

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is written in a circle around the top, and "MISSOURI 1820 1892" is written around the bottom. The motto "UNDER THE GREAT SEAL WE STAND DIVIDED" is inscribed within the inner circle.

Nicole Galloway, CPA

Missouri State Auditor

Jackson County

Budgets and Transfers

Report No. 2020-108

November 2020

auditor.mo.gov



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jackson County Budgets and Transfers

Budgetary Practices

Budgeting procedures need improvement to ensure greater transparency in the budgeting process. The County Legislature, County Executive, Chief Administrative Officer, and Budget Office do not ensure budgets for most county funds reasonably reflect the anticipated financial activity and fund balances. The county significantly underestimated beginning fund balances, underestimated revenues, and/or overestimated disbursements resulting in total actual ending fund balances greatly exceeding total budgeted ending fund balances. Disbursements for most county funds are annually budgeted so that estimated ending fund balances will equal zero, effectively appropriating all available monies to be spent in the current year, regardless of the actual estimated activity for the funds. As a result of poor budgeting, the county's financial position was significantly misstated. The budgeting and coding of some disbursements in the accounting system as non-departmental is inappropriate and reduces the transparency of the spending of public funds. The poor estimates of beginning and ending fund balances resulted in undesignated fund balances that were then improperly transferred by the County Legislature rather than appropriated through the process established by state statute. During the audit period, the County Legislature authorized \$3,117,328 of transfers from these actual undesignated fund balances instead of properly amending the budget. In addition, public hearings were not held prior to the approval/adoption of any of these transfers as required by state law.

Administrative Transfers

Some administrative transfers were made without proper approval, and as a result may have been inappropriate. Administrative transfer forms were not always complete and accurate, and as a result, administrative transfers were made without sufficient documentation or explanation. The County Executive frequently approved administrative transfers that included multiple object codes not exceeding \$10,000, that when accumulated exceeded \$10,000. These multiple-object-code transfers, performed in accordance with current county code, allowed for the purchase of specific goods or services that might have otherwise required legislative approval.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County

Budgets and Transfers

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Chairman of the Jackson County Legislature
and
Members of the Jackson County Legislature
and
Frank White, Jr., Jackson County Executive
Jackson County, Missouri

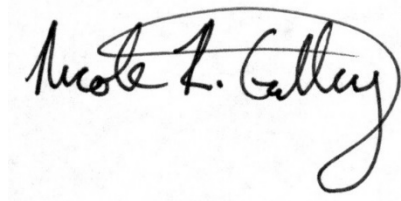
We have audited certain operations of Jackson County - Budgets and Transfers in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over certain management operations and financial functions related to budgets and transfers.
2. Evaluate the county's compliance with certain legal provisions related to budgets and transfers.
3. Evaluate the economy and efficiency of certain management practices and procedures related to budgets and transfers, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Jackson County - Budgets and Transfers.

Additional audit reports of various officials and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

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Jackson County

Budgets and Transfers

Introduction

Background

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County. Our work included reviewing the county's budgetary practices and administrative transfers.

County code allows the County Executive some freedom in the operation of county finances to approve administrative transfers not exceeding \$10,000, and removes the possible burden of the County Legislature to approve all budgeted transfers. However, the County Legislature believed that the County Executive was approving administrative transfers under the \$10,000 threshold to make some purchases without legislative approval. We determined the County Executive approved administrative transfers totaling approximately \$10.2 million for the 3 years ended December 31, 2018, and we have written findings based on our review of these transfers. To support our findings on administrative transfers we included examples of applicable transfer (budget adjustment) forms at Appendix B. To support our findings on budgetary practices we included a Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual for the year ended December 31, 2018, at Appendix A-1 and for the year ended December 31, 2017, at Appendix A-2.

As a result of conflicts with the County Executive in 2017, the County Legislature, passed an ordinance on December 6, 2017, enacting Section 525 of Jackson County Code, establishing reserve funds that require the approval of the County Legislature prior to disbursement of these monies. On December 22, 2017, the County Executive vetoed this resolution, and on December 28, 2017, the County Legislature overrode the County Executive's veto. As a result, reserve fund monies were budgeted in various funds during the year ended December 31, 2018, instead of being budgeted for contingency expenses. Lawsuits were filed between the County Legislature and the County Executive over the appropriateness and validity of the reserve funds, which were later dismissed. The use of reserve funds was repealed by the County Legislature in March 2019. Because reserve funds are no longer in use by the county, we made no recommendation on their appropriateness.

The following provisions of state law, constitutional home rule charter, and county code are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report section.

State Law

Section 50.540.4, RSMo, states, "an amount equal to not less than three percent of the total estimated general fund revenues shall be appropriated each year as an emergency fund."

Section 50.550, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget.



Jackson County Budgets and Transfers Introduction

Section 50.622.1, RSMo, allows budget amendments if additional sources of revenue are received that could not be estimated when the budget was adopted. In addition, Section 50.622.6, RSMo, states, "no charter county shall be restricted from amending its budget under and pursuant to the terms of its charter."

Section 50.630, RSMo, states, "The county commission may authorize the transfer within the same fund of any unencumbered appropriation balance or any portion thereof from one spending agency under its jurisdiction to another; but this action shall be taken only on the recommendation of the budget officer and only during the last two months of the fiscal year, except that transfers from the emergency fund may be made at any time in the manner herein provided."

Constitutional Home Rule Charter

Article VIII, Section 1 of the county's charter requires the County Executive to submit an annual budget to the County Legislature. Section 2 further allows the County Legislature to enact ordinances regarding the "budget and financial affairs."

County Code

Chapter 5, Section 531, fiscal code, states, "The total expenditures proposed for any fund in the preliminary budget or the budget shall be no greater than the estimated income and revenue for that fund."

Chapter 5, Section 532.1, fiscal code, states, "If the County Executive shall propose and the County Legislature shall enact a measure that will provide additional income and revenues, and if the County Executive shall propose additional expenditures, the County Legislature may appropriate an amount equal to not more than ninety-five percent (95%) of the estimated income and revenue from the new source or sources."

Chapter 5, Section 533, fiscal code, states, "The following intra-office transfers are authorized."

- Section 533.1 states "The County Executive, on the recommendation of the budget officer, is authorized to approve and effect a transfer from one (1) appropriation account to another within the same agency in an amount not to exceed ten thousand dollars (\$10,000) when the County Executive determines that any such transfer is necessary or advisable in the efficient administration of that office, department or agency of Jackson County."
- Section 533.2 indicates the County Legislature may by resolution at any time on the recommendation of the County Executive or by resolution with the affirmative vote of six members of the County Legislature, without the recommendation of the County Executive, transfer any unencumbered appropriation balance or any portion of



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that balance from one appropriation account to another within the same agency.

Chapter 5, Section 534, fiscal code, states, "The County Legislature may by resolution authorize the transfer, within the same fund, of any unencumbered appropriation balance or any portion of that balance from one (1) spending agency under its jurisdiction into another."

Chapter 5, Section 570.7, fiscal code, states, "Funds from other parts of the budget cannot be transferred into the Personal Services portion of the budget and funds cannot be transferred between Personal Services accounts, except as noted."

Chapter 5, Section 570.9, fiscal code, states, "Requests for exceptions to any of the above rules must be in writing, and approved by the County Executive and Manager of the Division of Finance. Alternatively, a request for an exception to any provision of the Personal Services Policy may be approved by a resolution that receives the affirmative vote of six members of the County Legislature."

On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county. This request was accepted by the SAO and audit fieldwork started in December 2018. This is the third of several audit reports that will be issued as part of the audit of Jackson County.

Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; gathering information regarding budget and transfer policies and procedures through discussions with various current and past county personnel, and reviewing the information obtained; and testing selected transactions. To gain an understanding of legal requirements governing budgets and transfers, we reviewed applicable state laws, the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the



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audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

Jackson County

Budgets and Transfers

Management Advisory Report - State Auditor's Findings

1. Budgetary Practices

Budgeting procedures of the County Legislature, County Executive, Chief Administrative Officer, and Budget Office need improvement to ensure greater transparency in the budgeting process.

The Budget Office is responsible for working with each department to prepare a budget document. The budget is reviewed and approved by the Chief Administrative Officer, and presented to the County Executive for his review and approval. The County Executive then presents the budget to the County Legislature for review and approval. Once the Legislature has adopted the budget, the County Executive has 10 days to accept, deny, or let the budget go into effect without comment. The County Executive has line-item veto power that the Legislature can overrule with a two-thirds majority vote.

According to the county's budget policies, "an annual budget prepared under the modified accrual basis of accounting¹ (except that the encumbrances² are treated as expenditures for budget purposes) is adopted in December prior to the beginning of each fiscal year for all budgeted Governmental Fund Types."

1.1 Budget preparation and disbursements coding

The County Legislature, County Executive, Chief Administrative Officer, and Budget Office do not ensure budgets for most county funds reasonably reflect the anticipated financial activity and fund balances. This weakness reduces the effectiveness of the budget as a tool for monitoring and controlling disbursements, and results in an inaccurate statement of the county's anticipated financial position. The county significantly underestimated beginning fund balances, underestimated revenues, and/or overestimated disbursements resulting in total actual ending fund balances greatly exceeding total budgeted ending fund balances. See Appendix A-1 for 2018 and Appendix A-2 for 2017 budget-to-actual activity based on originally adopted budgets.

The estimated original ending fund balance for the county's 32 funds was \$8,459,835, while the actual ending fund balance was \$114,341,733 at December 31, 2017. The estimated original ending fund balance for the county's 31 funds was \$5,443,528, while the actual fund balance was \$136,519,810 at December 31, 2018.

In addition, revenues were underestimated, disbursements were overestimated, and beginning fund balances were over/underestimated for

¹ The budget glossary defines this as "A basis of accounting in which revenues are recognized in the period in which they become both available and measurable. Expenditures are recognized in the period in which a liability is incurred."

² The budget glossary defines this as "The commitment of appropriated funds to purchase an item or service prior to actual payment. To encumber funds means to set aside or commit funds for a specified future expenditure. Funds are generally encumbered once a contractual obligation has been entered."



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some specific county funds. For example, in 2017, budgeted revenues for the General Fund were approximately \$84 million and actual revenues were approximately \$87 million, budgeted disbursements were approximately \$92 million and actual disbursements were approximately \$85 million, and the budgeted beginning fund balance was approximately \$8 million and the actual beginning fund balance was approximately \$24 million, all of which contributed to the \$28 million difference in the ending fund balance.

Also, disbursements for most county funds are annually budgeted so that estimated ending fund balances will equal zero, effectively appropriating all available monies to be spent in the current year, regardless of the actual estimated activity for the funds.

During the year ended December 31, 2018, disbursements for 23 of 31 county funds (74 percent) were budgeted to result in the ending fund balance totaling zero. Similarly, during the year ended December 31, 2017, disbursements for 22 of 32 county funds (69 percent) were budgeted to result in the ending fund balance totaling zero.

As a result of poor budgeting, the county's financial position was significantly misstated. The following table presents a comparison of originally adopted budget-to-actual ending fund balances for 4 of the county's funds that had large differences between estimated and actual amounts at December 31, 2017, and 2018:

Year	Fund	Estimated Available Beginning Fund Balance (1)	Actual Beginning Fund Balance (2)	Estimated Available Ending Fund Balance (1)	Actual Ending Fund Balance (2)
2017	General	\$ 8,481,758	24,367,021	0	27,848,949
2018	General	9,983,094	27,848,949	0	51,008,246
2017	Assessment	1,624,695	3,529,169	0	3,680,916
2018	Assessment	1,279,332	3,680,916	0	4,444,577
2017	Special Road and Bridge	6,151,264	15,124,838	0	13,014,721
2018	Special Road and Bridge	5,621,735	13,014,721	0	11,604,844
2017	Community Backed Anti-Crime Tax (COMBAT)	3,111,248	10,233,712	500,000	10,793,248
2018	Community Backed Anti-Crime Tax (COMBAT)	3,442,605	10,793,248	0	11,966,369

(1) Amounts are based on the county's original budget.

(2) Amounts include non-spendable, restricted, assigned, and unassigned fund balance designations.

Deficit fund balance

The county inaccurately reported the beginning fund balance of the Prosecuting Attorney Bad Check Collection Fund in the 2018 budget as \$71,893 (the actual unrestricted fund balance at January 1, 2017) instead of the actual beginning fund balance of \$17,533 at January 1, 2018. As a result



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of this error, at December 31, 2018, the Prosecuting Attorney Bad Check Collection Fund had a deficit fund balance of \$47,522.

Non-departmental
disbursements

The budgeting and coding of some disbursements in the accounting system as non-departmental is inappropriate and reduces the transparency of the spending of public funds.

Non-departmental disbursements typically include county-wide costs for insurance premiums and claims (including workers' compensation), employee fringe benefits (including sick/vacation payouts and car allowances), professional services (including auditing, legal, lobbying, payroll, and reassessment services), telephone services, software maintenance, building/road/other improvements, equipment, and miscellaneous expenses.

The county annually budgets and codes non-departmental disbursements in the accounting system for 7 different funds using 4 different object codes as shown in the following table:

Fund	Year Ended December 31, 2017		Year Ended December 31, 2018	
	Budget	Actual	Budget	Actual
General	\$ 8,015,924	7,337,564	4,817,251	4,188,733
Health	2,215,074	1,708,486	1,331,697	1,169,852
Assessment	2,131,702	1,296,225	1,786,257	1,392,859
Special Road and Bridge	2,856,015	2,356,584	1,539,731	1,281,812
Community Backed Anti-Crime Tax (COMBAT)	1,165,125	875,037	930,916	782,083
Park	2,313,836	2,008,384	1,857,972	1,562,341
Park Enterprise	679,230	396,139	773,137	374,580
Total	\$ 19,376,906	15,978,419	13,036,961	10,752,260

Object Code				
Employee benefits	\$ 5,928,450	5,299,459	5,302,941	4,347,433
Contractual services	9,624,510	7,119,281	6,329,797	5,410,874
Supplies	134,204	131,415	19,940	19,931
Capital outlay	3,689,742	3,428,264	1,384,283	974,022
Total	\$ 19,376,906	15,978,419	13,036,961	10,752,260

However, some of these disbursements were not non-departmental or countywide disbursements. Our review of 40 disbursements coded to non-departmental object codes during 2017 and 2018, noted 15 disbursements totaling \$588,056 that could have been budgeted and coded to a department other than non-departmental for better transparency as follows:



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Fund	Department	Description	Amount
Park Enterprise	Construction Services	Trail extension	\$ 164,183
General	Corrections	Flooring repair	116,689
Park Enterprise	Marinas	Flotation replacement	77,584
General	Information Technology	Server remediation	76,608
Park Enterprise	Adair Softball Park	Shade canopies	49,457
General	Kansas City Election Board	Automobile	39,900
Health	Corrections	Video surveillance	30,302
Assessment	Information Technology	Systems and software	9,483
Assessment	Information Technology	Software	9,000
Park	Park Operations	Automobile	4,798 (1)
Special Road and Bridge	Road and Bridge Maintenance	Signage and safety	3,713
General	Collections	Pictures and artwork	2,899
General	14th Street Garage	Garage lease	2,700
General	Collections	4 television wall mounts	528
General	Facilities Management	Solar panel lease	212
Total			\$ 588,056

(1) The remaining cost of the vehicle was properly charged to the Park Operations department.

The practice of paying departmental expenses from non-departmental appropriations makes it more difficult to establish accountability for the true and accurate cost of operating various county departments. This practice limits accountability and transparency over certain county departments.

Conclusion

Section 50.550, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year and outlines the various information to be included in the budget. Realistic projections of the county's uses of funds and fund balances are essential for the efficient management of finances and for communicating accurate financial data to county residents. Underestimating revenues, overestimating anticipated disbursements, significantly over/underestimating beginning fund balances, and budgeting and coding actual departmental disbursements to non-departmental object codes does not allow for responsible and transparent policy making.

1.2 Budget amendments

The poor estimates of beginning and ending fund balances (as noted in section 1.1) resulted in undesignated fund balances that were then improperly transferred by the County Legislature rather than appropriated through the process established by state statute. Undesignated fund balances are the unreserved portion of a fund balance that have not been accounted for in the original budget passed by the county legislature. These funds originate from balances carried over from prior years due to poor budget estimates and zero-balance budgeting that were not accounted for in subsequent budgets. During the audit period, the County Legislature authorized \$3,117,328 of transfers from these actual undesignated fund balances instead of properly amending the budget. In addition, public hearings were not held prior to the approval/adoption of any of these transfers as required by state law.



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Management Advisory Report - State Auditor's Findings

Transfers of undesignated fund balances (not appropriated through the county budget process) totaling \$1,393,469 in 2017 and \$1,723,859 in 2018 were authorized by the County Legislature as follows:

Fund	Year Ended December 31,	
	2017	2018
General	\$ 533,559	820,869
Community Backed Anti-Crime Tax (COMBAT)	387,715	2,226
Special Road and Bridge	0	199,996
Health	0	208,541
Emergency 911 System	0	130,088
Recorder's Technology	0	115,000
Park Enterprise	203,150	0
Sheriff Revolving	269,045	247,139
Total	\$ 1,393,469	1,723,859

State law allows a county to amend its budget when a county receives additional monies that could not be estimated when the original budget was adopted. However, the following are examples of transfers of undesignated fund balances (not appropriated through the county budget process) performed without the existence of additional funds:

Date of Transfer	Fund	Purpose of Transfer	Beginning Undesignated Fund Balance	Amount of Transfer
05/22/2017	Community Backed Anti-Crime Tax (COMBAT)	Corrections seasonal plumbers/supplies	\$ 500,000	385,610
06/19/2017	Park Enterprise	Parks and Recreation pontoon boats	333,467	93,400
10/13/2017	General	Corrections replacement of additional corridor sliding doors	0	533,559
02/26/2018	Emergency 911 System	Unanticipated expenditures for "911" emergency telephone services	568,627	130,088
03/19/2018	Sheriff Revolving	Albert A. Riederer Criminal Justice Center office area improvements	468,100	213,681
04/30/2018	Recorder's Technology	Recorder of Deeds, Collection, and Assessment department software updates	0	115,000
06/25/2018	Special Road and Bridge	Ponca Drive and Slaughter Road change order	0	199,996
08/06/2018	General	14th Street Garage and downtown parking lots security improvements	0	315,000
08/27/2018	Health	Outside agency contracts	0	92,672

Section 50.622.1, RSMo, allows budget amendments if a county receives additional monies that could not be estimated when the budget was adopted. In addition, Section 50.622.6, RSMo, states, "no charter county shall be



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restricted from amending its budget under and pursuant to the terms of its charter." Also, Chapter 5, Section 532.1, of the county code indicates budget amendments must be proposed by the County Executive and enacted upon by the County Legislature. Although Section 50.622.1, RSMo, Section 2 of the Jackson County Charter, and Section 532.1 of county code allow the County Legislature to enact ordinances regarding budget amendments when the county receives unanticipated additional funds, or experiences an unanticipated decline in funds, it does not provide for the County Legislature to transfer funds from undesignated fund balances (not appropriated through the county budget process) instead of properly amending the budget. As a result, when the County Legislature approves these undesignated fund transfers, it is effectively amending its budget without the existence of new revenues, and thus, should follow the same procedures required for adopting the original budget, including holding a public hearing.

Recommendations

The County Legislature work with the County Executive to:

- 1.1 Ensure budgets provide reasonable estimates of anticipated disbursements and ending fund balances; and discontinue deficit budgeting, and budgeting and paying departmental expenses from non-departmental appropriations.
- 1.2 Discontinue authorizing transfers from undesignated fund balances (not appropriated through the county budget process), and ensure budget amendments are only made when the county receives new revenues and public hearings are held for all other budget amendments in accordance with state law.

Auditee's Response

The County Legislature provided a written response. See Appendix C.

The County Executive provided a written response. See Appendix D.

2. Administrative Transfers

Significant improvement over controls, policies, and procedures related to administrative transfers is needed.

Administrative transfers are transfers of monies not exceeding \$10,000 that do not require Legislative approval. The following administrative transfers were made during the 3 years ended December 31, 2018:

Year Ended December 31,	Number of Transfers	Amount of Transfers
2016	857	\$ 5,315,099
2017	631	2,641,550
2018	558	2,253,063
Total	2,046	\$10,209,712



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Our review of 45 of the 2,046 administrative transfers noted several concerns. Some administrative transfers may have been improper because they were made without proper approval or did not have sufficient documentation or explanation. In addition, several of these transfers included multiple object code transfers of monies not exceeding \$10,000, that when accumulated exceeded \$10,000. These multiple object code transfers allowed for the purchase of specific goods or services and did not require approval of the County Legislature. While these transfers are authorized by county code and policy, the transfers and related purchases were not transparent and give the appearance that the transfers and related purchases were made to avoid approval of the County Legislature. As a result, updates or modifications to the county code and policy may be necessary.

Proper approval

Some administrative transfers were made without proper approval, and as a result may have been inappropriate. We noted 28 of 45 transfers tested (62 percent), totaling \$557,321, lacked proper approval (see Appendix B for examples). The signature of the division manager was not present on 17 forms, the signatures of both the division manager and department head were not present on another 4 forms and the signature of the department head was not present on 1 form. For example:

- On January 21, 2016, 5 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$39,996 that were not properly approved. The administrative transfers were only approved by members of the Finance and Purchasing department that processed the transfers and were not properly approved by the division manager and department head. These transfers allowed for the payment of a "County Executive Automobile Purchase" on February 25, 2016, that did not require approval of the County Legislature.
- On August 25, 2016, 6 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$30,104 that were not properly approved. The administrative transfers were only approved by members of the Finance and Purchasing department that processed the transfers and were not properly approved by the division manager and department head. These transfers allowed for the payment of an automobile purchase for use by the County Executive's Chief of Staff on September 1, 2016, that did not require approval of the County Legislature.
- On April 4, 2018, multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$13,179 that were not properly approved by the division manager. These transfers allowed for the payment of information technology services on April 19, 2018, that did not require approval of the County Legislature.



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In addition, 2 administrative transfer forms for transfers between personal service accounts were not approved by the County Executive. Finally, the Budget Officer's required approval was not present on 2 other transfer forms for transfers between personal service accounts. These transfers allowed for the payment of asbestos remediation and legal services that did not require approval of the County Legislature.

Budget Adjustments/Transfers policy 4.4 requires administrative transfers to have ". . . appropriate signatures (Department Head, Division Manager, County Executive (if salary accounts are involved)." The policy also states, "A standard format should be used to transfer funds among budgeted items (Appendix - Budget Transfer Request Forms). The form will be initiated by the operating department seeking the transfer. It should be approved by appropriate officials: Department Head; Budget Officer and Finance Director."

County code 533.1 states, "The County Executive, on the recommendation of the budget officer, is authorized to approve and effect a transfer from one (1) appropriation account to another within the same agency in an amount not to exceed ten thousand dollars (\$10,000) when the County Executive determines that any such transfer is necessary or advisable in the efficient administration of that office, department or agency of Jackson County."

In addition, county code 570.7 states, "Funds from other parts of the budget cannot be transferred into the Personal Services portion of the budget and funds cannot be transferred between Personal Services accounts, except as noted." County code 570.9 states, "Requests for exceptions to any of the above rules must be in writing, and approved by the County Executive and Manager of the Division of Finance. Alternatively, a request for an exception to any provision of the Personal Services Policy may be approved by a resolution that receives the affirmative vote of six members of the County Legislature."

All required signatures should be present on the administrative transfer forms to ensure all administrative transfers are necessary or advisable and in compliance with county policy and county code.

Transfer forms were
incomplete and inaccurate

Administrative transfer forms were not always complete and accurate, and as a result, administrative transfers totaling \$209,731 were made without sufficient documentation or explanation. Eight of the 45 transfers tested did not include either the balance of the (From) accounts before the transfer, the month-to-date total amount of transfers made from the (To and From) accounts, and/or whether the (To) accounts were new accounts, including the 2 automobile purchases noted above. In another example, on January 28, 2016, 3 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$23,988 without sufficient documentation or explanation.



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These transfers allowed for the payment of new carpet for the Finance and Purchasing department on April 14, 2016, that did not require approval of the County Legislature.

Another administrative transfer form reviewed did not document the reason or purpose of the transfer. In addition, the reasons stated on 2 of the administrative transfer forms reviewed did not fully correspond to the object codes used to make the transfers. For example, one transfer form indicated the transfer was for travel costs of a conference, but the transfer included an object code for software maintenance. The other transfer form indicated it was for software maintenance, but included an object code for the maintenance and repair-buildings account.

Budget Adjustments/Transfers policy 4.4 states, "Administrative approved transfers must be submitted on the appropriate transfer form (Salary or Non-Salary Transfer Form) . . ." Administrative transfer forms require the following information to be documented: (1) the requestor and date of the request, (2) the reason for the transfer, (3) the type of transfer (one-time or annual), (4) the amount of the transfer to be charged to and from various funds, departments, and accounts, (5) the balance of the "from" account before transfer, (6) whether the "to" account is a new account, and (7) the month-to-date total number of transfers made out of the "from" accounts affected by the transfer.

Budget Adjustments/Transfers policy 4.4 further states, "Not more than \$9,999 can be transferred to or from any one account within a calendar month," and "Back to Back (multiple) monthly transfers for the same account (for the same specific purpose) in an amount totaling anything greater than \$9,999 will not be allowed. (*updated 01/2017*)."

Including adequate information enables officials to accurately track amounts being spent from each account, thus ensuring compliance with county code and internal policies. Furthermore, reasons stated for making transfers should agree to the purpose of the accounts and object codes to which funds are being transferred. Without adequate information or explanation included on administrative transfer forms, determining that any such transfer is necessary or advisable is more difficult.

County code

As noted in the Background section of this report, the County Legislature believed that the County Executive was approving administrative transfers not exceeding \$10,000 to make some purchases without legislative approval.

The County Executive frequently approved administrative transfers that included multiple object codes not exceeding \$10,000, that when accumulated exceeded \$10,000. The following administrative transfers that



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included multiple object codes were made during the 3 years ended December 31, 2018:

Year Ended December 31,	Number of Transfers	Number of Object Code Transfers	Amount of Transfers
2016	92	422	\$2,240,578
2017	41	166	803,476
2018	28	134	689,728
Total	161	722	\$3,733,782

These multiple-object-code transfers, performed in accordance with current county code 533.1, allowed for the purchase of specific goods or services that might have otherwise required legislative approval. When we provided the Director of Finance and Purchasing examples of these transfers, he indicated, "In 2019 the County budget consolidated departments into a single fund, thus transfers similar to the examples with the same department and object codes, but different funds, will no longer take place."

However, as previously cited, several of these administrative transfers were not completed in accordance with county code or policy, bringing in to question their necessity and advisability. That, combined with a county transfer code written in 1973, and the County Legislature's concerns, suggests updates or modifications to the county code and policy may be necessary.

Recommendation

The County Legislature work with the County Executive to ensure administrative transfer forms are complete and accurate and are properly signed and/or approved, and transfers are made from/to accounts and object codes that agree to the reason or purpose of the transfer. In addition, the County Legislature should review and update as necessary, county code 533.1.

Auditee's Response

The County Legislature provided a written response. See Appendix C.

The County Executive provided a written response. See Appendix D.

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

General				Health			Assessment		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 85,342,613	111,732,111	26,389,498	25,859,556	27,137,932	1,278,376	6,645,459	7,741,262	1,095,803
(1) EXPENDITURES	95,325,707	87,411,567	7,914,140	27,234,912	26,781,655	453,257	7,924,791	6,889,255	1,035,536
REVENUES OVER (UNDER)									
EXPENDITURES	(9,983,094)	24,320,544	34,303,638	(1,375,356)	356,277	1,731,633	(1,279,332)	852,007	2,131,339
FUND BALANCE, JANUARY 1	9,983,094	27,848,949	17,865,855	1,375,356	5,798,403	4,423,047	1,279,332	3,680,916	2,401,584
NET ENCUMBRANCES	0	(1,161,247)	(1,161,247)	0	57,987	57,987	0	(88,346)	(88,346)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	51,008,246	51,008,246	0	6,212,667	6,212,667	0	4,444,577	4,444,577
Sewer				Special Road and Bridge			County Urban Road System		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 32,000	37,385	5,385	23,027,525	24,453,693	1,426,168	0	0	0
(1) EXPENDITURES	124,512	51,525	72,987	28,649,260	25,682,398	2,966,862	329,245	0	329,245
REVENUES OVER (UNDER)									
EXPENDITURES	(92,512)	(14,140)	78,372	(5,621,735)	(1,228,705)	4,393,030	(329,245)	0	329,245
FUND BALANCE, JANUARY 1	138,097	233,294	95,197	5,621,735	13,014,721	7,392,986	329,245	22,153	(307,092)
NET ENCUMBRANCES	0	415	415	0	(181,172)	(181,172)	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 45,585	219,569	173,984	0	11,604,844	11,604,844	0	22,153	22,153
Community Backed Anti-Crime Tax (COMBAT)				Sports Complex Sales Tax Capital Project			Sports Complex/ Park Debt Service		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 23,624,000	25,366,124	1,742,124	19,200,000	21,885,223	2,685,223	3,378,000	3,392,905	14,905
(1) EXPENDITURES	27,066,605	24,193,003	2,873,602	25,800,000	22,782,276	3,017,724	3,377,000	3,377,000	0
REVENUES OVER (UNDER)									
EXPENDITURES	(3,442,605)	1,173,121	4,615,726	(6,600,000)	(897,053)	5,702,947	1,000	15,905	14,905
FUND BALANCE, JANUARY 1	3,442,605	10,793,248	7,350,643	6,600,000	9,271,741	2,671,741	(1,000)	1,069,491	1,070,491
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	11,966,369	11,966,369	0	8,374,688	8,374,688	0	1,085,396	1,085,396

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

Sports Complex Sales Tax Debt Service				Prosecuting Attorney Bad Check Collection			Prosecuting Attorney Delinquent Sales Tax				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 49,279,000	51,845,374	2,566,374		65,000	64,194	(806)		155,000	171,198	16,198
(1) EXPENDITURES	49,234,250	51,808,647	(2,574,397)		136,893	129,249	7,644		124,240	123,462	778
REVENUES OVER (UNDER)											
EXPENDITURES	44,750	36,727	(8,023)		(71,893)	(65,055)	6,838		30,760	47,736	16,976
FUND BALANCE, JANUARY 1	(44,750)	19,279,497	19,324,247	(2)	71,893	17,533	(54,360)		343,196	368,973	25,777
NET ENCUMBRANCES	0	0	0		0	0	0		0	0	0
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	19,316,224	19,316,224		0	(47,522)	(47,522)		373,956	416,709	42,753
Convention and Sports Complex				Emergency 911 System			Domestic Abuse				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 6,861,711	6,818,058	(43,653)		1,700,000	2,006,684	306,684		162,000	163,438	1,438
(1) EXPENDITURES	6,861,701	6,808,683	53,018		2,352,533	2,363,506	(10,973)		219,092	197,670	21,422
REVENUES OVER (UNDER)											
EXPENDITURES	10	9,375	9,365		(652,533)	(356,822)	295,711		(57,092)	(34,232)	22,860
FUND BALANCE, JANUARY 1	3,504,384	3,511,018	6,634		1,221,160	502,939	(718,221)		57,092	47,693	(9,399)
NET ENCUMBRANCES	0	0	0		0	0	0		0	0	0
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 3,504,394	3,520,393	15,999		568,627	146,117	(422,510)		0	13,461	13,461
Homeless Assistance				Recorder's Fee			Recorder's Technology				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 333,000	341,531	8,531		240,000	246,510	6,510		137,500	140,145	2,645
(1) EXPENDITURES	439,306	320,925	118,381		336,223	218,428	117,795		172,229	153,964	18,265
REVENUES OVER (UNDER)											
EXPENDITURES	(106,306)	20,606	126,912		(96,223)	28,082	124,305		(34,729)	(13,819)	20,910
FUND BALANCE, JANUARY 1	106,306	232,458	126,152		96,223	129,147	32,924		34,729	147,557	112,828
NET ENCUMBRANCES	0	0	0		0	(434)	(434)		0	(1,442)	(1,442)
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	253,064	253,064		0	156,795	156,795		0	132,296	132,296

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

Collector's Maintenance Fee				Park			Park Enterprise		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 830,000	884,779	54,779	15,007,420	15,696,721	689,301	5,665,450	5,973,026	307,576
(1) EXPENDITURES	921,329	713,278	208,051	16,321,977	14,744,254	1,577,723	6,392,465	4,953,887	1,438,578
REVENUES OVER (UNDER)									
EXPENDITURES	(91,329)	171,501	262,830	(1,314,557)	952,467	2,267,024	(727,015)	1,019,139	1,746,154
FUND BALANCE, JANUARY 1	91,329	1,729,378	1,638,049	1,314,557	4,135,810	2,821,253	727,015	1,561,887	834,872
NET ENCUMBRANCES	0	0	0	0	(170,654)	(170,654)	0	549	549
CAPITALIZED ITEMS	0	0	0	0	0	0	0	(671,526)	(671,526)
FUND BALANCE, DECEMBER 31 \$	0	1,900,879	1,900,879	0	4,917,623	4,917,623	0	1,910,049	1,910,049
Federal Forfeiture (3)				Sheriff Revolving			Grant (4)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	63,212	63,212	90,000	98,950	8,950	0	5,274,385	5,274,385
(1) EXPENDITURES	0	64,549	(64,549)	208,519	330,655	(122,136)	0	2,106,925	(2,106,925)
REVENUES OVER (UNDER)									
EXPENDITURES	0	(1,337)	(1,337)	(118,519)	(231,705)	(113,186)	0	3,167,460	3,167,460
FUND BALANCE, JANUARY 1	288,128	363,386	75,258	586,619	596,882	10,263	0	3,368,756	3,368,756
NET ENCUMBRANCES	0	0	0	0	(19,783)	(19,783)	0	(3,822,266)	(3,822,266)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31 \$	288,128	362,049	73,921	468,100	345,394	(122,706)	0	2,713,950	2,713,950
Public Building Corporation Capital Project				Public Building Corporation Debt Service			Special Obligation Bond Capital Project		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	7,130	7,130	510,250	510,599	349	0	7,464	7,464
(1) EXPENDITURES	827,222	1,726,332	(899,110)	510,250	510,250	0	321,266	267,350	53,916
REVENUES OVER (UNDER)									
EXPENDITURES	(827,222)	(1,719,202)	(891,980)	0	349	349	(321,266)	(259,886)	61,380
FUND BALANCE, JANUARY 1	854,230	1,720,202	865,972	0	2,932,065	2,932,065	488,996	483,961	(5,035)
NET ENCUMBRANCES	0	(1,000)	(1,000)	0	0	0	0	41,005	41,005
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31 \$	27,008	0	(27,008)	0	2,932,414	2,932,414	167,730	265,080	97,350

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

	Special Obligation Bond Debt Service			Obligations to the U.S. Government Debt Service			Law Enforcement Training		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 12,330,491	13,154,240	823,749	0	0	0	42,500	31,100	(11,400)
(1) EXPENDITURES	12,330,491	12,330,241	250	642,693	642,693	0	44,442	18,635	25,807
REVENUES OVER (UNDER)									
EXPENDITURES	0	823,999	823,999	(642,693)	(642,693)	0	(1,942)	12,465	14,407
FUND BALANCE, JANUARY 1	0	753,290	753,290	642,693	642,693	0	1,942	1,510	(432)
NET ENCUMBRANCES	0	0	0	0	642,693	642,693	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31 \$	0	1,577,289	1,577,289	0	642,693	642,693	0	13,975	13,975
	Inmate Security			Total (all funds)					
	Original Budget	Actual	Difference	Original Budget	Actual	Difference			
(1) REVENUES	\$ 146,000	156,187	10,187	280,664,475	325,401,560	44,737,085			
(1) EXPENDITURES	146,000	146,000	0	314,375,153	297,848,262	16,526,891			
REVENUES OVER (UNDER)									
EXPENDITURES	0	10,187	10,187	(33,710,678)	27,553,298	61,263,976			
FUND BALANCE, JANUARY 1	0	82,182	82,182	39,154,206	114,341,733	75,187,527			
NET ENCUMBRANCES	0	0	0	0	(4,703,695)	(4,703,695)			
CAPITALIZED ITEMS	0	0	0	0	(671,526)	(671,526)			
FUND BALANCE, DECEMBER 31 \$	0	92,369	92,369	5,443,528	136,519,810	131,076,282			

- (1) Revenues and expenditures presented include transfers in and out.
- (2) The original budget fund balance of the Prosecuting Attorney Bad Check Fund was inaccurately reported on the budget. The actual beginning fund balance was \$17,533.
- (3) The county considers the Federal Forfeiture Fund a non-appropriated fund.
- (4) The annual budget document did not anticipate grants for appropriation. Appropriations were approved as the grants were awarded on a case-by-case basis with no expectation of a grant continuing beyond the current year.

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	General			Health			Assessment		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 83,764,602	86,941,055	3,176,453	24,882,740	26,320,156	1,437,416	6,713,147	7,039,721	326,574
(1) EXPENDITURES	92,246,360	84,647,962	7,598,398	26,538,928	25,060,877	1,478,051	8,337,842	6,731,229	1,606,613
REVENUES OVER (UNDER)	(8,481,758)	2,293,093	10,774,851	(1,656,188)	1,259,279	2,915,467	(1,624,695)	308,492	1,933,187
EXPENDITURES	(8,481,758)	24,367,021	15,885,263	(1,656,188)	4,342,671	2,686,483	(1,624,695)	3,529,169	1,904,474
FUND BALANCE, JANUARY 1	0	1,188,835	1,188,835	0	196,453	196,453	0	(156,745)	(156,745)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	27,848,949	27,848,949	0	5,798,403	5,798,403	0	3,680,916	3,680,916

	Sewer			Special Road and Bridge			County Urban Road System		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 32,000	30,312	(1,688)	22,266,561	23,608,514	1,341,953	0	0	0
(1) EXPENDITURES	128,301	31,416	96,885	28,417,825	25,393,072	3,024,753	593,343	316,909	276,434
REVENUES OVER (UNDER)	(96,301)	(1,104)	95,197	(6,151,264)	(1,784,558)	4,366,706	(593,343)	(316,909)	276,434
EXPENDITURES	(96,301)	(1,104)	95,197	(6,151,264)	(1,784,558)	4,366,706	(593,343)	(316,909)	276,434
FUND BALANCE, JANUARY 1	201,329	234,398	33,069	6,151,264	15,124,838	8,973,574	593,343	340,520	(252,823)
NET ENCUMBRANCES	0	0	0	0	(325,559)	(325,559)	0	(1,458)	(1,458)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 105,028	233,294	128,266	0	13,014,721	13,014,721	0	22,153	22,153

	Community Backed Anti-Crime Tax (COMBAT)			Sports Complex Sales Tax Capital Project			Sports Complex Park Debt Service		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 23,234,198	25,258,982	2,024,784	18,000,000	20,973,108	2,973,108	0	3,379,961	3,379,961
(1) EXPENDITURES	25,845,446	23,953,828	1,891,618	25,800,000	21,398,807	4,401,193	3,377,000	3,377,011	(11)
REVENUES OVER (UNDER)	(2,611,248)	1,305,154	3,916,402	(7,800,000)	(425,699)	7,374,301	(3,377,000)	2,950	3,379,950
EXPENDITURES	(2,611,248)	1,305,154	3,916,402	(7,800,000)	(425,699)	7,374,301	(3,377,000)	2,950	3,379,950
FUND BALANCE, JANUARY 1	3,111,248	10,233,712	7,122,464	7,800,000	9,697,440	1,897,440	3,377,000	1,066,541	(2,310,459)
NET ENCUMBRANCES	0	(745,618)	(745,618)	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 500,000	10,793,248	10,293,248	0	9,271,741	9,271,741	0	1,069,491	1,069,491

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Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	Sports Complex Sales Tax Debt Service			Prosecuting Attorney Bad Check Collection			Prosecuting Attorney Delinquent Sales Tax		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 48,116,500	51,559,194	3,442,694	93,000	72,183	(20,817)	150,000	120,505	(29,495)
(1) EXPENDITURES	48,042,250	50,990,849	(2,948,599)	146,649	140,069	6,580	122,106	154,227	(32,121)
REVENUES OVER (UNDER)									
EXPENDITURES	74,250	568,345	494,095	(53,649)	(67,886)	(14,237)	27,894	(33,722)	(61,616)
FUND BALANCE, JANUARY 1	(74,250)	18,711,152	18,785,402	103,795	85,419	(18,376)	294,588	402,695	108,107
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	19,279,497	19,279,497	50,146	17,533	(32,613)	322,482	368,973	46,491
	Convention and Sports Complex			Emergency 911 System			Domestic Abuse		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 6,858,008	6,837,130	(20,878)	2,000,000	1,566,524	(433,476)	161,000	172,601	11,601
(1) EXPENDITURES	6,861,711	6,830,496	31,215	2,220,335	2,325,483	(105,148)	182,421	182,000	421
REVENUES OVER (UNDER)									
EXPENDITURES	(3,703)	6,634	10,337	(220,335)	(758,959)	(538,624)	(21,421)	(9,399)	12,022
FUND BALANCE, JANUARY 1	3,487,813	3,504,384	16,571	1,433,585	1,261,898	(171,687)	21,421	57,092	35,671
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 3,484,110	3,511,018	26,908	1,213,250	502,939	(710,311)	0	47,693	47,693
	Homeless Assistance			Recorder's Fee			Recorder's Technology		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 325,000	338,349	13,349	230,000	247,399	17,399	132,500	138,079	5,579
(1) EXPENDITURES	361,614	241,743	119,871	267,924	217,367	50,557	252,961	137,725	115,236
REVENUES OVER (UNDER)									
EXPENDITURES	(36,614)	96,606	133,220	(37,924)	30,032	67,956	(120,461)	354	120,815
FUND BALANCE, JANUARY 1	36,614	135,852	99,238	37,924	98,681	60,757	120,461	149,254	28,793
NET ENCUMBRANCES	0	0	0	0	434	434	0	(2,051)	(2,051)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	232,458	232,458	0	129,147	129,147	0	147,557	147,557

Appendix A-2

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	Collector's Maintenance Fee			Park			Park Enterprise		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 845,000	846,154	1,154	14,547,846	15,346,347	798,501	5,608,050	5,903,002	294,952
(1) EXPENDITURES	1,016,824	895,381	121,443	16,764,058	15,974,912	789,146	5,663,490	5,205,244	458,246
REVENUES OVER (UNDER)	(171,824)	(49,227)	122,597	(2,216,212)	(628,565)	1,587,647	(55,440)	697,758	753,198
EXPENDITURES	1,787,075	1,782,807	(4,268)	2,216,212	5,208,079	2,991,867	388,907	1,961,765	1,572,858
FUND BALANCE, JANUARY 1	0	(4,202)	(4,202)	0	(443,704)	(443,704)	0	70,586	70,586
NET ENCUMBRANCES	0	0	0	0	0	0	0	(1,168,222)	(1,168,222)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 1,615,251	1,729,378	114,127	0	4,135,810	4,135,810	333,467	1,561,887	1,228,420
	Federal Forfeiture (2)			Sheriff Revolving			Grant (3)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	52,258	52,258	200,000	94,168	(105,832)	0	5,357,869	5,357,869
(1) EXPENDITURES	0	42,114	(42,114)	198,312	374,458	(176,146)	0	6,150,336	(6,150,336)
REVENUES OVER (UNDER)	0	10,144	10,144	1,688	(280,290)	(281,978)	0	(792,467)	(792,467)
EXPENDITURES	259,038	353,242	94,204	575,375	866,435	291,060	0	846,775	846,775
FUND BALANCE, JANUARY 1	0	0	0	0	10,737	10,737	0	3,314,448	3,314,448
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 259,038	363,386	104,348	577,063	596,882	19,819	0	3,368,756	3,368,756
	Public Building Corporation Capital Project			Public Building Corporation Debt Service			Special Obligation Bond Capital Project		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	1,935	1,935	1,124,000	1,124,013	13	0	2,940	2,940
(1) EXPENDITURES	864,728	84,833	779,895	1,124,000	1,124,000	0	2,360,363	1,852,075	508,288
REVENUES OVER (UNDER)	(864,728)	(82,898)	781,830	0	13	13	(2,360,363)	(1,849,135)	511,228
EXPENDITURES	864,728	1,803,100	938,372	0	2,932,052	2,932,052	2,360,363	2,333,096	(27,267)
FUND BALANCE, JANUARY 1	0	0	0	0	0	0	0	0	0
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	1,720,202	1,720,202	0	2,932,065	2,932,065	0	483,961	483,961

Appendix A-2

Jackson County - Budgets and Transfers

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual

Year Ended December 31, 2017

	Special Obligation Bond Debt Service			Obligations to the U.S. Government Debt Service			Criminal Justice Improvement Capital Project (4)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 11,734,741	11,736,577	1,836	642,693	642,693	0	0	0	0
(1) EXPENDITURES	11,734,741	11,734,491	250	642,693	642,693	0	278	228	50
REVENUES OVER (UNDER) EXPENDITURES	0	2,086	2,086	0	0	0	(278)	(228)	50
FUND BALANCE, JANUARY 1	0	751,204	751,204	0	642,693	642,693	278	228	(50)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	753,290	753,290	0	642,693	642,693	0	0	0

	Law Enforcement Training			Inmate Security			Total (all funds)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 43,500	38,633	(4,867)	141,000	180,352	39,352	271,846,086	295,930,714	24,084,628
(1) EXPENDITURES	51,426	46,991	4,435	141,000	98,170	42,830	310,304,929	296,356,996	13,947,933
REVENUES OVER (UNDER) EXPENDITURES	(7,926)	(8,358)	(432)	0	82,182	82,182	(38,458,843)	(426,282)	38,032,561
FUND BALANCE, JANUARY 1	7,926	9,868	1,942	0	0	0	46,918,678	112,834,081	65,915,403
NET ENCUMBRANCES	0	0	0	0	0	0	0	3,102,156	3,102,156
CAPITALIZED ITEMS	0	0	0	0	0	0	0	(1,168,222)	(1,168,222)
FUND BALANCE, DECEMBER 31	\$ 0	1,510	1,510	0	82,182	82,182	8,459,835	114,341,733	105,881,898

(1) Revenues and expenditures presented include transfers in and out.

(2) The county considers the Federal Forfeiture Fund a non-appropriated fund.

(3) The annual budget document did not anticipate grants for appropriation. Appropriations were approved as the grants were awarded on a case-by-case basis with no expectation of a grant continuing beyond the current year.

(4) This fund was closed in 2017.

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

Handwritten text was added by county employees.

NON-SALARY
 JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Budgeting - Non Departmental
 DATE: 1/21/16
 REASON: County Executive Automobile Purchase
☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8824</u>
Description:	<u>Transfer</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>001</u>	<u>5101</u>	<u>6643</u>	<u>\$ 9,999.00</u>		
<u>003</u>	<u>5103</u>	<u>6020</u>	<u>\$ 4,599.00</u>		
<u>003</u>	<u>5103</u>	<u>6080</u>	<u>\$ 5,400.00</u>		
<u>004</u>	<u>5104</u>	<u>8020</u>	<u>\$ 9,999.00</u>		
<u>045</u>	<u>4500</u>	<u>6661</u>	<u>\$ 9,999.00</u>		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>001</u>	<u>5101</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>003</u>	<u>5103</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>004</u>	<u>5104</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>045</u>	<u>4500</u>	<u>8120</u>	<u>\$ 9,999.00</u>		

Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: MR
 Approved By: [Signature]
 Approved By: [Signature]

Date: 1/21/16
 Date: 1-21-16
 Date: 1/21/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting

FROM: Budgeting - Finance

DATE: 1/21/16

REASON: Asbestos Remediation

☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8828 8912</u>
Description:	<u>transfer</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1404	5010	\$ 9,999.00		\$ -
003	1404	5010	\$ 3,682.00		
004	1404	5010	\$ 3,682.00 <u>6009</u>		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1404	6080	\$ 9,999.00		
003	1404	6080	\$ 3,682.00		
004	1404	6080	\$ 3,682.00 <u>6009</u>		

Mary Jo Beane
 Division Manager

1/22/16

Paul H. H. H. 1.22.16
 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR

Approved By: [Signature]

Approved By: [Signature]

Date: 1/21/16

Date:

Date: 1/21/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
FROM: Michael Erickson
DATE: January 20, 2016
REASON: To cover expenses not listed in original budget.

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8835</u>
Description:	<u>Transfer</u>
Control Total:	_____

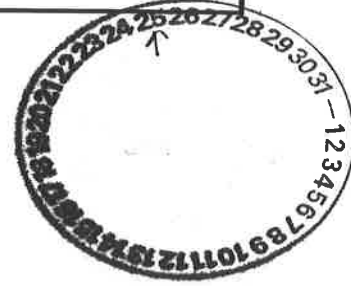
☒ **One Time Expenditure**

☐ **Annual Expense that will be adjusted for in next year's budget**

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
003	1305	58020 ✓	\$ 9,999	\$ 40,000 ^{16,005 ✓}	\$0
300	1305	58020 ✓	\$ 9,999	\$40,000 ✓	\$0



TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
003	1305	56750	\$9,999	Yes ✓	\$0
300	1305	56750	\$9,999	Yes ✓	\$0

 Department Head

 Division Manager

INTERNAL OFFICE USE ONLY

Prepared By:
 Approved By:
 Approved By:

Date: 1.25.16
 Date: 1.25.16
 Date: 1/25/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Budgeting - Finance
 DATE: 1/27/16
 REASON: New Carpet

(Internal Use Only)	
Fiscal Yr:	2016
Ref#:	<u>8842</u> <u>8913</u>
Description:	<u>transfer</u>
Control Total:	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
060	1404	5010	\$ 9,999.00		\$ -
<u>003</u>	<u>1404</u>	<u>5010</u>	<u>9999</u>		
<u>004</u>	<u>1404</u>	<u>5010</u>	<u>3990</u>		


TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
060	1404	<u>8060 -8020</u>	\$ 9,999.00		
<u>003</u>	<u>1404</u>	<u>8060</u>	<u>9999</u>		
<u>004</u>	<u>1404</u>	<u>8060</u>	<u>3990</u>		

 1-28-16
 Division Manager


 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: NR
 Approved By: 
 Approved By: 

Date: 1/27/16
 Date: 1/27/16
 Date: 1/27/16

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: BUDGETING
FROM: BUDGETING - NON DEPARTMENTAL
DATE: 8/25/16
REASON: C. CLIFFORD NEW VEHICLE

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>9452</u>
Description:	<u>Transfer</u>
Control Total:	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	5101	6790	\$ 9,999.00		
002	5102	6790	\$ 4,869.00		
003	5103	6080	\$ 4,869.00		
004	5104	6790	\$ 4,869.00		
008	5108	6080	\$ 2,870.00		
045	4500	6080	\$ 2,628.00		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	5101	8120	\$ 9,999.00		
002	5102	8120	\$ 4,869.00		
003	5103	8120	\$ 4,869.00		
004	5104	8120	\$ 4,869.00		
008	5108	8120	\$ 2,870.00		
045	4500	8120	\$ 2,628.00		

Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: MR
Approved By: [Signature]
Approved By: [Signature]

Date: 8/25/16
Date: 8/25/16
Date: 8/29/16

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT
SALARY

TO: Budgeting
FROM: Christine Lynde
DATE: 10-20-16 11/1/16
REASON: Software Maintenance
☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>9691</u>
Description:	<u>Transf</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>004</u>	<u>4201</u>	<u>55010</u>	<u>9999</u>	<u>889,1310</u>	
<u>004</u>	<u>4201</u>	<u>7110</u>	<u>6500</u>		
<u>001</u>	<u>4201</u>	<u>55010</u>	<u>8875</u>	<u>393530</u>	

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>004</u>	<u>4201</u>	<u>50662</u>	<u>6500</u>	<u>NO</u>	
<u>004</u>	<u>4201</u>	<u>6510</u>	<u>9999</u>		
<u>001</u>	<u>4201</u>	<u>50662</u>	<u>8875</u>	<u>yes</u>	

X 408 11/7
Division Manager

[Signature]
County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR
Approved By: [Signature]
Approved By: [Signature]

Date: 11/1/16
Date: 11/1/16
Date: 11/1/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
 FROM: Michael Erickson
 DATE: February 1, 2017
 REASON: To cover the expense of the Dell Server Migration

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>9957</u>
Description:	<u>Transfer</u>
Control Total:	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

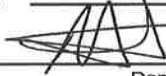
Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1305	8171 ✓	\$ 9,999	\$62,452 ✓	\$0
003	1305	8171 ✓	\$9,999	\$15,574 ✓	\$0
004	1305	8171 ✓	\$9,999	\$16,653 ✓	\$0
042	1305	6661 ✓	\$9,999	\$17,690 ✓	\$0
045	1305	8173 ✓	\$9,999	\$11,013 ✓	\$0
300	1305	8173 ✓	\$9,999	\$14,817 ✓	\$0

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1305	6080 ✓	\$ 9,999	No	\$0
003	1305	6080 ✓	\$9,999	No	\$0
004	1305	6080 ✓	\$9,999	No	\$0
042	1305	6080	\$9,999	Yes ✓	\$0
045	1305	6080 ✓	\$9,999	No	\$0
300	1305	6080 ✓	\$9,999	No	\$0



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: 
 Approved By: 
 Approved By: 

Date: 2-1-17
 Date: 2/2/17
 Date: 2/2/17

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
FROM: Brian Boyd
DATE: 5/15/17
REASON: Budget

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Shirley W. / K. W. Nelson 5/15

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10193</u>
Description:	<u>Transfer</u>
Control Total:	

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month-to-Date Total Transfers from this account
<u>001</u>	<u>5401</u>	<u>5010</u> ✓	<u>9,990.00</u>	<u>34,644</u>	<u>9,990.00</u>
				<u>419,044</u> ✓	
<u>001</u>	<u>5401</u>	<u>5040</u> ✓	<u>400.00</u>	<u>31,229</u>	<u>400.00</u>
				<u>34,818</u> ✓	

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month-to-Date Total Transfers to this account
<u>001</u>	<u>5401</u>	<u>6020</u> ✓	<u>800.00</u>	<u>No</u>	<u>800.00</u>
<u>001</u>	<u>5401</u>	<u>6010</u> ✓	<u>5,500.00</u>	<u>No</u>	<u>5,500.00</u>
<u>001</u>	<u>5401</u>	<u>6030</u> ✓	<u>930.00</u>	<u>No</u>	<u>930.00</u>
<u>001</u>	<u>5401</u>	<u>6310</u> ✓	<u>900.00</u>	<u>No</u>	<u>900.00</u>
<u>001</u>	<u>5401</u>	<u>6520</u> ✓	<u>1,140.00</u>	<u>No</u>	<u>1,140.00</u>
<u>001</u>	<u>5401</u>	<u>6790</u> ✓	<u>1,115.00</u>	<u>No</u>	<u>1,115.00</u>
<u>001</u>	<u>5401</u>	<u>7110</u>	<u>5.00</u>	<u>Yes</u> ✓	<u>5.00</u>

Division Manager

County Executive

INTERNAL OFFICE USE ONLY

Prepared By: Jack Alt
Approved By: [Signature]
Approved By: [Signature]

Date: 5-16-17
Date: 5/16/17
Date: [Signature]

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting

FROM: Budgeting - Public Works

DATE: 7/20/17

REASON: Bat Removal/cleanup Independence Annex

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10328</u>
Description:	<u>Transfer</u>
Control Total:	_____

☐ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1205	5010	\$ 7,000.00	_____	\$ _____
001	1205	5060	\$ 7,000.00	_____	_____

TO:


FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1205	6510	\$ 7,000.00	_____	_____
001	1205	6730	\$ 7,000.00	_____	_____


 7/20/17
 Division Manager


 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR

Approved By: 

Approved By: 

Date: 7/20/17

Date: 7/20/17

Date: 7/24/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
 JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Deryn Horsley / JCSO
 DATE: 10/16/17
 REASON: vehicle equipment

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10584</u>
Description:	<u>Transfer</u>
Control Total:	

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
004	4201	58120 ✓	\$9,999	\$27,440.00 ✓	
004	4201	57110 ✓	\$9,999	\$112,303.83 ✓	
004	4201	58060 ✓	\$2,992.38 2,993	\$6,200 ✓	

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
004	4201	58170 ✓	\$22,990.38 22,991	NO	

x Capt. Goodwin
 Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: Heidi Alh
 Approved By: [Signature]
 Approved By: [Signature]

Date: 10-16-17
 Date: 10/17/17
 Date: 10/18/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: FINANCE DEPT

FROM: Jim Evans

DATE: 11/1/2017

REASON: Cleaning Supplies, Asphalt, Road Oil

(Internal Use Only)

Fiscal Yr: 2017

Ref#: 10647

Description: Transfer

Control Total: _____

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
004	1506	57220 ✓	\$9,000.00	\$25,710.00 ✓	\$0.00
004	1506	57230 ✓	\$4,500.00	\$104,055.00 29,736 ✓	\$0.00

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
004	1506	57380 ✓	\$9,000.00	NO	\$0.00
004	1506	57430 ✓	\$3,000.00	NO	\$0.00
004	1506	57130 ✓	\$1,500.00	NO	\$0.00



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: [Signature]
 Approved By: [Signature]
 Reviewed By: [Signature]

Date: 11-1-17
 Date: 11/1/17
 Date: 11/13/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
 JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
 FROM: W. Stephen Nixon
 DATE: 12-12-17
 REASON: Contract payment

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10778</u>
Description:	<u>Transfer</u>
Control Total:	_____

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>001</u>	<u>1101</u>	<u>55010</u>	<u>9,999</u>	<u>105,930.09</u>	<u>0</u>

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>001</u>	<u>1101</u>	<u>56020</u>	<u>9,999</u>	<u>yes</u>	<u>0</u>

W. Stephen Nixon
 Division Manager

[Signature]
 County Executive

INTERNAL OFFICE USE ONLY			
Prepared By: _____	Date: <u>12/12/17</u>		
Approved By: _____	Date: _____		
Approved By: <u>[Signature]</u>	Date: <u>12/12/17</u>		

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Keith Allen
FROM: Michael Erickson
DATE: April 2, 2018
REASON: To cover Gruber annual maintenance.

(Internal Use Only)	
Fiscal Yr:	<u>2018</u>
Ref#:	<u>11038</u>
Description:	<u>Transfer</u>
Control Total:	

☐ One Time Expenditure

☒ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1305	6661 ✓	\$ 8,000.00	\$ 143,093.40 ✓	\$0
003	1305	6661 ✓	\$ 5,179.00	\$ 17,563.00 ✓	\$0

TO:



FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1305	6580 ✓	\$ 8,000.00	No	\$0
003	1305	6580 ✓	\$ 5,179.00	No	\$0



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: 
 Approved By: 
 Approved By: Cheryl L. Colton

Date: 4.2.18
 Date: 4/3/18
 Date: 4/4/18



**COUNTY LEGISLATURE
JACKSON COUNTY, MISSOURI**

**THERESA CASS GALVIN
LEGISLATIVE CHAIRMAN
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT**

JACKSON COUNTY COURTHOUSE
415 E. 12th Street, 2nd Floor
Kansas City, Missouri 64106

Office: 816-881-3132
Fax: 816-881-3340
www.jacksongov.org



November 2, 2020

Nicole Galloway
Missouri State Auditor
Truman State Office Building
301 West High Street, Rm 880, P.O. Box 869
Jefferson City, MO 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws.

Again, the County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County Budgets and Transfers as the third report of multiple areas of review.

The County Legislature supports the report's recommendations and is committed to continue taking actions to strengthen oversight efforts of county operations and internal controls through policymaking measures to establish best practice standards that fall within the County Legislature's powers and duties of the existing Jackson County Charter.

Harry S. Truman, Presiding Judge, 1927-1934





FRANK WHITE, JR.
Jackson County Executive

November 6, 2020

Robert McArthur II, Senior Auditor III
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

via email: robert.mcarthur@auditor.mo.gov,
pamela.allison@auditor.mo.gov

Dear Mr. McArthur,

In response to your request for my office's response, please see the information below:

1.1

The Administration is committed to ensuring that revenue projections included in the county's annual budget are a fair reflection of the county's current financial position and that the county's annual budget is compiled in accordance with financial accounting best practices.

The Administration will review all recommendations made, and in collaboration with the County Legislature will make any changes necessary.

1.2

The Administration will review all recommendations made, and in collaboration with the County Legislature will make any changes necessary.

2

The Administration will take the steps necessary to ensure that all paperwork is properly completed prior to processing any departmental requests for the transfer of funds. The Administration is committed to working with the County Legislature to update the county's transfer policy to ensure it is consistent with both current best practices, as well as the size and complexity of an organization such as Jackson County.

Regards,

Frank White, Jr.
Jackson County Executive

cc: Pamela Allison, Supervising Manager of the Public Corruption and Fraud Division

