation. For example, one case showed a balance due of \$1,115 with no payment made since September 2003. There was no documentation in the case file to indicate any follow up procedures to attempt to collect the balance had been performed, and no warrant was issued.

Adequate procedures are necessary to ensure proper and timely follow up action on amounts due.

- C. Monthly listings of open items (liabilities) were not prepared and reconciled to the cash balances for the bad check account and the restitution account. At our request, the Prosecuting Attorney's office prepared an open items listing for each bank account at June 30, 2004. Based upon these listings, the bad check account and the restitution account had \$3,441 and \$2,356 in unidentified funds, respectively.

A complete and accurate listing of open items should be prepared monthly for each bank account and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Further, the Prosecuting Attorney should attempt to determine the reasons for the differences and if proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with state law.

- D. One clerk primarily performs all duties of receiving, recording, and depositing monies. Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of depositing receipts from reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic documented supervisory review of the records should be performed.

- E. Receipts are not written for some monies received, receipts are not adequately reconciled to deposits, and deposits are not made timely. A deposit made into the restitution account in April 2003 included \$518 for which there was no recorded receipt slip. Additionally, during 2003, the Prosecuting Attorney's office ran out of receipt slips and created some with their computer. These receipt slips were not prenumbered. Further, deposits are generally made once or twice a week. The average amount of deposits for the restitution and bad check accounts for July 2003 was \$278 and \$1,068 respectively.

To adequately account for all monies received, official prenumbered receipt slips should be issued for all monies received, reconciled to the composition of monies deposited, and the numerical sequence accounted for properly. In addition, to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made daily or when accumulated receipts exceed \$100.

- F. At June 30, 2004, the Prosecuting Attorney's bad check account had outstanding checks totaling \$2,538 that were over a year old with some dating back to 1994. An attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued, if possible. Monies which remain unclaimed should be turned over to the state's Unclaimed Property Section in accordance with Section 447.532, RSMo 2000.
- G. The following concerns were noted in our review of the Prosecuting Attorney Bad Check Fund and the Prosecuting Attorney Delinquent Tax Fund:
1. Compensation paid to employees from the Prosecuting Attorney Bad Check Fund and the Prosecuting Attorney Delinquent Tax Fund appears questionable as follows:

- Between October 2002 and April 2004, the Prosecuting Attorney authorized payments from the Prosecuting Attorney Bad Check Fund and Prosecuting Attorney Delinquent Tax Fund totaling \$20,201 to his employees. According to the Prosecuting Attorney these amounts represented increases in wages ranging from \$.75 to \$2 per hour for specialized knowledge, training and education. Our review noted that the hourly rates were not consistently applied throughout the year and employees were not paid based on actual time worked. Further, in 2004 the Prosecuting Attorney made \$1,000 lump sum payments to employees and did not attempt to associate the payments with the number of hours worked.

Because of the timing and inconsistent manner in which these payments were made these payments appear to represent additional compensation in the form of bonuses for services previously rendered, in violation of Article III, Section 39 of the Missouri Constitution.

- Two employees received additional compensation of \$10,053 each from the Prosecuting Attorney Bad Check Fund between May 2003 and June 2004 for performing duties related to the operation of this fund after another employee resigned. The Prosecuting Attorney indicated these payments were made to compensate the employees for an increase in their responsibilities; however, there was no indication in the payroll records that additional hours were worked. These employees continued to be paid their full salary as previously received from the county.

Given the significant internal control weaknesses discussed above related to the accounting records for bad check operations it is questionable that all bad check duties and responsibilities have been adequately assumed.

2. Documentation supporting employee expense reimbursements from the Prosecutor's Bad Check Fund are not adequate. Employees are paid per diems from the Prosecutor's Bad Check Fund totaling up to \$125 per day to cover meal and other expenses when attending training. In total, \$975 for the per diems were paid between March 2002 and March 2004. These amounts are not included on the employee's W-2 forms and employees are not required to document actual expenditures paid from the per diem payments.

The county's employee expense reimbursement policy requires a report of expenses actually incurred (with receipts) to be submitted prior to payment. Further, Internal Revenue Service Regulation Section 31.3401 (a)-4 requires expenses not accounted for to the employer to be considered as gross income and also requires payroll taxes to be withheld from this gross income.

3. The Prosecuting Attorney overspent the amount budgeted for the Prosecuting Attorney Bad Check fund in 2002 by \$2,712. In addition, the budget for 2004 did not include the two previous years' actual expenditures.

It was ruled in State Ex. Rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d (1954), that strict compliance with the county budget law is required by county officials.

If there are valid reasons which necessitate excess expenditures, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

Section 50.590, RSMo 2000, requires budgets to include the figures for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year.

Conditions similar to Parts A.3, C., D., and F. were noted in our prior report.

WE RECOMMEND the Prosecuting Attorney:

- A.1. Maintain a log which shows each bad check submitted to his office and its disposition. The log should include merchant data, amount of the bad check and administrative fee, disposition of the bad check, date restitution and fees were paid, date restitution and fees were remitted to the merchant or County Treasurer, and the criminal case number under which charges were filed, if applicable.

2. Establish a policy on whether to allow partial payments on bad check cases and if it is decided to allow them obtain payment agreements.
 3. Establish a fair and equitable policy regarding how restitution payments are applied to bad check cases.
- B. Establish procedures to properly monitor all cases for which a payment plan has been established to ensure that when individuals are delinquent appropriate action is taken.
 - C. Prepare complete and accurate listings of open items for each bank account and reconcile the listings to the cash balance monthly. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.
 - D. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
 - E. Issue official prenumbered receipt slips for all monies collected, reconcile the composition of monies collected to receipt slips and bank deposits, and account for the numerical sequence of receipt slips. In addition, ensure deposits are made daily or when accumulated receipts exceed \$100.
 - F. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
 - G.1. Discontinue the practice of paying employee bonuses and review the additional compensation awarded to employees who assumed the duties and responsibilities related to operation of the bad check fund.
 2. Ensure the county's policy for employee reimbursement of meal and other expenditures is followed. If per diem payments continue to be made, the county should include these payments as income on applicable W-2 forms.
 3. Keep expenditures within budgetary limits and properly amend budgets if necessary. Also, report actual expenditures of the two previous years on the budgets, as required by state law.

AUDITEE'S RESPONSE

The Prosecuting Attorney provided the following responses:

- A.1. *We have ordered a new bad check program that will log each check and keep track until the check is finished.*

2. *We have already changed the 10 day letter stating we do not accept partial payments. This was done about 4 months ago. As discussed in our exit meeting, partial payments are necessary or we would not be receiving money from most of our bad check writers. However, we have drafted a partial payment agreement that they will sign stating the amount and the time it must be paid.*
3. *It is policy of this office to pay out to small business and private individuals first.*
- B. *The new program we have ordered is supposed to be able to monitor all new court cases.*
- C. *We will continue to monitor the open items list and reconcile with the open items of the check book.*
- D. *One person had always been hired to do the bad checks. This position was eliminated in May 2004, and two people from my office are now doing the collection of bad checks. They both share this responsibility. To monitor the bank deposits, both are now signing the deposit slips.*
- E. *This has only happened during the one week when the office had ran out of printed receipts. We will be more diligent in ordering these receipts.*
- F. *We are still trying to locate the vendors and pay out the balances of the old outstanding checks totaling \$2,538.00 as shown on the audit report.*

A check in the amount of \$1,222.31 is being drafted to the State's Unclaimed Property in accordance with Section 447.532, RSMo 2000.

- G.1. *This was discussed in the audit exit meeting and it was decided it would be better to make the enhancement payments monthly and on a regular basis as a part of the employees normal salary.*

The additional payment for the two employees was due to those two employees assuming an additional position (that of misdemeanor and traffic) thus eliminating one employee position. They assumed the duties of a previous employee who retired that had previously done traffic and misdemeanors. This was added to their additional duties and no extra hours were required to be shown on a time sheet. However, both employees put in extra hours and are on call 24 hours a day if charges have to be filed on an alleged criminal. This was agreed to by the commissioners. They were to do the duties of the bad check position and traffic manager and they would be paid out of the bad check fund in addition to their salary from the county. This would be saving the county money. However, I have noted on their payroll checks they are receiving, that the County Clerk is showing this as an enhancement instead of part of their regular clerical position. I will write him a letter stating the correct method of payment. Their paycheck should just show the total amount of payment per hour and not show two separate positions. I am enclosing one of the employees pay stub and showing how it is presently done.

2. *We will monitor and document expenditures. The \$125.00 payment was for a 3-day period of training, books, and meals.*
3. *An amended budget was submitted to the County Clerk and to your office. However, expenses were paid that exceeded the amended budget. We are paying more expenses from this fund such as investigators, attorney fees, buying supplies for the drug task force, legal books, and more of our office supplies. This is being done to help the General Revenue with the expenses of our office. We will try to budget in the future for these expenditures and reflect these expenditures from the previous years on the budget. Due to expenditures and the reimbursement to the county of \$1,969.00 for child support, I will probably have to do an amended budget again this year.*

12.**Sheriff's Accounting Controls and Procedures**

Prior audit reports have addressed the inadequacy of the Sheriff's accounting controls and procedures. While the Sheriff implemented some of our prior recommendations, several findings regarding internal controls have not been implemented.

The Sheriff's office collects approximately \$44,000 annually in fees, bonds, and other miscellaneous receipts, which are deposited into the Sheriff's Fee Account, or Civil Account. Our review noted the following concerns regarding the accounting records, controls and procedures of the Sheriff's office.

- A. The Sheriff's Office uses numerous receipt books at one time including receipt books for criminal fees, civil fees, bonds, gun permits, concealed weapons permits, and miscellaneous receipts. The receipt system is cumbersome and procedures need improvement as follows:
 1. Receipts are not deposited on a timely basis. For example, a deposit into the Sheriff's Fee Account dated October 7, 2003 included \$1,460 in receipts dating back to September 15 through September 30, 2003. In addition, gun permit monies are generally only deposited once or twice a month. Further, we noted checks were not always restrictively endorsed immediately upon receipt. To ensure against the loss or misuse of funds, deposits should be made daily or when amounts exceed \$100, and all checks and money orders should be restrictively endorsed immediately upon receipt.
 2. Receipt slips were not always issued for some receipts and voided receipt slips were not always retained. On November 19, 2003 a \$100 cash bond was deposited for which a receipt slip had not been issued. We also noted other examples where receipt slips were not issued including some receipts for gun permits. In addition, when using as many as six different receipt books, tracing receipts to a deposit is time consuming and cumbersome. To ensure receipts are deposited intact and to lessen the risk of monies being

misplaced or stolen, receipt slips should be issued for all monies immediately when received, and the sheriff should consider limiting the number of different receipt books used at one time. Further, to adequately account for all receipts, all copies of receipt slips should be retained.

3. The method of payment received (cash, check, money order, etc) is not always indicated on the receipt slips. To ensure all receipts are accounted for properly and deposited intact, the method of payment received should be recorded on all receipt slips and the composition of receipt slips should be reconciled to the composition of bank deposits.

- B. Monthly bank reconciliation procedures are inadequate and the Sheriff did not effectively monitor the balances in his bank accounts. While a checkbook balance is maintained, it is not properly reconciled to the bank account. In addition, monthly listings of liabilities (open items) are prepared, but are not agreed to the reconciled bank balance.

Numerous differences exist between the Sheriff's various accounting records and month-end reconciliations. For example, some outstanding checks were left off the outstanding check listing and deposit amounts were not always correctly recorded in the checkbook. We also noted addition and subtraction errors in the accounting records.

At June 30, 2004, the reconciled balance in the Sheriff's Civil Fees account was only \$2,403. Approximately \$1,230 of the balance was being held as civil process fees and \$1,740 was due to the County Treasurer, resulting in a shortage of \$567. Additionally, the difference between the reconciled balance and the open items listing varied from month to month.

During 2003 bank charges totaling \$55 were assessed against the Sheriff's Fee account for issuing two insufficient funds checks. These insufficient fund checks appear to be the result of untimely deposits.

Differences among the various accounting records and reconciliations indicate errors have occurred that should be investigated and resolved. Proper bank reconciliations are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis. In addition, to prevent unnecessary bank charges, the Sheriff should maintain and monitor check book balances.

- C. The Sheriff does not follow up on outstanding checks. At January 21, 2004, the Civil Account had outstanding checks totaling \$163 that were over a year old with some dating back to January 2001. These old outstanding checks create additional and unnecessary record keeping responsibilities.

An attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued, if possible. If the payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies. In addition, routine procedures should be established to investigate checks outstanding for a considerable time.

- D. Adequate documentation is not always retained for bonds transmitted directly to the local courts. A \$100 cash bond received on January 28, 2004 was transmitted directly to the City of Hartville Municipal Court on February 3, 2004, but a receipt from the court was not retained to document the transmittal of funds. In addition, it is not always clear from the receipt slips whether the bond was deposited or transmitted directly to another court.

Adequate documentation of bonds transmitted directly to the local courts is necessary to ensure the proper recording and accountability of receipts.

- E. One clerk performs all duties of receiving, recording, depositing, disbursing monies, and reconciling accounting records. Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of depositing receipts from reconciling accounting records. If proper segregation of duties cannot be achieved, at a minimum, periodic documented supervisory review of the records should be performed.

- F. The sheriff will occasionally sign checks in advance making them fully negotiable. In addition, a former employee who has not worked at the Sheriff's Department since June 2002 was still authorized to sign checks as of January 2004.

Signing checks in advance circumvents the internal accounting control provided when an individual other than the check preparer reviews and signs checks. To adequately safeguard assets, checks should not be signed until all pertinent information is completed and supporting documentation for the disbursement is reviewed and approved by the check signer. In addition, steps should be taken to remove the former employee from the signature card at the bank.

- G. Some seized property items were not tagged to identify the property to a specific case and property tags used are not prenumbered. An inventory listing of seized property is maintained; however, the listing is not complete. Several items located in the evidence room were not included on the inventory listing. Adequate seized property inventory records are necessary to deter and identify loss, misuse, or theft of such items. An inventory record should include information such as date of seizure, description, persons involved, current location of the property, case name and number, and date and method of release or disposition of the property. In addition, all items should be tagged and identified to a specific case.

H. The Sheriff does not have written agreements with three cities in the county to whom they charge a monthly fee for law enforcement related services including dispatching and usage of the county's access to the Missouri Uniform Law Enforcement System (MULES). Section 432.070, RSMo 2000, provides that any contract made by the county shall be in writing, dated when made, and signed by the parties. In addition to being required by statute, written contracts are necessary to document the duties and responsibilities of each party.

I. The Sheriff's Department uses a fuel tank located at the Road and Bridge shed to fill the patrol vehicles. During 2003, the Sheriff's Department spent approximately \$14,500 on fuel for the department's five patrol vehicles. The Sheriff's Department does not track fuel usage, and compare it to the amount of fuel purchased. Sheriff's Department employees indicated the meter on the tank has not worked for several years and no attempts have been made to repair the meter. In addition, vehicle mileage logs and maintenance logs are not always prepared by Sheriff's Department employees for the patrol cars. While some deputies maintained a log of mileage and maintenance to their assigned patrol car, other deputies did not.

To reduce the risk of loss, misuse, or theft, fuel usage should be reconciled to fuel purchased, and significant differences should be investigated. Additionally, vehicle mileage and maintenance logs are necessary to document appropriate use of the vehicles. The logs should include the date, vehicle operator, purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by the County Commission or applicable official to ensure all mileage is recorded and the vehicles are being properly utilized.

J. During the two years ended December 31, 2003, approximately \$135 was disbursed from the Sheriff's Civil Fees Fund for which a public purpose was not demonstrated or documented. For example, monies were spent on flowers for illnesses and funerals, and donations to support a fireworks display and Christmas lights.

The disbursements do not appear to be necessary and prudent uses of public funds. Flowers and other gifts could be funded through employee contributions or an employee association.

WE RECOMMEND The Sheriff:

- A.1 Ensure all cash receipts are deposited daily or when amounts exceed \$100. In addition, restrictively endorse all checks and money orders immediately upon receipt.
2. Issue receipt slips immediately upon receipt, reconcile the composition of receipts to amounts deposited, and consider reducing the number of receipt books being used at one time. In addition, retain all copies of voided receipt slips.

3. Indicate the method of payment on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.
- B. Maintain accurate check book balances and perform monthly reconciliations of the accounting records. Any differences between the accounting records and reconciliations should be investigated and resolved. In addition, ensure procedures are in place to eliminate bank overdraft charges.
- C. Attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law.
- D. Ensure adequate supporting documentation is retained for all bonds transmitted directly to other courts.
- E. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- F. Discontinue the practice of signing checks in advance and remove the former employee from the signature card at the bank.
- G. Mark all seized property with prenumbered property tags and identify the property to specific cases. In addition, a complete inventory listing of all seized property should be maintained and kept updated for both additions and dispositions.
- H. And the County Commission obtain current written contracts from all cities for whom law enforcement services are being provided.
- I. Develop procedures to track fuel usage and reconcile fuel used to fuel purchased. Further, require the Sheriff's departments to maintain usage logs on all vehicles which identify the vehicle operator, dates of use, miles driven, destination and purpose of trips, and the fuel and maintenance expenses incurred.
- J. Ensure disbursements are a necessary and prudent use of public funds.

AUDITEE'S RESPONSE

The Sheriff provided the following responses:

- A. *Gun permits and concealed weapons permits can be written in the same book. This would take care of one receipt book.*

Since we have gotten the new gun permits program, gun permit money is processed on a weekly basis with permits and monies totaled by the computer.

We try to stamp all checks with the deposit stamp as soon as possible; however, some are missed because of interruptions and things going on in the office. We do try to get to them as soon as possible.

Bond receipts are issued by the jailer or dispatcher when a bond is placed. I have told each one of them to be sure and write the receipt and give the person a copy of the receipt. We try to write on the top of each receipt what happened to that bond: ie which court it went to or check number. We always make a court return and attach it to the bond when we take it to the Associate Court or over to the Hartville City Hall. We try to file these in a bond folder as soon as we get back to the office.

We always try to write the check number on the receipt, or if it is cash we write that on the receipt also.

- B. When I took over we tried to reconcile the bank book as best we could. Because of mistakes made before I took over, we were not able to get the check book to balance properly. After talking to staff from the State Auditor's Office, we went back and found the errors and were able to bring the checkbook and bank statement into agreement. The bank statement and checkbook are now in agreement.*

A list of all outstanding checks has been prepared and we are in the process of locating the address of the payees and sending them a new check. Checks will be sent to the treasurer for those we cannot locate. All deposits are being made weekly or as soon as possible with time permitting. The day time dispatcher will reconcile receipts to the deposit book.

The bank charges that were assessed against the county are because of the bookkeeper being out of the office when her husband was sick. She has put this back into the account. She felt this was her fault and the county should not bare this burden.

Each month a copy of the bank reconciliation will be placed into a folder and reviewed by the sheriff.

- C. We are in the process of finding out where these checks go. Any check that is carried over 3 months will be followed up on.*
- D. We are trying our best to turn all bonds over to the county as soon as possible with all documentation attached to the pink copies of the receipts and filed. We try to write on the top of each receipt what happens to each bond. We are also trying to schedule a specific time each day to do all of this and not have too many things going on at one time. We are also trying to organize the office to better accomplish this.*
- E. We are trying to have the day time dispatcher or someone else make out the deposit slips and take it to the bank as soon as possible. Without another person in the office to perform some of the duties, I see no other way to take care of this problem.*

- F. *We will no longer sign checks in advance for any reason.*
- G. *This is old property belonging to the former Sheriff. We plan to obtain a court order to dispose of this property.*
- H. *We will look into getting written agreements.*
- I. *I have discussed this issue with the County Commission and once the meter is repaired we will track fuel used.*
- J. *I receive approximately \$900 a year from calendar sales and I feel these types of expenditures are appropriate from these monies.*

13.	Ex Officio Recorder of Deed's Controls and Procedures
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Improvements are needed in the internal control and accounting procedures related to copy monies collected by the Ex Officio Recorder of Deeds. Additionally, the balance of the Recorder User Fee Fund continues to accumulate without a formal plan to utilize the funds.

- A. The Ex Officio Recorder of Deeds collects cash receipts for making photocopies, which are held as a change fund and used for petty cash expenditures such as office supplies and postage. No record is maintained of receipts, disbursements or cash balances of this fund. A cash count on March 3, 2004 identified \$176 of petty cash on hand. Invoices for expenditures made from the petty cash fund are not maintained. Occasionally, the excess monies are deposited and turned over to the county treasurer. During the two years ended December 31, 2003 and 2002 approximately \$1,267 was deposited and turned over to the county treasurer.

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

- B. The Recorder User Fee Fund under the Ex Officio Recorder of Deed's authority has accumulated a substantial balance with no documented plans for its use. As of December 31, 2003, the balance of the Recorder User Fee Fund totaled \$92,478 while expenditures for 2002 and 2003 totaled only \$3,615. A budget was prepared for both years in which the Ex Officio Recorder of Deeds planned to spend \$35,000 in 2002 and \$40,000 in 2003. In addition, the Ex Officio Recorder of Deeds has not spent any monies from the Recorder Technology Fund during the two years ending December 31, 2003 and has accumulated a balance of \$14,801 in this fund. While the Ex Officio Recorder of Deeds has indicated some of these monies will be utilized

on new equipment, there are no formal documented plans on how the funds will be utilized. The Ex Officio Recorder of Deeds should work with the County Commission to review the fund balance and develop a plan to utilize the funds as allowed by state law, and reduce the accumulated balance.

WE RECOMMEND the Ex Officio Recorder of Deeds:

- A. Deposit all monies intact into the official bank account and disburse all fees to the county treasury monthly. If a petty cash and change fund is determined to be necessary, it should be funded by the county and maintained on an imprest basis. A log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund.
- B. Review the balance of the Recorder User Fee Fund and prepare a formal plan to utilize the funds and reduce the accumulated balance.

AUDITEE'S RESPONSE

The Ex Officio Recorder or Deeds provided the following responses:

- A. *The copy money is now logged in as we receive it.*

The copy money is counted each week by two people and any money over \$100 is turned over to the county. The remaining \$100 is kept for change-petty cash fund.

Any expenditures from the change-petty cash fund are now logged in and receipts kept with the log.

- B. *I will review the balance of the Recorder User Fee Fund and prepare formal plans to utilize the funds and reduce the accumulative balance when the right system is located.*

14.

Associate Circuit Division Procedures

The Associate Circuit Division is responsible for processing receipts for criminal and civil cases, traffic tickets, and bonds. At December 31, 2003 and 2002, the court was holding bonds totaling \$30,379 and \$22,028, respectively.

While the majority of the amount held is for current cases, the bond account open items listing maintained by the Associate Circuit Division included some cases that had been dismissed or closed. For example, one case dating back to 1996 had been dismissed, and \$499 was still being held by the court at December 31, 2003. The status of old open items should be routinely reviewed to determine if any disbursement is necessary. If disbursement is possible, but proper payees cannot be located the monies should be disposed of in accordance with state law. Various statutory provisions including Sections 50.470 through

50.490, RSMo 2000, and Sections 447.500 through 447.995, RSMo 2000, provide for the disposition of unclaimed monies.

WE RECOMMEND the Associate Circuit Division adopt procedures to periodically follow up on old open items and dispose of them according to state law.

AUDITEE'S RESPONSE

The Associate Circuit Judge provided the following response:

Pursuant to the recommendations of the Missouri State Auditor's Office, we, the Wright County Associate Circuit Court, have reviewed the open items in our bond account and have paid out all money inadvertently held in closed cases. Additionally, we have paid out monies held in cases that have been inactive more than two years.

In the future, we will review this list each calendar year and make pay-outs as necessary to keep the money more current.

15. Juvenile Detention Center and Juvenile Office Records and Procedures

Improvements are needed in the internal controls and accounting procedures used by the Juvenile Detention Center (JDC) and Juvenile Office. The JDC houses juveniles and collects incarceration costs from the state, counties, and parents. The JDC also receives reimbursement of operating expenses from counties within the Forty-Fourth and Thirty-Eighth Judicial Circuits. The Juvenile Office is located within the JDC and receives restitution from juveniles and operating expense reimbursements from counties within the Forty-Fourth Judicial Circuit.

- A. The JDC has not established procedures to maintain accurate financial information. The JDC uses a computerized accounting software to track receipts, disbursements, and cash balances. The financial information generated from the software is not always accurate and, while the JDC is aware of the inaccuracies, they have made no attempts to obtain accurate financial information. For example, the financial statement which summarizes the JDC's annual financial activity, reported revenues of \$188,436 for the year ended December 31, 2003 when actual revenues were \$194,053, resulting in a \$5,617 understatement of revenues. The statement also reported expenditures of \$163,802 when actual expenditures were \$171,878 resulting in an \$8,076 understatement of revenues. Similar inaccuracies were noted with reports generated for 2002. No documentation was available to explain these differences.

Accurate financial reports are critical to ensure the JDC is properly informed of the financial condition of the detention center and to assist in preparing annual budgets, determining incarceration costs, approving invoices, and planning for upcoming expenditures.

- B. The budgets prepared by the JDC were incomplete.
1. Budgets did not include the two previous years' actual revenues and expenditures. Section 50.590, RSMo 2000, requires budgets to include the figures for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year. Amounts shown in Exhibit B of this report were obtained from the JDC's computerized accounting system and adjustments were made for the inaccuracies noted in part A above.
 2. Actual beginning cash balances were not accurately recorded on the 2003 and 2002 budgets. In addition, these budgets did not include a computation of the projected ending cash balance. To be of maximum assistance to the Juvenile Detention Center and to adequately inform the public, the budget document should accurately reflect the beginning cash balances and projected ending balances.
- C. The JDC does not analyze incarceration costs to determine if amounts billed to other entities adequately recovers all costs. In addition, an agreement with the Thirty-Seventh Judicial Circuit for the housing of juveniles is not in writing.

The Juvenile Detention Center was established to house juveniles from counties located in the Forty-Fourth and Thirty-Eight Judicial Circuits. The center also houses juveniles for the Division of Youth Services, other counties, and another judicial circuit and bills for these services. In addition, parents are billed for a portion of the juvenile's incarceration costs.

The Detention Center bills the Division of Youth Services \$14 a day for each juvenile housed in the center and another \$52 a day for each juvenile under control of the Division of Youth Services. Other counties are billed \$52 and parents of all juveniles are billed \$17 per day for each juvenile housed in the center. The Thirty-Seventh Judicial Circuit is billed a flat \$35,000 a year for the use of 5 beds in the center; however, if more than 5 juveniles are in the center they are billed an additional \$52 per day for each juvenile. The Forty-Fourth and Thirty-Eight Judicial Circuit's are billed based on the operating costs to run the center.

Upon our request, the Chief Juvenile Officer calculated the daily cost of housing a juvenile. Based upon these calculations we estimated the cost to house the juveniles from the Thirty-Seventh Judicial Circuit was \$74,672 with \$11,942 billed to the state and \$14,501 billed to the parents leaving \$48,229 in costs incurred by the center; however, only \$35,000 was collected. By establishing a billing rate that is not

sufficient to recover all costs, the Forty-Fourth and Thirty-Eight Judicial Circuits are subsidizing the cost to house other political subdivisions' juveniles. Further, the Chief Juvenile Officer indicated that the center collects only a small portion of the amount billed to the parents resulting in increased costs to the Forty-Fourth and Thirty-Eight Judicial Circuits.

To ensure the JDC is billing at a rate that adequately recovers all costs, incarceration costs should be analyzed periodically and compared to billing rates. In addition, Section 432.070, RSMo 2000, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents.

- D. Accounting duties are not adequately segregated. One clerk is primarily responsible for receiving monies, preparing checks and deposit slips, performing bank reconciliations, and maintaining the accounting records for the JDC and the Juvenile Office.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- E. Controls over expenditures made by the JDC and the Juvenile Office need improvement.

- 1. While the Chief Juvenile Officer signs checks, there is no indication that he reviewed and approved the corresponding invoices and supporting documentation. We noted instances where invoices for fuel incorrectly listed charges for unleaded fuel as diesel fuel; however, the Chief Juvenile Officer was unaware of these billing errors until we brought this matter to his attention. In addition, a detention center employee's signature indicating receipt of goods or services was not evident on expenditure documentation.

To ensure expenditures are proper, all invoices and supporting documentation should be properly approved and evidence of receipt of goods should be noted prior to payment. With the current procedures it is unclear if expenditures were properly approved.

- 2. Adequate supporting documentation was not retained for some expenditures. For example, the JDC paid \$6,705 in contract services to the son of the former Chief Juvenile Officer. The invoices for the services showed little to no detail of services performed. Further, the Juvenile Office has an oral agreement with an attorney to provide guardian ad litem services and adequate documentation of services performed was not maintained. The

Juvenile Office paid \$13,750 for these services during 2003. To ensure the validity and propriety of expenditures, adequate supporting documentation should be obtained for all payments to vendors. Further, Section 432.070, RSMo requires all county contracts to be in writing.

3. Bids were not always solicited for various purchases made by the JDC, such as furniture (\$10,387), food (\$13,594), and contract services (\$6,705) to the former Chief Juvenile Officer's son.

Section 50.660, RSMO 2000 requires the advertisement of bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of 90 days. Bidding procedures for major purchases provide a framework for economical management of resources and help assure the detention center that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all interested parties are given an equal opportunity to participate in detention center business.

4. Neither the JDC nor the Juvenile Office maintained adequate documentation to account for refunds received when supplies were returned. We identified two occasions where supplies totaling \$70 were returned to the vendor, and \$6 of the cash refund was used to purchase additional supplies; however, there was no documentation to support how the remaining \$64 was used. The Chief Juvenile Officer indicated the remaining cash was likely used as a petty cash fund to purchase miscellaneous supplies such as postage; however, documentation was not retained for these purchases.

If a petty cash fund is determined to be necessary, it should be kept on an imprest basis and all reimbursements should be supported by vendor invoices or other documentation. Further, cash refunds for supplies returned to the vendor should be deposited into the JDC and Juvenile Office bank accounts and refund transactions should be adequately documented.

5. Checks issued on JDC and Juvenile Office bank accounts require signatures of both the Chief Juvenile Officer and the bookkeeper; however, checks are sometimes signed in advance. Signing checks in advance does not allow for proper review of the documentation to support the disbursement and diminishes the control intended by dual signatures.

- F. The Juvenile Office has no written travel and expense policies. Some employee expense reports included supporting invoices for meals, while others did not. Further, the expense reports did not always contain sufficient information such as the purpose of the trip. The Juvenile Office paid approximately \$5,300 to employees for various travel and expenses.

Without written, documented policies, the types of expenses that can be incurred, the extent of those expenses which will be paid by the Juvenile Office may not be known. Further, without a detailed travel expense report, the Juvenile Office cannot adequately review and ensure the propriety of payments made for travel expenses.

- G. JDC and Juvenile Office employees are provided meals at no cost by the JDC. The number of meals provided to employees is not tracked, and the JDC does not have a policy to address whether employees are to be provided meals. The Chief Juvenile Officer indicated JDC employees are provided meals because they cannot leave the building during working hours.

A written personnel policy addressing this issue is needed to control and reduce unnecessary expenditures in this area.

- H. The JDC does not properly reconcile the W-2's and W-3's to the quarterly 941 wage reports. As a result, employee wages incorrectly reported on the W-2 were not identified and corrected. For example, in 2003 we noted that the salary amount reported on the W-2 for one employee was overstated by approximately \$776.

Failure to reconcile payroll records increases the risk that errors or irregularities will not be detected on a timely basis.

- I. The method of payment received (cash, check, money order, etc.) is not always indicated or is not always correctly indicated on the receipt slips.

To ensure receipts are accounted for properly and deposited intact, the method of payment received should be recorded on all receipt slips and the composition of receipt slips issued should be reconciled to the composition of bank deposits.

- J. The Juvenile Office does not follow up on outstanding checks. We noted a total of \$293 in outstanding checks more than one year old, which dated as far back as March 1994, for which no follow-up action has been taken. These old outstanding checks create additional and unnecessary record keeping responsibilities.

An attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued, if possible. If the payee cannot be located, various statutory provisions, noted above, provide for the disposition of unclaimed monies. In addition, routine procedures should be established to investigate checks outstanding for a considerable time.

WE RECOMMEND the Juvenile Detention Center:

- A. Ensure financial reports generated by the computerized accounting software are complete and accurate.

- B.1. Report actual revenues and expenditures of the two previous years on the budgets, as required by state law.
 - 2. Accurately report the beginning cash balances on the budgets and compute the projected ending balance.
- C. Periodically review the cost of boarding juveniles and establish a billing rate for other political subdivisions that is sufficient to recover the cost of housing juveniles in the detention center. In addition, the detention center should obtain a written agreement with the Thirty-Seventh Judicial Circuit for the boarding of juveniles.
- D. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- E.1. Document approval of expenditures, and ensure all invoices contain an indication of receipt of goods or services.
 - 2. Require adequate supporting documentation prior to approving expenditures for payment. In addition, obtain written agreements with the vendors for professional services.
 - 3. Solicit bids for all purchases in accordance with state law and maintain adequate documentation of bids.
 - 4. Cash refunds for supplies returned to the vendor should be deposited into the JDC and Juvenile Office bank accounts and refund transactions should be adequately documented. If a petty cash fund is determined to be necessary, it should be maintained on an imprest basis, and a log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund.
 - 5. Discontinue the practice of signing checks in advance.
- F. Adopt a formal policy regarding travel expenses.
- G. Review whether JDC and Juvenile Office employees should be provided meals at the detention center's expense and if necessary develop a personnel policy to address this issue.
- H. Ensure that the 2003 reporting error has been corrected, and that W-2 and W-3 forms are properly reconciled to the quarterly 941 reports.
- I. Indicate the method of payment on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.

- J. Attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law.

AUDITEE'S RESPONSE

The Juvenile Detention Center Administrator provided the following responses:

- A. *The accounting software we are using wasn't set up to fit our needs. We are starting the process of making changes to our system now. Beginning in January 2005 we will ensure correct financial reports are prepared.*
- B.1. *We were not using the correct budget form. Beginning in January 2005 we will obtain the correct budget form and this information will be included.*
 - 2. *Changes made to our accounting software should ensure that the cash balance on our budget is accurate.*
- C. *We have drafted a written agreement with the 37th Judicial Circuit. We are currently looking at various ways to increase revenues.*
- D. *Supervisory reviews are being performed and documented. This was started August 1, 2004.*
- E. *Steps have been taken to implement all these recommendations.*
- F. *A formal travel policy has been adopted.*
- G. *A formal policy has been adopted addressing meals provided to employees.*
- H. *A corrected W-2 will be sent.*
- I. *This recommendation has been addressed and implemented.*
- J. *We will take steps to locate the payees of the old outstanding checks. Any amounts remaining unclaimed will be disbursed by January 2005.*

16. Health Center Accounting Controls and Procedures

The Health Center's accounting controls and procedures need improvement. Funds on deposit were not adequately covered by collateral securities, the published financial statements did not include itemized financial activity for salary expenditures, and no budget amendment was filed to authorize expenditures in excess of the board approved budget. In addition, the Health Center Administrator did not issue Forms 1099-MISC to any nonemployees during the audit period.

- A. The Health Center's funds on deposit were not adequately covered by collateral securities. Coverage was insufficient by \$15,677 at December 31, 2002 and by \$806 and \$14,417 at February 5, 2004 and June 24, 2003, respectively. The Health Center Board of Trustees apparently did not monitor the funds on deposit to ensure adequate collateral securities were pledged.

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

- B. The Health Center's published financial statements did not include itemized financial activity for salary expenditures. Section 50.800, RSMo 2000, provides that the financial statements are required to show disbursements or expenditures by person or vendor for all county funds. For the published financial statements to adequately inform the citizens of the Health Center's financial activities, all monies disbursed should be adequately detailed.
- C. The Health Center's expenditures exceeded the board approved budget by \$40,387 for the year ended December 31, 2002. It appears expenditures were not adequately monitored during 2002, and there was no budget amendment filed to authorize the additional expenditures.

It was ruled in *State ex. rel. Strong v. Cribb*, 364 Mo.1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.662, RSMo 2000, provides county boards may amend the annual budget during any year in which the board receives additional funds which could not be estimated when the budget was adopted.

- D. The Health Center does not have adequate procedures in place to ensure Forms 1099-MISC are issued as required. The Health Center paid various individuals or businesses for labor related to their building renovation and painting.

Sections 6041 through 6051 of the Internal Revenue Code require payments of at least \$600 or more in one year to an individual for professional services or for services performed as a trade or business by nonemployees (other than corporations) be reported to the federal government on Forms 1099.

WE RECOMMEND the Health Center Board of Trustees:

- A. Monitor the bank balance and ensure adequate collateral securities are pledged for all funds on deposit in excess of FDIC coverage.
- B. Ensure financial information is properly reported in the annual published financial statement in accordance with state law.
- C. Not authorize expenditures in excess of budgeted expenditures. If necessary, extenuating circumstances should be fully documented and the budgets properly amended and filed with the State Auditor's Office.
- D. Ensure 1099 forms are issued in accordance with IRS regulations.

AUDITEE'S RESPONSE

The Health Center Board and Administrator provided the following responses:

- A. *We have contacted the bank and corrected the problem.*
- B. *We will do this in the future.*
- C. *In the future, when unplanned revenues come in, we will amend the budget.*
- D. *We will do this in the future when Forms 1099 are necessary.*

17. Developmentally Disabled Board
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The Developmentally Disabled Board receives approximately \$115,000 annually. The board's minutes and budgetary procedures need improvement. The board also did not always obtain written agreements when necessary.

- A. The Developmentally Disabled Board held numerous meetings with their attorney during 2001 for which no formal minutes were taken and advance notices of the meetings were not posted. In April 2002 and March 2004 the board took official votes by phone but no official minutes were taken and approved and there is no documentation to indicate why these meetings were not posted and accessible to the public.

Section 610.020.6, RSMo 2000, requires a journal or minutes to be taken of all board meetings. In addition, Section 610.020.1, RSMo 2000, requires all public governmental bodies to publicly post notice of the time, date, and place of each meeting and its tentative agenda. Section 610.020, RSMo 2000, also requires at any public meeting conducted by telephone, the public shall be allowed to observe and

attend the meeting at a designated location identified in the notice of the meeting. This statute also requires minutes be taken and retained for these meetings.

- B. Expenditures exceeded the board approved budget by \$44,104 in 2002. Adequate monitoring procedures are not in place to ensure expenditures do not exceed budgeted amounts. It was ruled in *State ex rel. Strong v. Cribb* 364 Mo. 1122, 273 SW2d 246(1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. Also, Section 50.622, RSMo 2000, provides county boards may amend the annual budget during any year in which the board receives additional funds which could not be estimated when the budget was adopted and that the board shall follow the same procedures required for adoption of the annual budget to amend the budget.
- C. The Developmentally Disabled Board paid in excess of \$6,000 to an attorney for services related to a lawsuit involving the purchase of land by the board. The board did not obtain a written contract with the attorney indicating services to be provided and costs for the services. During the course of the lawsuit the Board issued a letter to the attorney indicating concern that fees had exceeded initial estimates; however, since there was no written contract, there is no documentation of the estimated cost of his services. Section 432.070, RSMo 2000, provides that any contract made by the county shall be in writing, dated when made, and signed by the parties. In addition to being required by statute, written contracts are necessary to document the duties and responsibilities of each party.

WE RECOMMEND the Developmentally Disabled Board:

- A. Maintain minutes for all meetings as required by state law. In addition, meeting notices should be posted as required by state law.
- B. Not authorize expenditures in excess of budgeted amounts. If necessary, extenuating circumstances should be fully documented and the budgets properly amended and filed with the State Auditor's office.
- C. Enter into written agreements for all services. The written agreement should detail all duties to be performed and the compensation to be paid under the agreement.

AUDITEE'S RESPONSE

The Developmentally Disabled Board provided the following responses:

- A. *Effective immediately, all meeting dates will be posted publicly, meetings will be held publicly, and minutes will be kept of each meetings, as required by Missouri State law.*

- B. *Effective immediately, should there be a valid reason for expenditures to exceed the amount of our approved budget, a public meeting will be held to amend the annual budget. The Wright County Board for the Developmentally Disabled will then file the amended budget with the Wright County Commission and the Missouri State Auditor's Office, as required by Missouri State law.*

- C. *Effective immediately, written agreements/contracts shall be made for services provided to the Wright County Board for the Developmentally Disabled, as required by Missouri State law.*

Follow-Up on Prior Audit Findings

WRIGHT 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 Wright County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1999. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budget Amendments and County Funds

- A. Public hearings were not held prior to the adoption of budget amendments. In addition, budget amendments were not always made prior to the county incurring expenditures.
- B. From January 1997 through November 2000 the county accumulated more than \$3,200 in the Domestic Violence Fund and disbursed only \$205 of these funds to domestic violence shelters.
- C. Assessment reimbursement claims were not reconciled to actual expenditures resulting in the county receiving more in state assessment fund reimbursements in 1998 than entitled.

Recommendation:

The County Commission:

- A. Ensure budget amendments are made prior to incurring the actual expenditures and public hearings are held prior to adopting budget amendments as required by state law.
- B. Ensure Domestic Violence Fund monies are disbursed to qualifying shelters in a timely manner.
- C. Contact the State Tax Commission regarding this situation and take appropriate action to correct the overpayment. In addition, the County Commission should ensure assessment reimbursement claims are reconciled to the expenditure records.

Status:

- A-B. Implemented.
- C. Implemented. The State Tax Commission withheld \$8,147 in January 2003 from the county's quarterly reimbursement request.

2. Sheriff's Controls and Procedures

- A.1. Civil process fees were not deposited until the related process papers were served and checks received were returned to the payor if the papers could not be served. Also, checks for civil process fees were not always restrictively endorsed immediately upon receipt.
2. The method of payment received was not always correctly indicated on the receipt slips and the composition of recorded receipts was not reconciled to bank deposits.
3. Monthly bank reconciliations were not always performed or documented for the civil and special accounts. In addition, a balance was not maintained in the check register.
4. The original copies of some voided receipt slips were not retained.
5. One clerk performed all duties of receiving, recording, and depositing monies.
- B. Civil process fees were allowed to accumulate in the Sheriff's bank account without being properly disbursed to the Treasurer.
- C. The Sheriff and the clerk were authorized to sign checks on the Sheriff's bank accounts; however, the clerk regularly signed the Sheriff's name, rather than her own name.
- D. Seized property items were not always tagged to identify the property to a specific case and the property tags were not prenumbered. Also the inventory listing of seized property was not complete.
- E. The County Commission was not a party to contracts the Sheriff entered into with cities to use the county's access to the Missouri Uniform Law Enforcement System (MULES).
- F. The Sheriff maintained custody of a bank account used for law enforcement purposes Which represented accountable fees and should have been turned over to the County Treasurer.
- G. The Sheriff special account had \$2,640 which was the result of a partition sale held by the former Sheriff. This had not been distributed in accordance with state law.

Recommendation:

The Sheriff:

- A.1. Deposit all civil process fees intact into the Sheriff bank account daily or when accumulated receipts exceed \$100. Any refunds should be made by check. In addition, restrictively endorse all checks and money orders immediately upon receipt.
2. Indicate the method of payment on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.
3. Maintain a balance in the check register and reconcile this balance to the monthly bank balance.
4. Retain the original copies of all voided receipt slips.
5. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Disburse all civil fees to the county treasury on a monthly basis.
- C. Discontinue the practice of allowing the clerk to sign the Sheriff's name on checks.
- D. Mark all seized property with prenumbered property tags and identify the property to specific cases. In addition, a complete inventory listing of all seized property should be maintained and kept updated for both additions and dispositions.
- E. And the County Commission obtain current written contracts from all cities using the MULES computer.
- F. Turn over the amounts in the Sheriff's special account to the County Treasurer, and, in the future, turn over all accountable fees to the County Treasurer.
- G. Obtain an order from the circuit court and pay the \$2,640 to the state's Escheats Fund.

Status:

- A.1. Partially Implemented. Civil process fees are no longer held until papers are served; however, deposits are not always made on a timely basis and checks are not always restrictively endorsed immediately upon receipt. See MAR finding number 12.

B, C,
F&G. Implemented.

A.2-5,
D&E. Not implemented. See MAR finding number 12.

3. Prosecuting Attorney's Controls and Procedures

- A. Monthly listings of open items (liabilities) for bad check restitution cases were not accurately prepared and reconciled to the cash balance. The November 2000, reconciled cash balance exceeded identified open items by \$7,576.
- B. One clerk performed all duties of receiving, recording, and depositing monies.
- C. Balances were not maintained in the bad check restitution and the court-ordered restitution check registers or in the one-write receipt system.
- D. Checks totaling \$1,016 written from 1994 to 1998, were still carried on the books at November 30, 2000.
- E. A system to account for all bad checks submitted to the office for collection and their disposition had not been established. Collection procedures and efforts were not always made timely.

Recommendation:

The Prosecuting Attorney:

- A. Prepare complete and accurate listings of open items and reconcile the listings to the cash balance monthly. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.
- B. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- C. Maintain a book balance for the bad check and court ordered restitution accounts, and reconcile such balance to the monthly bank balances.
- D. Attempt to contact the payees of old outstanding checks. If the payees cannot be located, the balance should be distributed in accordance with applicable statutory provisions.
- E. Establish a system to account for all bad checks submitted to his office and their disposition.

Status:

A, B,
D&E. Not implemented. See MAR finding number 11.

C. Implemented.

4. Health Center Records and Procedures

A.1. Beginning cash balances on budgets were incorrectly reported.

2. Numerous mathematical errors were noted in the budget document resulting in inaccurate totals of actual revenue and expenditure amounts.

3. Actual revenues for 1998 and 1999 contained numerous classification errors.

B. Various internal accounting and financial reporting records of the health center were inconsistent with each other in amounts recorded for the audit period. These inconsistencies appeared to be the result of numerous posting errors, back dating of correcting entries, and the lack of reconciliations performed by the Health Center Administrator among these various records.

C. Health center personnel did not monitor amounts expended on Comprehensive Family Planning (CFP) services during the audit period, nor was the average cost per client of providing such services periodically calculated and monitored.

Recommendation:

The Health Center Board of Trustees:

A. Ensure budgets are accurate and complete.

B. Ensure maintenance of accurate accounting records and an effective financial reporting system to accurately monitor budgeted and actual financial activity.

C. Ensure CFP expenditures are in compliance with the contract and contact the state Department of Health to resolve this situation.

Status:

A. Partially implemented. Although some errors were noted on the Health Center's budget, improvements have been made. Although not repeated in our current MAR, our recommendation remains as stated above.

B. Implemented.

C. Implemented. The Health Center repaid the Department of Health \$17,550 in April 2001 and has established procedures to track and monitor contract expenditures.

5. Developmentally Disabled Board

The Developmentally Disabled Board did not properly monitor its bank balances to ensure that the board's depository banks pledged sufficient collateral securities.

Recommendation:

The Developmentally Disabled Board monitor the bank balance and ensure adequate securities are pledged for all funds on deposit in excess of FDIC coverage.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

WRIGHT COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1841, the county of Wright was named after Silas Wright, a U.S. Senator. In April 2001, Wright County abolished their townships and became a county-organized, third-class county. Wright County is part of the Forty-Fourth Judicial Circuit. The county seat is Hartville.

Wright County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 641 miles of county roads and 36 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 16,188 in 1980 and 17,955 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2003	2002	2001	2000	1985*	1980**
		(in millions)					
Real estate	\$	80.4	78.8	76.8	74.9	43.4	17.1
Personal property		33.0	33.7	31.9	30.6	12.6	6.6
Railroad and utilities		7.9	8.3	8.3	10.2	5.1	4.8
Total	\$	121.3	120.8	117.0	115.7	61.1	28.5

* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2003	2002	2001	2000
General Revenue Fund	\$.0280	.0415	.0394	n/a
Health Center Fund		.0818	.0810	.0810	.0800
Senate Bill 40 Board Fund		.0818	.0810	.0810	.0800

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2004	2003	2002	2001
State of Missouri	\$ 38,833	37,856	36,414	35,433
General Revenue Fund	47,188	61,305	60,548	5,623
Special Road and Bridge Fund	24,432	36,299	142,395	24,001
Assessment Fund	45,155	44,233	43,648	44,594
Health Center Fund	105,572	102,060	98,056	95,812
Senate Bill 40 Board Fund	105,185	101,676	97,697	95,453
Township debt service	0	0	0	1,239
Townships	0	0	0	409,760
School districts	3,912,858	3,806,392	3,657,499	3,573,767
Library district	185,381	179,233	172,187	168,319
Tax Maintenance Fund	14,302	5,856	0	0
Cities	51,088	51,544	48,650	57,825
County Clerk	1,995	2,502	1,493	1,899
County Employees' Retirement	40,426	39,819	35,677	25,591
Commissions and fees:				
Townships	0	0	0	36,555
General Revenue Fund	82,221	80,773	79,631	37,272
Total	\$ 4,654,636	4,549,548	4,473,895	4,613,143

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				%
	2003	2002	2001	2000	
Real estate	90	88	88	88	
Personal property	88	87	88	88	
Railroad and utilities	100	100	100	100	

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

	Rate	Expiration Date	Required Property Tax Reduction	
General	\$.0050	None	50	%
Road and Bridge*	.0050	None	None	

* In November 2001 voters approved this sales tax which eliminated all Road and Bridge levies and allocated thirty percent of the sales tax collections to the Mountain Grove Special Road District. The sales tax became effective in April 2002.

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

Officeholder	2004	2003	2002	2001	2000
County-Paid Officials:	\$				
Rex Epperly, Presiding Commissioner		22,566	22,566	22,566	22,566
John Williams, Associate Commissioner		20,566	20,566	20,566	17,500
Frank Bolt, Associate Commissioner		20,566	20,566	20,566	17,500
Tony Dugger, County Clerk		31,160	31,160	31,160	31,160
Larry A. Tyrrell, Prosecuting Attorney		36,900	36,900	36,900	36,900
Terry Gates, Sheriff		34,440	34,440	34,440	
G.L. (Mitch) Mitchell, Sheriff					35,000
Naomi Gray, County Treasurer		23,058		4,966	
Wilma (Faye) Campbell, County Treasurer			23,058	12,298	
Ben Hurtt, County Coroner		9,020	9,020	9,020	
Lynn Hurtt, County Coroner					6,500
John T. Miller, Public Administrator (1)		16,822	20,589	22,645	18,784
Cindy Cottengim, County Collector, year ended February 28 (29), (2)	31,160	31,160	28,564		
Fern Moore, Treasurer and Ex Officio County Collector, year ended March 31,			6,812	27,250	27,250
Brenda Day, County Assessor (3), year ended August 31,		32,060	32,060	42,556	30,420

(1) Includes fees received from probate cases.

(2) Includes \$260 received as Ex Officio County Collector.

(3) Includes \$900 annual compensation received from the state. The salary reported for 2001 includes a lump sum payment of \$8,880 plus \$1,096 interest required by a judgment from a lawsuit filed by the Assessor against the county regarding her salary.

State-Paid Officials:

Joe Chadwell, Circuit Clerk and Ex Officio Recorder of Deeds		47,300	47,300	47,300	46,126
Lynette Veenstra, Associate Circuit Judge		96,000	12,000		
Noble I. Leighton, Associate Circuit Judge			58,772	96,000	97,382