



PERRY COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

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

Report No. 99-111
November 17, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

November 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Perry, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Perry County was a financial and compliance audit of various county operating funds.

- ▶ The county did not prepare budgets for some funds. The audit recommended the County Clerk implement procedures to ensure budges are prepared for all funds, including those funds controlled by other county officials.

YELLOW SHEET

PERRY COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
State Auditor's Reports:	2-6
Financial Statements	3-4
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statements:	7-26

<u>Exhibit</u>	<u>Description</u>	
	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds	
A-1	Year Ended December 31, 1998	8
A-2	Year Ended December 31, 1997	9
	<u>General Revenue Fund</u>	
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	10
	<u>Special Road and Bridge Fund</u>	
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	11
	<u>Assessment Fund</u>	
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	12
	<u>Law Enforcement Training Fund</u>	
E	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	13

PERRY COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
F	<u>Prosecuting Attorney Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	14
G	<u>Health Center Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	15
H	<u>Mental Health Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	16
I	<u>Landfill/Transfer Station Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	17
J	<u>911 Emergency Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	18
K	<u>Prosecuting Attorney Bad Check Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	19
L	<u>Sheltered Workshop Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	20

PERRY COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
	<u>Law Library Fund</u>	
M	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	21
	<u>Recorders User Fees Fund</u>	
N	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	22
	<u>Associate Circuit Division Interest Fund</u>	
O	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	23
	<u>Circuit Division Interest Fund</u>	
P	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	24
	<u>Sheriff's Reserve Fund</u>	
Q	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	25
	<u>Commissary Fund</u>	
R	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	26
	Notes to the Financial Statements	27-30

PERRY COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Schedule:.....	31-33
Schedule of Findings, Years Ended December 31, 1998 and 1997	32
<u>Number</u>	<u>Description</u>
98-1. Budgetary Procedures	32-33
Follow-Up on Prior Audit Findings	34-35

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

To the County Commission
and
Officeholders of Perry County, Missouri

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

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

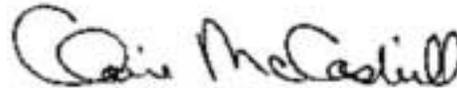
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Perry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Perry County.

As more fully described in Note 1 to the financial statements, the county's financial statements do not include statements of receipts, disbursements, and changes in cash - budget and actual for various funds totaling \$906,149 and \$2,108,970 in receipts, and \$1,025,489 and \$1,510,705 in disbursements for the years ended December 31, 1998 and 1997, respectively. Statements of receipts, disbursements, and changes in cash - budget and actual are required by the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

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

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

In accordance with *Government Auditing Standards*, we also have issued our report dated July 26, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Claire McCaskill
State Auditor

July 26, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Perry County, Missouri

We have audited the special-purpose financial statements of various funds of Perry County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated July 26, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

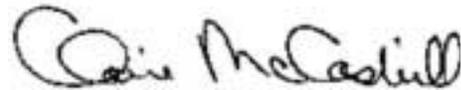
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Perry County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as finding number 98-1.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Perry County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting 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 financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings as finding number 98-1.

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 misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting 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 consider the reportable condition described above, finding number 98-1, to be a material weakness.

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



Claire McCaskill
State Auditor

July 26, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 468,729	1,885,954	2,007,622	347,061
Special Road and Bridge	386,487	1,101,034	1,055,284	432,237
Assessment	6,280	159,335	148,610	17,005
Law Enforcement Training	2,827	5,516	5,126	3,217
Prosecuting Attorney Training	3,271	1,035	43	4,263
Health Center	190,979	624,991	644,340	171,630
Mental Health	25,647	174,928	132,967	67,608
Landfill/Transfer Station	39,334	790,196	844,162	-14,632
911 Emergency	167,015	167,379	216,530	117,864
Prosecuting Attorney Bad Check	14,758	14,571	11,751	17,578
Sheltered Workshop	74,309	175,679	146,730	103,258
Law Library	3,543	8,528	10,488	1,583
Recorders User Fees	13,804	11,358	11,015	14,147
Associate Circuit Division Interest	2,752	827	895	2,684
Circuit Division Interest	93	995	130	958
Sheriff's Reserve Fund	1,816	2,350	1,598	2,568
Commissary Fund	7,459	15,068	16,618	5,909
Sheriff's Civil Fees	8,180	22,302	2,674	27,808
Multi-Purpose Building	106,308	1,038	107,346	0
Local Park Sales Tax	441,545	823,694	717,750	547,489
Perry County Health Center Building	31,104	56,961	85,372	2,693
Nursing Home Bond/Debt Service	110,193	2,154	112,347	0
CDBG Buyout	23,725	0	0	23,725
FEMA 404 Buyout	3,787	0	0	3,787
Total	\$ 2,133,945	6,045,893	6,279,398	1,900,440

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

Exhibit A-2

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 426,952	1,778,977	1,737,200	468,729
Special Road and Bridge	466,277	1,086,548	1,166,338	386,487
Assessment	5,050	148,151	146,921	6,280
Law Enforcement Training	3,293	4,429	4,895	2,827
Prosecuting Attorney Training	2,424	1,283	436	3,271
Health Center	653,388	651,870	1,114,279	190,979
Mental Health	353,850	172,498	500,701	25,647
Landfill/Transfer Station	14,390	408,000	383,056	39,334
911 Emergency	181,418	166,049	180,452	167,015
Prosecuting Attorney Bad Check	8,847	13,950	8,039	14,758
Sheltered Workshop	33,426	153,892	113,009	74,309
Law Library	163	9,504	6,124	3,543
Recorders User Fees	13,871	9,608	9,675	13,804
Associate Circuit Division Interest	2,328	814	390	2,752
Circuit Division Interest	53	1,371	1,331	93
Sheriff's Reserve Fund	920	2,700	1,804	1,816
Commissary Fund	3,547	13,832	9,920	7,459
Sheriff's Civil Fees	0	8,180	0	8,180
Multi-Purpose Building	0	508,855	402,547	106,308
Local Park Sales Tax	0	441,545	0	441,545
Perry County Health Center Building	0	1,030,336	999,232	31,104
Nursing Home Bond/Debt Service	113,561	68,275	71,643	110,193
CDBG Buyout	23,725	0	0	23,725
FEMA 404 Buyout	3,787	0	0	3,787
Total	\$ 2,311,270	6,680,667	6,857,992	2,133,945

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

Exhibit B

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 270,600	277,006	6,406	268,000	249,186	-18,814
Sales taxes	850,000	799,670	-50,330	775,000	809,868	34,868
Intergovernmental	366,677	357,984	-8,693	413,881	347,753	-66,128
Charges for services	247,600	249,106	1,506	264,500	237,613	-26,887
Interest	15,000	36,360	21,360	14,000	30,358	16,358
Other	130,275	126,126	-4,149	136,625	104,199	-32,426
Transfers in	33,000	39,702	6,702	0	0	0
Total Receipts	<u>1,913,152</u>	<u>1,885,954</u>	<u>-27,198</u>	<u>1,872,006</u>	<u>1,778,977</u>	<u>-93,029</u>
DISBURSEMENTS						
County Commission	63,250	62,781	469	57,150	57,161	-11
County Clerk	71,946	69,398	2,548	73,724	62,628	11,096
Elections	43,300	36,583	6,717	30,000	7,344	22,656
Buildings and grounds	162,836	166,327	-3,491	120,952	133,275	-12,323
Employee fringe benefits	196,000	191,327	4,673	170,000	167,001	2,999
County Treasurer	23,710	22,929	781	22,700	22,245	455
County Collector	57,854	58,881	-1,027	56,180	54,741	1,439
Circuit Clerk	49,631	52,138	-2,507	48,088	46,886	1,202
Associate Circuit Court	5,650	5,942	-292	6,000	4,938	1,062
Court administration	40,160	24,583	15,577	42,258	34,828	7,430
Public Administrator	12,700	12,318	382	12,600	11,063	1,537
Sheriff	312,288	308,391	3,897	324,925	298,355	26,570
Jail	178,180	183,748	-5,568	179,445	170,177	9,268
Prosecuting Attorney	78,848	80,044	-1,196	70,884	72,972	-2,088
Juvenile Officer	113,202	113,202	0	102,149	102,149	0
County Coroner	8,000	19,164	-11,164	8,000	7,055	945
Dispatch operations	95,954	114,073	-18,119	108,168	112,296	-4,128
Debt service	38,962	38,962	0	38,962	38,962	0
Other	299,145	270,067	29,078	330,020	276,775	53,245
Transfers out	200,000	171,044	28,956	0	0	0
Emergency Fund	60,000	5,720	54,280	56,500	56,349	151
Total Disbursements	<u>2,111,616</u>	<u>2,007,622</u>	<u>103,994</u>	<u>1,858,705</u>	<u>1,737,200</u>	<u>121,505</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-198,464	-121,668	76,796	13,301	41,777	28,476
CASH, JANUARY 1	468,729	468,729	0	426,952	426,952	0
CASH, DECEMBER 31	\$ <u>270,265</u>	\$ <u>347,061</u>	\$ <u>76,796</u>	\$ <u>440,253</u>	\$ <u>468,729</u>	\$ <u>28,476</u>

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

Exhibit C

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 443,500	471,820	28,320	431,000	431,815	815
Intergovernmental	533,000	541,690	8,690	489,000	538,568	49,568
Charges for services	50,000	40,094	-9,906	50,000	43,725	-6,275
Interest	30,000	31,893	1,893	26,000	32,321	6,321
Other	22,325	15,537	-6,788	6,325	40,119	33,794
Total Receipts	<u>1,078,825</u>	<u>1,101,034</u>	<u>22,209</u>	<u>1,002,325</u>	<u>1,086,548</u>	<u>84,223</u>
DISBURSEMENTS						
Salaries	281,000	267,929	13,071	279,000	261,634	17,366
Employee fringe benefits	84,500	75,799	8,701	74,300	68,321	5,979
Supplies	89,500	61,420	28,080	88,300	86,429	1,871
Insurance	12,600	12,665	-65	11,500	10,784	716
Road and bridge materials	34,000	35,093	-1,093	35,000	32,377	2,623
Equipment repairs	101,500	85,133	16,367	101,500	118,303	-16,803
Rentals	1,000	63	937	1,000	0	1,000
Equipment purchases	110,500	143,926	-33,426	64,000	45,488	18,512
Construction, repair, and maintenance	242,000	303,227	-61,227	408,000	434,047	-26,047
Debt service	0	0	0	42,000	41,280	720
Other	74,600	70,029	4,571	69,600	67,675	1,925
Transfers out	33,000	0	33,000	30,000	0	30,000
Total Disbursements	<u>1,064,200</u>	<u>1,055,284</u>	<u>8,916</u>	<u>1,204,200</u>	<u>1,166,338</u>	<u>37,862</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,625	45,750	31,125	-201,875	-79,790	122,085
CASH, JANUARY 1	386,487	386,487	0	466,277	466,277	0
CASH, DECEMBER 31	\$ <u>401,112</u>	<u>432,237</u>	<u>31,125</u>	<u>264,402</u>	<u>386,487</u>	<u>122,085</u>

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

Exhibit D

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 154,587	153,849	-738	146,924	143,157	-3,767
Interest	2,500	2,574	74	2,000	2,348	348
Other	2,000	2,912	912	2,925	2,646	-279
Total Receipts	159,087	159,335	248	151,849	148,151	-3,698
DISBURSEMENTS						
Assessor	159,087	148,610	10,477	151,849	146,921	4,928
Total Disbursements	159,087	148,610	10,477	151,849	146,921	4,928
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	10,725	10,725	0	1,230	1,230
CASH, JANUARY 1	6,280	6,280	0	5,025	5,050	25
CASH, DECEMBER 31	\$ 6,280	17,005	10,725	5,025	6,280	1,255

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

Exhibit E

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	1,600	2,053	453	0	1,619	1,619
Charges for services		2,700	3,294	594	4,000	2,701	-1,299
Interest		100	119	19	100	109	9
Other		0	50	50	0	0	0
Total Receipts		4,400	5,516	1,116	4,100	4,429	329
DISBURSEMENTS							
Sheriff		6,000	5,126	874	7,000	4,895	2,105
Total Disbursements		6,000	5,126	874	7,000	4,895	2,105
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,600	390	1,990	-2,900	-466	2,434
CASH, JANUARY 1		2,827	2,827	0	3,293	3,293	0
CASH, DECEMBER 31	\$	1,227	3,217	1,990	393	2,827	2,434

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

Exhibit F

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

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	1,200	846	-354	1,200	1,118	-82
Interest		200	189	-11	240	165	-75
Total Receipts		<u>1,400</u>	<u>1,035</u>	<u>-365</u>	<u>1,440</u>	<u>1,283</u>	<u>-157</u>
DISBURSEMENTS							
Prosecuting Attorney		1,750	43	1,707	2,600	436	2,164
Total Disbursements		<u>1,750</u>	<u>43</u>	<u>1,707</u>	<u>2,600</u>	<u>436</u>	<u>2,164</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		<u>-350</u>	<u>992</u>	<u>1,342</u>	<u>-1,160</u>	<u>847</u>	<u>2,007</u>
CASH, JANUARY 1		<u>3,271</u>	<u>3,271</u>	<u>0</u>	<u>2,424</u>	<u>2,424</u>	<u>0</u>
CASH, DECEMBER 31	\$	<u><u>2,921</u></u>	<u><u>4,263</u></u>	<u><u>1,342</u></u>	<u><u>1,264</u></u>	<u><u>3,271</u></u>	<u><u>2,007</u></u>

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

Exhibit G

PERRY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

Year Ended December 31,						
1998			1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 304,000	310,506	6,506	280,000	291,012	11,012
Intergovernmental	277,000	266,182	-10,818	227,000	261,371	34,371
Charges for services	20,000	33,635	13,635	22,000	23,169	1,169
Interest	5,000	13,403	8,403	25,000	42,915	17,915
Other	100	1,265	1,165	0	33,403	33,403
Total Receipts	606,100	624,991	18,891	554,000	651,870	97,870
DISBURSEMENTS						
Salaries	380,000	369,848	10,152	326,000	334,480	-8,480
Office expenditures	14,500	18,448	-3,948	14,500	13,737	763
Equipment	28,300	21,564	6,736	37,500	20,339	17,161
Mileage and training	17,000	17,901	-901	17,000	16,833	167
Employee fringe benefits	75,500	77,937	-2,437	64,000	57,135	6,865
Building construction	20,000	17,163	2,837	558,000	587,261	-29,261
Other	94,800	100,471	-5,671	95,000	84,494	10,506
Transfers out	24,000	21,008	2,992	0	0	0
Total Disbursements	654,100	644,340	9,760	1,112,000	1,114,279	-2,279
RECEIPTS OVER (UNDER) DISBURSEMENTS	-48,000	-19,349	28,651	-558,000	-462,409	95,591
CASH, JANUARY 1	190,779	190,979	200	653,188	653,388	200
CASH, DECEMBER 31	\$ 142,779	171,630	28,851	95,188	190,979	95,791

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

Exhibit H

PERRY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 MENTAL HEALTH FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 158,000	166,693	8,693	145,000	149,163	4,163
Intergovernmental	1,300	1,568	268	1,700	1,203	-497
Interest	1,000	6,121	5,121	10,000	21,567	11,567
Other	0	546	546	0	565	565
Total Receipts	160,300	174,928	14,628	156,700	172,498	15,798
DISBURSEMENTS						
Contract services	83,800	83,800	0	95,000	83,800	11,200
Office expenditures	26,500	15,635	10,865	28,300	18,906	9,394
Equipment	20,000	12,255	7,745	5,000	155	4,845
Building construction	0	0	0	395,000	394,878	122
Other	14,000	2,998	11,002	19,350	2,962	16,388
Transfers out	16,000	18,279	-2,279	0	0	0
Total Disbursements	160,300	132,967	27,333	542,650	500,701	41,949
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	41,961	41,961	-385,950	-328,203	57,747
CASH, JANUARY 1	25,647	25,647	0	353,850	353,850	0
CASH, DECEMBER 31	\$ 25,647	67,608	41,961	-32,100	25,647	57,747

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

Exhibit I

PERRY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LANDFILL/TRANSFER STATION FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	188,955	188,955	0	0	0
Charges for services	400,000	417,074	17,074	455,000	406,004	-48,996
Interest	1,300	1,714	414	1,500	1,618	118
Other	200	11,409	11,209	560	378	-182
Transfers in	0	171,044	171,044	0	0	0
Total Receipts	401,500	790,196	388,696	457,060	408,000	-49,060
DISBURSEMENTS						
Salaries	23,533	23,378	155	29,000	23,817	5,183
Office expenditures	4,155	2,744	1,411	2,175	2,271	-96
Equipment	13,665	12,844	821	7,315	8,647	-1,332
Employee fringe benefits	7,050	7,018	32	7,552	5,781	1,771
Methane migration buyout	421,000	420,319	681	0	0	0
Sanitation	377,582	376,359	1,223	409,580	341,040	68,540
Other	1,510	1,500	10	510	1,500	-990
Total Disbursements	848,495	844,162	4,333	456,132	383,056	73,076
RECEIPTS OVER (UNDER) DISBURSEMENTS	-446,995	-53,966	393,029	928	24,944	24,016
CASH, JANUARY 1	39,334	39,334	0	14,390	14,390	0
CASH, DECEMBER 31	\$ -407,661	-14,632	393,029	15,318	39,334	24,016

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

Exhibit J

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 156,000	161,885	5,885	150,000	155,330	5,330
Interest	10,000	5,494	-4,506	7,000	10,719	3,719
Total Receipts	166,000	167,379	1,379	157,000	166,049	9,049
DISBURSEMENTS						
Salaries	38,673	27,513	11,160	25,680	26,121	-441
Office expenditures	5,900	7,279	-1,379	24,000	25,801	-1,801
Equipment	159,000	160,775	-1,775	214,000	112,336	101,664
Mileage and training	5,000	4,460	540	3,500	3,431	69
Employee fringe benefits	5,600	5,570	30	4,000	4,681	-681
Other	12,400	10,933	1,467	15,100	8,082	7,018
Total Disbursements	226,573	216,530	10,043	286,280	180,452	105,828
RECEIPTS OVER (UNDER) DISBURSEMENTS	-60,573	-49,151	11,422	-129,280	-14,403	114,877
CASH, JANUARY 1	167,015	167,015	0	181,418	181,418	0
CASH, DECEMBER 31	\$ 106,442	117,864	11,422	52,138	167,015	114,877

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

Exhibit K

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

		Year Ended December 31,		
		1998		
		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS				
Charges for services	\$	12,000	13,891	1,891
Interest		400	502	102
Other		0	178	178
Total Receipts		<u>12,400</u>	<u>14,571</u>	<u>2,171</u>
DISBURSEMENTS				
Prosecuting Attorney		17,400	11,751	5,649
Total Disbursements		<u>17,400</u>	<u>11,751</u>	<u>5,649</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		-5,000	2,820	7,820
CASH, JANUARY 1		14,758	14,758	0
CASH, DECEMBER 31	\$	<u><u>9,758</u></u>	<u><u>17,578</u></u>	<u><u>7,820</u></u>

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

Exhibit L

PERRY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHELTERED WORKSHOP FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 158,000	166,632	8,632	150,000	149,094	-906
Intergovernmental	1,300	1,584	284	0	1,203	1,203
Interest	0	7,311	7,311	2,000	3,595	1,595
Other	0	152	152	0	0	0
Total Receipts	159,300	175,679	16,379	152,000	153,892	1,892
DISBURSEMENTS						
Building	0	4,400	-4,400	62,899	62,899	0
Contract services	156,000	142,232	13,768	87,250	50,000	37,250
Other	0	98	-98	10,000	110	9,890
Total Disbursements	156,000	146,730	9,270	160,149	113,009	47,140
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,300	28,949	25,649	-8,149	40,883	49,032
CASH, JANUARY 1	74,309	74,309	0	33,426	33,426	0
CASH, DECEMBER 31	\$ 77,609	103,258	25,649	25,277	74,309	49,032

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

Exhibit M

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

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 6,500	8,470	1,970
Interest	100	58	-42
Total Receipts	<u>6,600</u>	<u>8,528</u>	<u>1,928</u>
DISBURSEMENTS			
Publications	6,500	10,488	-3,988
Total Disbursements	<u>6,500</u>	<u>10,488</u>	<u>-3,988</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	-1,960	-2,060
CASH, JANUARY 1	3,543	3,543	0
CASH, DECEMBER 31	<u>\$ 3,643</u>	<u>1,583</u>	<u>-2,060</u>

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

Exhibit N

PERRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDERS USER FEES FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 9,000	10,624	1,624
Interest	800	734	-66
Total Receipts	9,800	11,358	1,558
DISBURSEMENTS			
Ex Officio Recorder of Deeds	10,000	11,015	-1,015
Total Disbursements	10,000	11,015	-1,015
RECEIPTS OVER (UNDER) DISBURSEMENTS	-200	343	543
CASH, JANUARY 1	13,804	13,804	0
CASH, DECEMBER 31	\$ 13,604	14,147	543

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

Exhibit O

PERRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSOCIATE CIRCUIT DIVISION INTEREST FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 900	827	-73
Total Receipts	900	827	-73
DISBURSEMENTS			
Supplies and equipment	1,000	895	105
Total Disbursements	1,000	895	105
RECEIPTS OVER (UNDER) DISBURSEMENTS	-100	-68	32
CASH, JANUARY 1	2,752	2,752	0
CASH, DECEMBER 31	\$ 2,652	2,684	32

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

Exhibit P

PERRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CIRCUIT DIVISION INTEREST FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 1,400	995	-405
Total Receipts	1,400	995	-405
DISBURSEMENTS			
Supplies and equipment	1,200	130	1,070
Total Disbursements	1,200	130	1,070
RECEIPTS OVER (UNDER) DISBURSEMENTS	200	865	665
CASH, JANUARY 1	93	93	0
CASH, DECEMBER 31	\$ 293	958	665

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

Exhibit Q

PERRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHERIFF'S RESERVE FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Other	\$ 2,700	2,350	-350
Total Receipts	2,700	2,350	-350
DISBURSEMENTS			
Sheriff	2,700	1,598	1,102
Total Disbursements	2,700	1,598	1,102
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	752	752
CASH, JANUARY 1	1,816	1,816	0
CASH, DECEMBER 31	\$ 1,816	2,568	752

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

Exhibit R

PERRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 COMMISSARY FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 13,000	15,068	2,068
Total Receipts	13,000	15,068	2,068
DISBURSEMENTS			
Sheriff	13,000	16,618	-3,618
Total Disbursements	13,000	16,618	-3,618
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-1,550	-1,550
CASH, JANUARY 1	7,459	7,459	0
CASH, DECEMBER 31	\$ 7,459	5,909	-1,550

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

Notes to the Financial Statements

PERRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Perry 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, the Sheltered Workshop Board, or the Mental Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

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

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff's Civil Fees	1998 and 1997
Multi-Purpose Building	1998 and 1997
Local Park Sales Tax	1998 and 1997
Perry County Health Center Building	1998 and 1997
Nursing Home Bond/Debt Service	1998 and 1997
Prosecuting Attorney Bad Check	1997
Law Library	1997
Recorders User Fees	1997
Associate Circuit Division Interest	1997
Circuit Division Interest	1997
Sheriff's Reserve	1997

Commissary 1997
Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1998
Recorders User Fees Fund	1998
Commissary Fund	1998
Health Center Fund	1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Although Section 50.740, RSMo 1994, requires a balanced budget, a deficit balance was budgeted in the Landfill/Transfer Station Fund for the year ended December 31, 1998.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. The financial statements for the years ended December 31, 1998 and 1997 included all funds as required.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has 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 depositary insurance are pledged to the county rather than to specific county officials.

Of the county's bank balance at December 31, 1998, \$1,274,478 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and \$7,402,730 was covered by collateral pledged by one bank and held in the county's name by the trust department of an affiliate of the same bank holding company.

Of the county's bank balance at December 31, 1997, \$1,683,635 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and \$6,894,763 was covered by collateral pledged by one bank and held in the county's name by the trust department of an affiliate of the same bank holding company.

The Health Center Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance.

The Sheltered Workshop Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance.

3. Use Tax Liability

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

The county has received \$159,461 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$84,210. As of December 31, 1998, \$31,578 remains to be paid.

Schedule

PERRY COUNTY, MISSOURI
 SCHEDULE OF FINDINGS
 YEARS ENDED DECEMBER 31, 1998 AND 1997

This schedule includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

98-1. Budgetary Procedures

Formal budgets were not prepared for the following funds:

Fund	Expenditures, Year Ended December 31,	
	1998	1997
Prosecuting Attorney Bad Check	\$ N/A	8,039
Law Library	N/A	6,124
Recorders User Fees	N/A	9,675
Associate Circuit Division Interest	N/A	390
Circuit Division Interest	N/A	1,331
Sheriff's Reserve	N/A	1,804
Commissary	N/A	9,920
Sheriff's Civil Fees	2,674	N/A
Multi-Purpose Building	107,346	402,547
Local Park Sales Tax	717,750	N/A
Perry County Health Center Building	85,372	999,232
Nursing Home Bond/Debt Service	112,347	71,643
Total	\$ 1,025,489	1,510,705

Chapter 50, RSMo 1994, requires the preparation and filing of annual budgets for all county funds to present a complete financial plan for the ensuing year. Expenditures from funds not budgeted represented 16 percent and 22 percent of total expenditures for the years ended December 31, 1998 and 1997, respectively.

By preparing or obtaining budgets for all county funds and activities, the County Commission is able to more efficiently evaluate all county financial resources.

According to Section 50.530, RSMo 1994, the County Clerk is the budget officer. The County Clerk needs to implement procedures to ensure all funds are budgeted. These procedures need to include requesting and obtaining budgets for funds controlled by other county officials.

A similar condition was also noted in our prior report.

WE AGAIN RECOMMEND the County Clerk implement procedures to ensure budgets are

prepared for all funds, including those funds controlled by other county officials.

AUDITEE'S RESPONSE

The first seven funds that are listed are all budgeted by other officeholders. The audit report that was issued in September of 1997, for the year ending 12-31-96, listed these funds for the first time. The County Clerk did include those funds in the 1998 budget and has continued in 1999. The Sheriff's Civil Fee Fund was new in mid year of 1998 and a budget was prepared for the fund in 1999. The Multi-Purpose Building Fund and the Local Park Sales Tax Fund are a part of the Perry Park Center that was opened in 1999. A budget was prepared in 1999 for these funds and prior to 1999 the monies were controlled by a not for profit board of directors that included the presiding commissioner of Perry County. The Perry County Health Center Building Fund was created for the construction phase of the building and was included in the budgets of the health center and mental health center. These budgets are controlled by their respective board of trustees. The Nursing Home Debt Service Fund was closed in 1998 when the bonds were paid off. As County Clerk and Budget Officer of Perry County I have and will continue to make the effort to prepare formal budgets for all funds.

Follow-up on Prior Audit Findings

PERRY 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 Perry County, Missouri, on a certain finding in our prior audit report issued for the three years ended December 31, 1996. The finding is the one that *Government Auditing Standards* requires to be reported for an audit of financial statements.

1. Budgetary Practices

Formal budgets were not prepared for various county funds.

Recommendation:

The County Commission require the County Clerk to prepare or obtain budgets for all county funds and file them with the State Auditor's office as required by state law.

Status:

Partially implemented. Although the county began preparing budgets for the funds indicated in the prior report, several new funds were established in 1997 and 1998 that did not have a budget. See Schedule of Findings No. 98-1.