



DUNKLIN COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

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

Report No. 99-95
October 6, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Dunklin, 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 Dunklin County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- < Numerous inaccuracies were noted in the information presented in the county's budget documents for 1998 and 1997. County records were such that some financial activity was not able to be classified. Beginning cash balances were incorrect and actual receipts and disbursements did not agree to the County Treasurer's fund ledger. The County Clerk maintains an account book with the County Treasurer for county funds; however, the account book is not properly reconciled to the County Treasurer's records. In addition, formal budgets were not prepared for various county funds and actual disbursements exceeded budget amounts in several funds.
- < During 1998, County Treasurer funds were erroneously deposited into the Ex Officio County Collector's bank account. Because the County Treasurer/Ex Officio County Collector did not reconcile the Treasurer's fund ledgers to bank balances and did not reconcile Ex Officio Collector bank balances to the related liabilities, these errors were not detected in a timely manner and were not fully corrected. At December 31, 1998, County Treasurer funds totaling approximately \$147,000 remained in the County Collector's bank account. In addition, the Treasurer's semi-annual settlements and the Ex Officio Collector's annual settlements were not delivered to the County Commission in a timely manner.
- < During the year ended December 31, 1997, Dunklin County was designated as the grant recipient for a Community Development Block Grant which was passed through to the Public Water District #1. The county did not properly monitor this grant.

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YELLOW SHEET

< The county does not have a procedure in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The county's SEFA contained numerous errors and omissions. An accurate SEFA is necessary to ensure federal financial activity is audited and reported in accordance with federal requirements.

The report also included recommendations for improvements related to general fixed asset records, computer controls, personnel policies and procedures, and board of prisoners.

Also included in the audit are recommendations to improve the accounting controls and procedures for the County Health Center, Circuit Clerk, Prosecuting Attorney, County Clerk, Probate Division, Assessor, Recorder of Deeds, and Sheriff.

Copies of the audit are available upon request.

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- < The county does not have a procedure in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The county's SEFA contained numerous errors and omissions. An accurate SEFA is necessary to ensure federal financial activity is audited and reported in accordance with federal requirements.

The report also included recommendations for improvements related to general fixed asset records, computer controls, personnel policies and procedures, and board of prisoners.

Also included in the audit are recommendations to improve the accounting controls and procedures for the County Health Center, Circuit Clerk, Prosecuting Attorney, County Clerk, Probate Division, Assessor, Recorder of Deeds, and Sheriff.

Copies of the audit are available upon request.

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Dunklin County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Dunklin 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.

Except as discussed in the fourth and fifth paragraphs, 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 Dunklin 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 Dunklin County.

The records of receipts and disbursements maintained by the County Treasurer indicated actual receipts and disbursements in excess of the amounts reported by the County Clerk on the budget documents. As a result, we were unable to satisfy ourselves with respect to proper classification of receipts and disbursements reported in various funds. A significant portion of receipts and disbursements are presented as unclassified in the accompanying financial statements.

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosure of certain

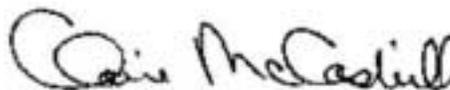
matters regarding the year 2000 issue. Dunklin County has included such disclosures in Note 3. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the county's disclosures with respect to the year 2000 issue made in Note 3. Further, 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 our opinion, except for the effects, if any, on the financial statements of the matter discussed in the fourth paragraph, and, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, 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 Dunklin 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.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 3, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Dunklin County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

June 3, 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 Dunklin County, Missouri

We have audited the special-purpose financial statements of various funds of Dunklin County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 3, 1999. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Dunklin 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 98-1 through 98-3. We also noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

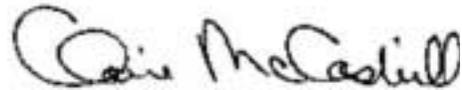
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Dunklin 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 certain matters involving the internal control over financial

reporting and its operation that we consider to be reportable conditions. 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. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 98-1 through 98-3.

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, of the reportable conditions described above, we consider finding numbers 98-1 through 98-3 to be material weaknesses. We also noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

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



Claire McCaskill
State Auditor

June 3, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

DUNKLIN 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	\$ 726,049	2,549,869	2,352,250	923,668
Special Road and Bridge	871,797	801,849	825,864	847,782
Assessment	-6,498	185,073	163,179	15,396
Law Enforcement Training	19,810	4,912	4,916	19,806
Prosecuting Attorney Training	737	1,812	1,692	857
Health Center	393,174	680,653	697,972	375,855
Senate Bill 40 Board	409,763	188,753	240,242	358,274
Johnson Grass	82,537	6,187	11,217	77,507
Recorder's User Fees	31,347	15,596	7,854	39,089
Victims of Domestic Violence	2,570	1,275	2,400	1,445
Prosecuting Attorney Bad Check	26,313	28,861	24,800	30,374
Hazardous Training	1,264	0	0	1,264
Criminal Investigation	33,916	25,449	46,530	12,835
Local Records	7,719	2,310	10,042	-13
Juvenile Diversion Grant I	8,209	75,621	60,627	23,203
Juvenile Diversion Grant II	0	14,520	12,364	2,156
Emergency 911	122,915	60,359	78,901	104,373
Drainage Districts	86,791	2,610	7,622	81,779
Crime Victims Compensation	18,184	958	0	19,142
Circuit Clerk Division I Salary	18	0	0	18
Circuit Clerk Division II Salary	4	0	0	4
Prosecuting Attorney Delinquent Tax	1,531	2,159	1,514	2,176
Sheriff's Civil Fees	8,261	32,064	0	40,325
Law Library	6,757	8,668	4,506	10,919
Associate Circuit Division Interest	1,318	1,779	2,237	860
Circuit Division Interest	4,520	3,969	5,620	2,869
Probate Division Interest	275	26	0	301
Sheriff's Equipment Grant	0	3,492	3,473	19
Homeless Challenge Grant	9,387	12,500	21,887	0
Home Study	0	5,800	5,800	0
Chemical Emergency	0	4,623	4,623	0
Off-System Bridge	0	2,069	1,459	610
Capital Improvement	0	104,378	0	104,378
Total	\$ 2,868,668	4,828,194	4,599,591	3,097,271

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

Exhibit A-2

DUNKLIN 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	\$ 1,208,930	1,503,304	1,986,185	726,049
Special Road and Bridge	804,308	811,819	744,330	871,797
Assessment	15	184,930	191,443	-6,498
Law Enforcement Training	17,764	5,097	3,051	19,810
Prosecuting Attorney Training	1,676	2,336	3,275	737
Health Center	379,104	610,454	596,384	393,174
Senate Bill 40 Board	399,476	202,299	192,012	409,763
Johnson Grass	89,286	7,116	13,865	82,537
Recorder's User Fees	26,234	12,735	7,622	31,347
Victims of Domestic Violence	2,475	1,595	1,500	2,570
Prosecuting Attorney Bad Check	14,497	25,875	14,059	26,313
Hazardous Training	1,797	0	533	1,264
Criminal Investigation	15,141	42,154	23,379	33,916
Local Records	363	12,673	5,317	7,719
Juvenile Diversion Grant I	0	20,731	12,522	8,209
Emergency 911	96,300	61,207	34,592	122,915
Drainage Districts	85,755	2,946	1,910	86,791
Crime Victims Compensation	16,067	2,117	0	18,184
Circuit Clerk Division I Salary	18	0	0	18
Circuit Clerk Division II Salary	4	0	0	4
Prosecuting Attorney Delinquent Tax	1,077	454	0	1,531
Sheriff's Civil Fees	0	8,261	0	8,261
Law Library	2,532	8,799	4,574	6,757
Associate Circuit Division Interest	738	1,180	600	1,318
Circuit Division Interest	3,245	3,855	2,580	4,520
Probate Division Interest	127	148	0	275
Homeless Challenge Grant	0	15,000	5,613	9,387
Emergency Shelter Grant	3,253	5,290	8,543	0
Total	\$ 3,170,182	3,552,375	3,853,889	2,868,668

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

Exhibit B

DUNKLIN 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	\$ 490,000	513,228	23,228	477,000	523,156	46,156
Sales taxes	1,025,627	1,061,492	35,865	0	0	0
Intergovernmental	780,161	271,527	-508,634	666,607	255,358	-411,249
Charges for services	391,900	394,916	3,016	374,000	383,091	9,091
Interest	2,000	15,177	13,177	1,500	58,158	56,658
Other	113,396	141,726	28,330	81,000	88,212	7,212
Transfers in	76,153	46,308	-29,845	80,000	57,974	-22,026
Unclassified	0	105,495	105,495	0	137,355	137,355
Total Receipts	<u>2,879,237</u>	<u>2,549,869</u>	<u>#VALUE!</u>	<u>1,680,107</u>	<u>1,503,304</u>	<u>#VALUE!</u>
DISBURSEMENTS						
County Commission	246,604	208,858	37,746	139,661	170,005	-30,344
County Clerk	124,238	123,648	590	113,767	132,635	-18,868
Elections	77,959	61,648	16,311	38,000	40,437	-2,437
Buildings and grounds	117,860	139,992	-22,132	141,158	118,166	22,992
Employee fringe benefits	233,200	193,716	39,484	237,357	207,855	29,502
County Treasurer & Ex-Officio Collector	76,354	73,857	2,497	80,528	80,774	-246
Recorder of Deeds	80,010	79,750	260	76,254	74,257	1,997
Circuit Clerk	31,200	34,248	-3,048	17,011	21,927	-4,916
Associate Circuit Court	12,646	11,978	668	7,405	7,830	-425
Associate Circuit (Probate)	19,849	29,106	-9,257	9,344	15,207	-5,863
Court administration	18,593	8,102	10,491	15,700	4,991	10,709
Public Administrator	5,200	3,385	1,815	7,217	6,392	825
Other general county government	0	0	0	50,665	0	50,665
Civil defense	14,040	11,167	2,873	12,100	9,607	2,493
Sheriff	378,464	376,649	1,815	421,825	352,746	69,079
Jail	261,509	252,285	9,224	213,550	224,829	-11,279
Prosecuting Attorney	150,625	152,900	-2,275	139,975	143,130	-3,155
Juvenile Officer	149,222	160,677	-11,455	112,341	142,124	-29,783
County Coroner	25,350	21,792	3,558	21,500	20,482	1,018
Paternity	93,937	88,258	5,679	96,856	90,049	6,807
Transfers out	175,000	104,349	70,651	250,000	84,000	166,000
Emergency fund	80,971	0	80,971	0	0	0
Unclassified	0	215,885	-215,885	0	38,742	-38,742
Total Disbursements	<u>2,372,831</u>	<u>2,352,250</u>	<u>20,581</u>	<u>2,202,214</u>	<u>1,986,185</u>	<u>216,029</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	506,406	197,619	#VALUE!	-522,107	-482,881	#VALUE!
CASH, JANUARY 1	-1,786	726,049	727,835	1,311,260	1,208,930	-102,330
CASH, DECEMBER 31	\$ <u>504,620</u>	<u>923,668</u>	<u>#VALUE!</u>	<u>789,153</u>	<u>726,049</u>	<u>#VALUE!</u>

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

Exhibit C

DUNKLIN 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						
Intergovernmental	773,141	780,595	7,454	785,000	774,566	-10,434
Charges for services	903	0	-903	0	5,269	5,269
Interest	25,000	21,254	-3,746	20,000	31,984	11,984
Total Receipts	799,044	801,849	2,805	805,000	811,819	6,819
DISBURSEMENTS						
Road and bridge materials	10,000	2,854	7,146	0	0	0
Construction, repair, and maintenance	796,564	795,643	921	705,179	720,201	-15,022
Other	32,000	0	32,000	25,000	0	25,000
Transfers out	25,934	26,154	-220	0	24,129	-24,129
Unclassified	0	1,213	-1,213	0	0	0
Total Disbursements	864,498	825,864	38,634	730,179	744,330	-14,151
RECEIPTS OVER (UNDER) DISBURSEMENTS	-65,454	-24,015	41,439	74,821	67,489	-7,332
CASH, JANUARY 1	871,797	871,797	0	804,308	804,308	0
CASH, DECEMBER 31	\$ 806,343	847,782	41,439	879,129	871,797	-7,332

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

Exhibit D

DUNKLIN 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	\$ 95,000	184,436	89,436	100,000	99,801	-199
Charges for services	0	0	0	1,000	0	-1,000
Other	500	637	137	1,550	1,129	-421
Transfers in	176,000	0	-176,000	150,000	84,000	-66,000
Total Receipts	271,500	185,073	-86,427	252,550	184,930	-67,620
DISBURSEMENTS						
Assessor	264,661	198,019	66,642	248,385	214,478	33,907
Unclassified	0	-34,840	34,840	0	-23,035	23,035
Total Disbursements	264,661	163,179	101,482	248,385	191,443	56,942
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,839	21,894	15,055	4,165	-6,513	-10,678
CASH, JANUARY 1	-6,498	-6,498	0	15	15	0
CASH, DECEMBER 31	\$ 341	15,396	15,055	4,180	-6,498	-10,678

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

Exhibit E

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

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	0	0	0	0	1,162	1,162
Charges for services	\$ 4,100	4,717	617	3,500	3,652	152
Interest	0	195	195	300	283	-17
Total Receipts	4,100	4,912	812	3,800	5,097	1,297
DISBURSEMENTS						
Sheriff	9,000	5,589	3,411	11,600	2,951	8,649
Unclassified	0	-673	673	0	100	-100
Total Disbursements	9,000	4,916	4,084	11,600	3,051	8,549
RECEIPTS OVER (UNDER) DISBURSEMENTS	-4,900	-4	4,896	-7,800	2,046	9,846
CASH, JANUARY 1	9,450	19,810	10,360	17,744	17,764	20
CASH, DECEMBER 31	\$ 4,550	19,806	15,256	9,944	19,810	9,866

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

Exhibit F

DUNKLIN 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	\$	2,550	1,812	-738	2,750	2,336	-414
Total Receipts		2,550	1,812	-738	2,750	2,336	-414
DISBURSEMENTS							
Prosecuting Attorney		3,275	1,692	1,583	2,625	3,275	-650
Total Disbursements		3,275	1,692	1,583	2,625	3,275	-650
RECEIPTS OVER (UNDER) DISBURSEMENTS		-725	120	845	125	-939	-1,064
CASH, JANUARY 1		737	737	0	1,676	1,676	0
CASH, DECEMBER 31	\$	12	857	845	1,801	737	-1,064

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

Exhibit G

DUNKLIN 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	\$ 204,035	222,038	18,003	204,035	184,172	-19,863
Intergovernmental	380,000	399,765	19,765	307,500	378,747	71,247
Charges for services	30,000	34,094	4,094	40,000	25,799	-14,201
Interest	17,000	22,705	5,705	16,000	16,707	707
Other	6,000	2,051	-3,949	32,000	5,029	-26,971
Total Receipts	637,035	680,653	43,618	599,535	610,454	10,919
DISBURSEMENTS						
Salaries	425,000	523,228	-98,228	365,000	423,131	-58,131
Office expenditures	45,000	15,420	29,580	115,000	34,895	80,105
Equipment	50,000	73,412	-23,412	100,000	45,886	54,114
Mileage and training	24,000	18,914	5,086	21,000	20,004	996
Contract services	28,000	13,368	14,632	0	24,146	-24,146
Janitorial/maintenance	16,000	10,734	5,266	0	12,303	-12,303
Rent	14,000	8,789	5,211	0	8,700	-8,700
Utilities	9,000	7,946	1,054	0	7,789	-7,789
Other	250,000	13,734	236,266	225,000	16,696	208,304
Unclassified	0	12,427	-12,427	0	2,834	-2,834
Total Disbursements	861,000	697,972	163,028	826,000	596,384	229,616
RECEIPTS OVER (UNDER) DISBURSEMENTS	-223,965	-17,319	206,646	-226,465	14,070	240,535
CASH, JANUARY 1	360,038	393,174	33,136	369,659	379,104	9,445
CASH, DECEMBER 31	\$ 136,073	375,855	239,782	143,194	393,174	249,980

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

Exhibit H

DUNKLIN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SENATE BILL 40 BOARD FUND

Year Ended December 31,						
1998			1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 155,000	176,670	21,670	167,901	181,861	13,960
Intergovernmental	0	2,088	2,088	0	2,264	2,264
Interest	16,000	9,995	-6,005	16,000	18,174	2,174
Total Receipts	171,000	188,753	17,753	183,901	202,299	18,398
DISBURSEMENTS						
Cotton Boll Shelter Workshop	156,964	132,997	23,967	155,261	126,913	28,348
Other agencies	107,245	107,245	0	65,300	65,300	0
Unclassified	0	0	0	0	-201	201
Total Disbursements	264,209	240,242	23,967	220,561	192,012	28,549
RECEIPTS OVER (UNDER) DISBURSEMENTS	-93,209	-51,489	41,720	-36,660	10,287	46,947
CASH, JANUARY 1	408,850	409,763	913	399,679	399,476	-203
CASH, DECEMBER 31	\$ 315,641	358,274	42,633	363,019	409,763	46,744

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

Exhibit I

DUNKLIN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 JOHNSON GRASS FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	1,000	2,061	1,061	6,000	2,968	-3,032
Intergovernmental		19,000	0	-19,000	2,000	0	-2,000
Interest		4,000	4,126	126	100	4,148	4,048
Other		0	0	0	25,000	0	-25,000
Total Receipts		24,000	6,187	-17,813	33,100	7,116	-25,984
DISBURSEMENTS							
Chemicals and spraying		25,000	11,108	13,892	25,000	13,837	11,163
Office expense		100	109	-9	100	28	72
Total Disbursements		25,100	11,217	13,883	25,100	13,865	11,235
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,100	-5,030	-3,930	8,000	-6,749	-14,749
CASH, JANUARY 1		10,109	82,537	72,428	89,286	89,286	0
CASH, DECEMBER 31	\$	9,009	77,507	68,498	97,286	82,537	-14,749

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

Exhibit J

DUNKLIN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEES FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 11,500	14,262	2,762	11,800	11,858	58
Interest	0	1,334	1,334	0	877	877
Transfers in	20,000	0	-20,000	0	0	0
Total Receipts	31,500	15,596	-15,904	11,800	12,735	935
DISBURSEMENTS						
Office expenditures	27,875	7,854	20,021	26,000	7,622	18,378
Total Disbursements	27,875	7,854	20,021	26,000	7,622	18,378
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,625	7,742	4,117	-14,200	5,113	19,313
CASH, JANUARY 1	2,530	31,347	28,817	26,234	26,234	0
CASH, DECEMBER 31	\$ 6,155	39,089	32,934	12,034	31,347	19,313

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

Exhibit K

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

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,600	1,275	-325	2,400	1,595	-805
Total Receipts	1,600	1,275	-325	2,400	1,595	-805
DISBURSEMENTS						
Domestic violence shelter	2,400	2,400	0	1,200	1,500	-300
Total Disbursements	2,400	2,400	0	1,200	1,500	-300
RECEIPTS OVER (UNDER) DISBURSEMENTS	-800	-1,125	-325	1,200	95	-1,105
CASH, JANUARY 1	2,570	2,570	0	2,475	2,475	0
CASH, DECEMBER 31	\$ 1,770	1,445	-325	3,675	2,570	-1,105

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

Exhibit M

DUNKLIN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HAZARDOUS TRAINING FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 500	0	-500
Total Receipts	500	0	-500
DISBURSEMENTS			
Other	1,000	0	1,000
Total Disbursements	1,000	0	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	-500	0	500
CASH, JANUARY 1	1,264	1,264	0
CASH, DECEMBER 31	\$ 764	1,264	500

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

Exhibit N

DUNKLIN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CRIMINAL INVESTIGATION FUND

				Year Ended December 31,		
				1998		
				Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$	50,000	22,614	-27,386		
Interest		0	350	350		
Other		0	2,485	2,485		
Total Receipts		50,000	25,449	-24,551		
DISBURSEMENTS						
Law enforcement		42,648	46,530	-3,882		
Total Disbursements		42,648	46,530	-3,882		
RECEIPTS OVER (UNDER) DISBURSEMENTS		7,352	-21,081	-28,433		
CASH, JANUARY 1		19,191	33,916	14,725		
CASH, DECEMBER 31	\$	26,543	12,835	-13,708		

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

Exhibit O

DUNKLIN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LOCAL RECORDS FUND

		Year Ended December 31,		
		1998		
		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS				
Intergovernmental	\$	15,300	2,310	-12,990
Total Receipts		15,300	2,310	-12,990
DISBURSEMENTS				
Salaries		1,500	1,291	209
Office expenditures		1,432	518	914
Equipment and repairs		1,000	0	1,000
Mileage and training		1,200	0	1,200
Rent		1,800	878	922
Microfilming		1,513	7,355	-5,842
Total Disbursements		8,445	10,042	-1,597
RECEIPTS OVER (UNDER) DISBURSEMENTS		6,855	-7,732	-14,587
CASH, JANUARY 1		0	7,719	7,719
CASH, DECEMBER 31	\$	6,855	-13	-6,868

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

Exhibit P

DUNKLIN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 JUVENILE DIVERSION GRANT I FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 60,474	67,174	6,700
Other	0	4,447	4,447
Transfers in	0	4,000	4,000
Total Receipts	60,474	75,621	15,147
DISBURSEMENTS			
Salaries	51,500	35,770	15,730
Office expenditures	670	892	-222
Mileage and training	8,304	561	7,743
Juvenile services	0	10,040	-10,040
Other	0	510	-510
Transfers out	0	12,854	-12,854
Total Disbursements	60,474	60,627	-153
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	14,994	14,994
CASH, JANUARY 1	9,579	8,209	-1,370
CASH, DECEMBER 31	\$ 9,579	23,203	13,624

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

Exhibit Q

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

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 57,000	57,151	151
Interest	0	3,208	3,208
Total Receipts	57,000	60,359	3,359
DISBURSEMENTS			
Salaries	21,450	40,325	-18,875
Office expenditures	7,975	10,065	-2,090
Equipment	14,500	28,502	-14,002
Mileage and training	500	110	390
Other	691	0	691
Unclassified	0	-101	101
Total Disbursements	45,116	78,901	-33,785
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,884	-18,542	-30,426
CASH, JANUARY 1	1,507	122,915	121,408
CASH, DECEMBER 31	\$ 13,391	104,373	90,982

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

Notes to the Financial Statements

DUNKLIN 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 Dunklin 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 Senate Bill 40 Board, or the Johnson Grass Fund. 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 by warrant or 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>
Drainage Districts Funds	1998 and 1997
Crime Victims Compensation Fund	1998 and 1997
Circuit Clerk Division I Salary Fund	1998 and 1997
Circuit Clerk Division II Salary Fund	1998 and 1997
Prosecuting Attorney Delinquent Tax Fund	1998 and 1997
Sheriff's Civil Fees Fund	1998 and 1997
Law Library Fund	1998 and 1997
Associate Circuit Division Interest Fund	1998 and 1997
Circuit Division Interest Fund	1998 and 1997

Probate Division Interest Fund	1998 and 1997
Homeless Challenge Grant Fund	1998 and 1997
Home Study Fund	1998
Chemical Emergency Fund	1998
Off-System Bridge Fund	1998
Sheriff's Equipment Grant Fund	1998
Capital Improvement Fund	1998
Juvenile Diversion Grant II Fund	1998
Prosecuting Attorney Bad Check Fund	1997
Hazardous Training Fund	1997
Criminal Investigation Fund	1997
Local Records Fund	1997
Juvenile Diversion Grant I Fund	1997
Emergency 911 Fund	1997
Emergency Shelter Grant Fund	1997

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check Fund	1998
Criminal Investigation Fund	1998
Local Records Fund	1998
Juvenile Diversion Grant I Fund	1998
Emergency 911 Fund	1998
Special Road and Bridge Fund	1997
Prosecuting Attorney Training Fund	1997
Victims of Domestic Violence Fund	1997

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

D. Published Financial Statements

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

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Health Center Fund	1997
Circuit Division Interest Fund	1997
Associate Circuit Division Interest Fund	1997
Probate Division Interest Fund	1997

As of June 3, 1999, the county had not published its financial statement for 1998.

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 depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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

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

The financial statements do not include the cash balances of the Ex Officio County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the Ex Officio 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, 1997, \$3,371,248 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name and \$220,876 was covered by collateral pledged by one bank and held in the county's name by an affiliate of the same bank holding company.

Of the Health Center Board's bank balance at December 31, 1997, \$338,284 was covered by federal depositary insurance or by collateral securities held by the Health Center Board's custodial bank in the Health Center Board's name, \$12,829 was covered by collateral pledged by one bank and held in the Health Center Board's name by an affiliate of the same bank holding company, and \$45,404 was uninsured and uncollateralized.

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

3. Year 2000 Compliance

Dunklin County has replaced all mainframe and micro computing devices with Pentium II 300mhz or higher components. Year 2000-compliant software, namely Quick Books Pro version 6.0, replaced older software. Network components have been upgraded to Cat 100mips devices. Year 2000-compliant drivers for printers and other devices have been obtained from the appropriate vendors. All efforts to ensure our financial systems are year 2000-compliant were completed before April 1, 1999. Operating systems include Windows 95, Windows 98, Windows NT Workstation, Windows NT server 4.0, MS-Office 97, MS-Visual Basic version 5.0, and SQL-Server version 6.5. Microsoft has certified that each of these products is year 2000-compliant.

Supplementary Schedule

Schedule

DUNKLIN COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.550	Food Distribution	IN-035-010(B)	\$ 0	577
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-9134	173,438	164,730
10.559	Summer Food Service Program for Children	ERO146-98-134SFSP	1,485	1,060
U.S. DEPARTMENT OF DEFENSE				
Passed through state:				
Office of Administration -				
12.112	Payments to States in Lieu of Real Estate Taxes	N/A	750	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.228	Community Development Block Grant/State's Program	95PF012	0	135,251
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
Missouri State Highway Patrol-				
16.554	National Criminal History Improvement Program	N/A	2,593	0
Passed through:				
State Department of Public Safety -				
16.592	Local Law Enforcement Block Grants Program	N/A	3,143	0
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,110	1,000
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.205	Off-System Bridge Replacement and Rehabilitation Program	BRO-035(16)	2,069	0
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	EMK-98-PA-0003	5,734	4,551
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Social Services -				
Division of Aging -				
93.043	Special Programs for the Aging-Title III, Part F- Disease Prevention and Health Promotion Services	N/A	1,440	518
Department of Health -				
93.197	Childhood Lead Poisoning Prevention	ERO146-9-9134 CLPP	50	0
93.268	Immunization Grants	PG0064-9134 IAP	8,350	4,025

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	Department of Social Services -			
93.563	Child Support Enforcement	N/A	77,409	77,846
93.575	Child Care and Development Block Grant			
	Nursing Consultation to Child Care Facility	ERO146-8134	0	1,639
	Local Sanitation Inspection	PG0067-9134	2,710	1,075
	Program Total		<u>2,710</u>	<u>2,714</u>
	Division of Youth Services -			
93.667	Social Service Block Grant	ERO172117	35,480	1,480
	Juvenile Court Diversion Program			
	Department of Health -			
93.unknown	Homeless Challenge Program Community	AOC7000313	6,700	20,800
	Development Block Grant			
93.919	Cooperative Agreements for State-Based	N/A	290	0
	Comprehensive Breast and Cervical Cancer			
	Early Detection Programs			
93.994	Maternal and Child Health Services	ERO146-7134	68,661	39,605
	Block Grant to the States			
	Total Expenditures of Federal Awards		<u>\$ 391,412</u>	<u>454,157</u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

DUNKLIN COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dunklin County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for the Food Distribution Program (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services. Amounts for the National Criminal History Improvement Program (CFDA number 16.554) represent the dollar value assigned to the property loaned to the county based on prices provided by the Missouri State Highway Patrol.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$135,251 to a subrecipient under the Community Development Block Grant /State's Program (CFDA number 14.228) during the year ended December 31, 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Dunklin County, Missouri

Compliance

We have audited the compliance of Dunklin County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Dunklin County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance

with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 98-4 and 98-5.

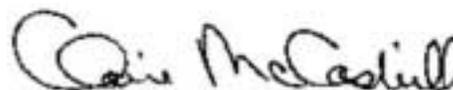
Internal Control Over Compliance

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 98-4 and 98-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

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



Claire McCaskill
State Auditor

June 3, 1999 (fieldwork completion date)

Schedule

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Qualified

Internal control over financial reporting:

Material weaknesses identified? yes no

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

Noncompliance material to the financial statements noted?

yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes no

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

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

yes no

Identification of major programs:

CFDA or
Other Identifying

Number

Program Title

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

14.228 Community Development Block Grant/State's Program

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes x no

Section II - Financial Statement Findings

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

98-1. Reconciliation of County Records

The County Clerk maintains an account book with the County Treasurer for county funds; however, the account book is not properly reconciled to the County Treasurer's records. Receipts are recorded by the County Clerk per the Treasurer's receipt slips and disbursements are recorded in a lump sum two times a year per the Treasurer's semi-annual settlement. Because disbursements are not recorded as they occur, the County Clerk's account book is not an up-to-date record of disbursements and cannot be reconciled to the County Treasurer's records in a timely manner. An independent record of county receipts and disbursements should be reconciled to the Treasurer's records so errors and omissions can be detected and corrected in a timely manner.

Section 51.150.1, RSMo 1994, requires the County Clerk to keep regular accounts with the County Treasurer. To provide the type of check-and-balance system required by state law, to ensure errors and omissions are detected on a timely basis, and to provide accurate financial reporting, the County Clerk and the County Treasurer should regularly reconcile their accounting records.

WE RECOMMEND the County Clerk maintain an accurate and up-to-date account book for all county funds. Accounting records of the County Clerk and the County Treasurer should be periodically reconciled and all reconciling items documented.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk indicated that they are to receive the County Treasurer's semi-annual settlement for the six months ended June 30, 1999 in October 1999. After this settlement has been received, the County Clerk's Office is going to reconcile with the County Treasurer every month and maintain documentation of the reconciliation in the County Commission minute book.

The County Clerk and County Commission are responsible for preparing and approving a county budget which serves as a complete financial plan for the county. Numerous inaccuracies were noted in the information presented in the county's budget documents for 1998 and 1997. Examples of these errors included the following:

- Beginning cash balances were incorrect for nine of the sixteen (56 percent) budgets presented. Some of the larger differences noted are as follows:

Year	Fund	Presented In Budget	Actual	Difference
1998	General Revenue	\$ (1,786)	726,049	727,835
1997	General Revenue	1,311,260	1,208,930	(102,330)
1998	Law Enforcement Training	9,450	19,810	10,360
1998	Johnson Grass	10,109	82,537	72,428
1998	Recorder's User Fees	2,530	31,347	28,817
1998	Criminal Investigation	19,191	33,916	14,725
1998	Emergency 911	1,507	122,915	121,408
1998	Prosecuting Attorney Bad Check	0	26,313	26,313
1998	Health Center	360,038	393,174	33,136
1997	Health Center	369,659	379,104	9,445

Many of the differences between beginning cash balances presented in county budgets and actual beginning cash balances are attributable to investments. The County Clerk and/or the County Commission did not include the investments of some funds when reporting cash balances in the budgets.

- Amounts for estimated receipts and disbursements were not reasonable for numerous funds. For example, the County Commission approved estimated intergovernmental receipts of \$780,161 and \$666,607 for 1998 and 1997, while actual intergovernmental receipts were \$271,527 and \$255,358, respectively. Thus, intergovernmental receipts were overestimated by \$508,634 and \$411,249, for 1998 and 1997, respectively.
- Some transfers between funds were not properly reported in the actual receipts and disbursements of the budgeted funds. For example, the 1999 General Revenue Fund budget reported a transfer in of \$41,547 from the Special Election Fund during 1998; however, this transfer did not occur. In addition, other transfers were made and not reported in the budgets.

- The county's budgets contained numerous misclassifications of actual receipts and disbursements. Some receipts from the state were incorrectly recorded as other revenues, interest income was incorrectly recorded as a transfer in, and charges for services were incorrectly recorded as receipts from the state. Adjustments have been made to the audited financial statements to correct these misclassifications.

The county's budgets should include accurate classifications of receipts and disbursements to ensure the county's financial information is more consistently presented, to properly identify receipt and disbursement items, and to increase the effectiveness of the budgets as management tools.

- Actual receipts and disbursements presented in thirteen of the fourteen funds budgeted and approved by the County Commission were inaccurate. Actual receipts and disbursements presented in the budgets did not agree to the County Treasurer's fund ledger. For example, the 1999 budget for the Hazardous Training Fund incorrectly included 1998 receipts and disbursements of the Chemical Emergency Fund in the amount of \$4,623. The County Clerk used computer generated reports to prepare the budget; however, these reports were not compared or reconciled to the Treasurer's records. In addition, the County Clerk could not provide us with supporting documents used to prepare the county's budgets.

Actual receipts and disbursements presented in the budget for the General Revenue Fund, the Assessment Fund and the Prosecuting Attorney Bad Check Fund were materially misstated. For example, the material differences noted between the County Treasurer's General Revenue Fund ledger and the General Revenue Fund budget are as follows:

	Budget	Treasurer Fund Ledger	Budget Over (Under) Stated
1998 Receipts:			
Family Services Reimbursement	\$ 76,738	97,729	(20,991)
Criminal Cost	118,343	0	118,343
Financial Institution Tax	168,451	4,087	164,364
Prosecuting Attorney Paternity	76,064	102,318	(26,254)
Child Support Fees	10,710	18,128	(7,418)
Interest Income	1,466	15,177	(13,711)
Workers Compensation Dividends	0	2,745	(2,745)
Transfer In - Special Election Fund	41,547	0	41,547
Transfer In - General Revenue Interest	56,769	0	56,769
Transfer In - Homeless Challenge Fund	0	7,300	(7,300)
Transfer In - Juvenile Diversion Grant Fund	0	12,854	(12,854)
Unidentified revenue	0	105,495	(105,495)
1998 Disbursements:			
Transfer Out - Juvenile Diversion Grant Fund	0	4,000	(4,000)
Transfer Out - Capital Improvement Fund	0	100,000	(100,000)
Unidentified disbursements	0	215,885	(215,885)

Adjustments have been made to the audited financial statements to ensure that information presented reconciles to the County Treasurer's receipt, disbursement, and cash balance totals.

In our prior report, we noted the county's budget documents contained inaccurate beginning cash balances, receipts and disbursements were misclassified and actual receipts and disbursements did not agree with the Treasurer's fund ledger. At that time, the County Clerk indicated the county had some problems with the computer system which caused the budget documents for 1996 and 1995 to be inaccurate. The County Clerk stated that the county was making changes to the computer system to more accurately present county information in the future. However, it appears these problems have not been corrected. The 1999, 1998, and 1997 budgets contained the same inaccuracies as reported in our prior report and additional inaccuracies as indicated above.

These errors could have been detected had a thorough review been performed by the County Clerk or County Commission and corrections made to ensure the budget agreed to the County Clerk's account book and the County Treasurer's fund ledgers. As a result of the errors, it was necessary to make numerous adjustments to the amounts presented in the financial statements. Considering the various errors and omissions noted, the approved budgets did not provide Dunklin County citizens with reliable information about the county's finances.

In addition to being required by state law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate county operations and to project the anticipated needs of the county for the upcoming year. Complete and accurate budgets are also necessary to properly inform the county's citizens about the county's finances.

WE RECOMMEND the County Commission and the Health Center Board of Trustees ensure the budget documents contain complete, accurate, and reasonable information about the county's finances. In addition, the County Commission and County Clerk should thoroughly review the budget documents before they are finalized and filed with the State Auditor's Office.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated they would impress upon the County Clerk and the County Treasurer to reconcile monthly and furnish documentation of the reconciliation to the County Commission. The County Commission indicated they will do the best they can with what they have to work with.

The Health Center Administrator indicated they have a new computer report that shows all revenues and expenditures and ending balances. They are now reviewing year-to-date balances monthly and will ensure that budget information is correct.

98-3. County Treasurer's Accounting Records and Procedures

Our review of the County Treasurer's records and procedures disclosed the following concerns:

- A. During 1998, the County Treasurer did not perform reconciliations between the total fund ledger balances and the reconciled bank balances. The reconciled bank balance at December 31, 1998 exceeded the total fund ledger balances by approximately \$2,000. The County Treasurer should work to identify the discrepancies between the reconciled bank balance and the fund ledger balances.

Complete reconciliations between the reconciled bank balances and the fund ledger balances are necessary to ensure all monies have been accounted for properly. Any discrepancies noted should be investigated and resolved on a timely basis.

- B. The County Treasurer's semi-annual settlements are not delivered to the County Commission in a timely manner. As of June 3, 1999, the settlement for the six months ended December 31, 1998, had not been delivered to the commission. In addition, the settlement for the six months ended June 30, 1998, noted an unreconciled cash shortage of approximately \$106,000. This shortage was not investigated by the County Treasurer until she started working on the December 31, 1998 settlement. During our review of the December 31, 1998 settlement, we determined that County Treasurer monies were held in the Ex Officio County Collector's account in error. This would appear to account for the shortage indicated at June 30, 1998. A timely, complete and accurate semi-annual settlement is necessary to keep the County Commission informed of the financial position of the county.

C. As a result of the conditions discussed in parts A and B, several inaccuracies noted in the County Treasurer's records for 1998 went undetected. Examples of these errors included the following:

- The County Treasurer/Ex Officio County Collector deposited monies in error to the Ex Officio County Collector's account in January and February 1998. At December 31, 1998, the Ex Officio County Collector's account held approximately \$147,736 in county monies.
- At December 31, 1998 the County Treasurer's account held approximately \$2,542 in Ex Officio County Collector monies. These monies were transferred in error to the County Treasurer's account when the Ex Officio County Collector's money market account was closed in August 1998. These monies represent interest earned on railroad and utility collections in January 1998.
- Interest in the amount of \$4,795, earned on monies held in the Ex Officio County Collector's account and subsequently transferred to a County Treasurer account, has not been recorded in the interest ledger. In addition, interest earned on county investments in the amount of \$1,373, has not been posted to applicable funds.
- At December 31, 1998 the County Treasurer had not posted approximately \$43,990 in disbursements to the appropriate funds. These disbursements represent outstanding checks at December 31, 1998. Disbursements are not posted in a timely manner because the County Treasurer does not post disbursements to appropriate fund ledgers until canceled checks are received from the bank. Because checks are not recorded as written, the fund ledgers do not maintain perpetual cash balances. We also noted some disbursements that were posted to the wrong fund ledger. To ensure all disbursements are accounted for properly, to avoid overspending and to identify errors in a timely manner, all disbursements should be recorded in the appropriate fund ledger as disbursed.

These errors went undetected because cash balances on the fund ledgers were not reconciled to the bank accounts in 1998, and differences noted on the semi-annual settlements were not investigated.

To ensure the accounting records are complete and accurate, the County Treasurer should ~~maintain~~ perpetual cash balances on fund ledgers, reconcile to the bank balances monthly, and investigate any differences noted on the semi-annual settlement in a timely manner. As a result of the above errors it was necessary to make several adjustments to the amounts presented in the financial statements.

WE RECOMMEND the County Treasurer:

- A. Prepare monthly reconciliations between the fund ledger balance and the reconciled bank balances and resolve any discrepancies on a timely basis.
- B. File complete and accurate semi-annual settlements with the County Commission in a timely manner and investigate and correct all differences.
- C. Transfer \$145,194 from the County Collector's account and make adjustments to the fund ledgers to correct the errors identified.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Treasurer indicated:

- A. *They are currently preparing the reconciliations for 1998. They are now working on June 1998.*
- B. *The semi-annual settlement for the six months ended June 30, 1999 will be presented to the County Commission on October 7, 1999. We plan to complete the semi-annual settlement for the six months ended December 31, 1999 by the end of January 2000.*
- C. *She calculated additional interest earned on these monies and on July 2, 1999, \$153,323 was transferred from the County Collector's bank account to the County Treasurer's bank account. Necessary adjustments were made in the fund ledgers.*

Section III - Federal Award Findings and Questioned Costs

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

98-4. Subrecipient Monitoring

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass-Through Grantor: Department of Economic Development
 Federal CFDA Number: 14.228
 Program Title: Community Development Block Grant/State's Program
 Pass-Through Entity
 Identifying Number: 95PF012
 Award Year: 1997
 Questioned Costs: Not applicable

During the year ended December 31, 1997, Dunklin County was designated as the grant recipient for a Community Development Block Grant (CDBG) which was passed through to the Public

Water Supply District #1. The grant funding received by the Public Water Supply District was received directly by the water district from the Department of Economic Development. Grant funding totaled \$135,251.

Under provisions of the Single Audit Act and OMB Circular A-133, the county, as the primary grant recipient, is required to monitor any subrecipients receiving \$25,000 or more in federal financial assistance for compliance with applicable laws and regulations. Although the Public Water Supply District #1 was audited annually, the county did not obtain and review copies of these audit reports. By not properly monitoring the water district, the county cannot ensure grant monies are being expended in accordance with federal requirements. As the grant recipient, the county is ultimately responsible for ensuring compliance with federal requirements.

WE RECOMMEND the County Commission properly monitor federal grant subrecipient expenditures to ensure compliance with federal regulations.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated they would monitor federal grants and would ask for and review audit reports. This recommendation will be implemented for the two new CDBG grants that were recently awarded.

98-5.

Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Department of Health
Federal CFDA Number: 10.557
Program Title: Special Supplemental Nutrition Program for Women, Infants,
and Children

Pass-Through Entity
Identifying Number: ERO045-9134
Award Year: 1998 and 1997
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Housing and Urban Development
Pass-Through Grantor: Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grant/State's Program

Pass-Through Entity
Identifying Number: 95PF012
Award Year: 1997
Questioned Costs: Not applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as a part of the annual budget. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported.

The county does not have a procedure in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 1998 and 1997, the county's SEFA contained numerous errors and omissions. For example, expenditures relating to several federal grants were not included on the schedules. Other programs reported did not include the required pass-through grantor's number. In addition, some programs were reported incorrectly and, in total, expenditures were overstated by \$74,880 and \$74,403 for 1998 and 1997, respectively.

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

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

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk indicated he would prepare a complete and accurate schedule. This recommendation will be implemented for the SEFA to be submitted with the budget due in January 2000.

The Health Center Administrator indicated he would report all federal expenditures to the County Clerk.

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

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

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

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

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

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

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

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

3. Federal Financial Assistance

Federal Grantor:	U.S. Department of Health and Human Services
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	93.994
Program Title:	Maternal and Child Health Services Block Grant to the States
Pass-Through Entity	
Identifying Number:	ERO146-7134
Award Year:	1996
Questioned Costs:	\$13,650

The contract governing Maternal and Child Health (MCH) grant monies specifies that the monies will be provided monthly on a cost reimbursement basis after monthly cost reports are submitted. The Health Center did not request reimbursement based on actual costs, rather invoices submitted were for a fixed amount equal to the total contractual amount divided by the number of months of the contract.

Recommendation:

The Health Center Board of Trustees work with the federal and state grantor agency to resolve the questioned costs of \$13,650.

Status:

The Department of Health (DOH) conducted a review of the MCH Services Contract Monitoring Process for the time period covered by the noncompliant billing procedures. The DOH determined and summarized in its report, that although reimbursement requests were

not based on actual costs, the costs incurred and reimbursed for the entire contract period did not exceed the total contractual amount. The report said we were to bill monthly for the costs incurred that month, not a prorated amount. We currently bill for actual costs incurred.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Dunklin County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 3, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We also have audited the compliance of Dunklin County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 3, 1999.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Dunklin County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1.**Budgetary Practices and Published Financial Statements**

- A. Budgets were not obtained or prepared for several county funds during the two years ended December 31, 1998. While some of these particular funds are not under the direct control of the County Commission, budgets for these funds are needed to comply with statutory provisions.

Chapter 50, RSMo 1994 and RSMo Cum. Supp. 1998, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission would be able to more effectively evaluate all county financial resources.

- B. Actual disbursements exceeded the approved budgeted amounts in several county funds as follows:

<u>Fund</u>	<u>Years Ended December 31,</u>	
	<u>1998</u>	<u>1997</u>
Special Road & Bridge	N/A	\$14,151
Prosecuting Attorney Training	N/A	650
Victims of Domestic Violence	N/A	300
Prosecuting Attorney Bad Check	\$1,800	N/A
Criminal Investigation	3,882	N/A
Local Records	1,597	N/A
Emergency 911	33,785	N/A
Juvenile Diversion Grant I	153	N/A

The county apparently does not adequately monitor budgeted amounts to actual results.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954) that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo Cum. Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and the county shall follow the same procedures required for adoption of the annual budget to amend its budgets.

- C. Our review of the annual financial statements published by the county noted the following concerns:
- 1) As of June 3, 1999, the county had not published an annual financial statement for 1998. In addition, the 1997 annual financial statement was published on May 21,

1998. The publishing of complete and timely financial statements, besides meeting statutory requirements, will provide information to citizens as to the operations of their county government and how tax dollars are spent.

- 2) The annual published financial statement for 1997 did not include the financial activity of the Health Center Fund, the Circuit Division Interest Fund, the Associate Circuit Division Interest Fund, the Probate Division Interest Fund and the eight townships as required. In addition, the total receipts, total disbursements, and the beginning and ending balance for the General Revenue Fund were not presented in the recapitulation as required.

Sections 50.800 and 50.810, RSMo 1994, require annual financial statements be prepared and published in a local newspaper on or before the first Monday in March and show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds.

Conditions similar to A., B., and C.2. were also noted in our prior report. Although the County Commission and County Clerk stated they would work on these problems, it does not appear that adequate corrective action has been taken.

WE RECOMMEND the County Commission:

- A. Ensure budgets are prepared or obtained for all county funds as required by statute.
- B. Not authorize warrants in excess of budgeted expenditures. If valid reasons necessitate excess expenditures, the original budget should be formally amended and filed with the State Auditor's office.
- C. And the Health Center Board of Trustees:
 - 1) Ensure financial statements are published by the first Monday in March of each year.
 - 2) Ensure financial information for all county funds is properly reported in the annual published financial statements in accordance with statute.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *They will try to adhere to the statutes.*

- B. *They now receive monthly reports to monitor expenditures to ensure they do not exceed the budget.*
- C.1. *The 1998 financial statement was published on August 3, 1999. In the future, financial statements will be published more timely. The monthly reconciliations will allow accurate numbers to be available in a timely manner.*

The Prosecuting Attorney indicated:

- B. *In the future, they will amend the budgets as needed.*

The Health Center Administrator indicated:

- C.2. *The Health Center will publish its financial activity separate from the county.*

2. County Treasurer's Accounting Controls and Procedures

Our review of the County Treasurer's records and procedures disclosed the following concerns:

- A. The method of payment (cash, check, and money order) is not consistently indicated on the receipt slips. In addition, monies are not deposited intact as cash refunds are made for overpayments of fees paid by check. To ensure receipts are accounted for properly and deposited intact, the method of payment should be recorded on the receipt slips and the composition of receipt slips issued should be reconciled to the composition of deposits. Furthermore, to reduce the risk of loss or misuse of funds, all refunds should be made by check.
- B. Checks and money orders are not restrictively endorsed immediately upon receipt. The endorsements are applied when deposits are prepared. To adequately safeguard assets, checks and money orders should be restrictively endorsed immediately upon receipt.
- C. Accounting and bookkeeping duties are not adequately segregated. One clerk is primarily responsible for receiving, depositing and disbursing monies, and maintaining the accounting records. An independent review of deposits and accounting records is not performed. Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of depositing receipts from reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, a periodic supervisory review of the records should be performed and documented.
- D. As of August 1998, all funds in the custody of the County Treasurer, with the exception of the Criminal Cost Fund and monies invested in certificates of deposit are maintained in

a NOW checking account. County funds earned approximately \$62,623 in interest during the period from August to December 1998. As of June 3, 1999, these monies had not been allocated to the various funds. The County Treasurer indicated the computer programmer was working on a program that would determine the amount to be allocated to the various funds.

Section 110.150.2, RSMo Cum. Supp. 1998, and Missouri Attorney General's Opinion No. 126, 1981 to Antonio; No. 108, 1981 to Busker; No. 148, 1980 to Antonio; and No. 40, 1965 to Owensby, provide the interest on school funds, county hospital and hospital district funds, library funds, health center funds, special road and bridge funds, assessment funds, and bond debt service funds, be placed to the credit of those funds, and the interest on all other funds to the credit of the county's General Revenue Fund.

WE RECOMMEND the County Treasurer:

- A. Record the method of payment on each receipt slip issued. Account for the numerical sequence and reconcile the composition of receipts to the composition of bank deposits. In addition, deposit all monies intact and write checks for refunds of overpayments.
- B. Restrictively endorse checks and money orders immediately upon receipt.
- C. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- D. Allocate interest on a timely basis in accordance with state statutes and Attorney General's opinions.

AUDITEE'S RESPONSE

The County Treasurer indicated:

A&B These recommendations will be implemented.

C. She is currently reconciling receipts to deposits and she is working with her clerk to reconcile the bank balance to the fund ledger balance.

D. The computer programmer is currently working on a program to disburse interest monies.

3. Flood Control Distribution

The federal government returns to the various states a percentage of "lease-back" payments it receives for the leasing of lands acquired by the United States government for flood control. The

states, in turn, distribute these monies to the various counties. Dunklin County has received approximately \$13,588 in flood control monies since 1989 and has not distributed these monies in accordance with the statutes. These monies have been retained by the county in the General Revenue Fund.

Section 12.100, RSMo 1994, which governs the distribution of flood control monies by the County Commission states the funds shall be used to aid in maintaining the schools and roads and for defraying any of the expenses of the county in accordance with the provisions set forth in sections 12.070 and 12.080 RSMo. The County Commission is to distribute the funds for the school districts and roads based upon their respective levies equal to that which would ordinarily be allowed to them if the property were privately owned. Any remaining moneys can be used for defraying other expenses of the county. It appears the flood control monies are not distributed in accordance with these statutes.

Only by obtaining current assessed valuations for the flood control lands and applying the current tax levies of the applicable school districts and the townships to those valuations can the county know how much should be paid to the school districts and townships. As a result of this situation, the county has retained some monies which are properly due the school districts and townships.

WE RECOMMEND the County Commission have all flood control lands assessed, determine how much of the \$13,588 discussed above is due the various school districts and townships, and distribute that amount to those entities. In addition, any future flood control monies received should be distributed in accordance with Section 12.100, RSMo 1994.

AUDITEE'S RESPONSE

The County Commission indicated they will attempt to determine how to disburse these monies.

4. General Fixed Asset Records and Procedures
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Our review of the County Clerk's general fixed asset records and control procedures indicated that procedures are not adequate to ensure fixed assets purchases are included in the general fixed asset records. Eighteen fixed asset purchases totaling more than \$65,000 were not included on the inventory records.

- A. The County Clerk does not maintain property records in a manner that balances can be reconciled from period to period. That is, records are not such that the beginning balance, plus additions, less dispositions, equals the ending balance. A list of additions and deletions for each year is not maintained. Likewise, purchases per the expenditure records are not reconciled to additions per the inventory records. In addition, property records do not always include all information applicable to the item. Information such as tag

number and the date and means of disposition are not indicated on the property control record.

- B. An annual inventory of all general fixed assets is not conducted. The last inventory was conducted in July 1997. If properly performed, an annual inventory could help detect items not recorded on the inventory records. Additionally, inspections of county-owned land and buildings are not conducted. Section 51.155, RSMo Cum. Supp. 1998, requires an annual inventory of all general fixed assets and quarterly inspections of county-owned land and buildings.
- C. General fixed assets are not consistently numbered, tagged, or otherwise identified as county property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.

Section 51.155, RSMo, requires the County Clerk to keep a continuous annual inventory of each item with an original value of \$250 or more, identified by descriptive name, make and serial number, where appropriate, and a statement of changes in asset balances from the previous year; and to perform quarterly inspections of all county land and buildings. Adequate general fixed asset records and procedures are necessary to meet statutory requirements, secure better internal controls over county property, and provide a basis for determining proper insurance coverage of county property.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the County Clerk:

- A. Ensure reconciliations are performed between prior year general fixed asset records and current year general fixed asset records which document total additions, deletions, and balances. In addition, the County Clerk should ensure property control records include a detailed description of each fixed asset as to property tag numbers and the method of disposition.
- B. Perform an annual inventory of all general fixed asset items and quarterly inspections of buildings and land in accordance with Section 51.155, RSMo Cum. Supp. 1998. Records should be maintained to document the inventory and inspections.
- C. Properly number, tag, or otherwise identify all county-owned property with an original cost of \$250 or more and include the tag numbers on the property control record.

AUDITEE'S RESPONSE

The County Clerk indicated he would consider these recommendations when he reviews the new statutory requirements.

5. Computer Controls

The offices of the County Clerk, County Assessor, County Treasurer and Ex-Officio County Collector have access to a computer system that is networked together to maintain records of the county's financial transactions, property tax information, and other computerized information. Our review of the computer system controls and procedures indicated the following concerns:

- A. Passwords which restrict employee access to computer files are not changed periodically, and some passwords are not kept confidential. A unique password should be assigned to each user, and these passwords should be kept confidential and be changed periodically to prevent unauthorized access to computer files. In addition, passwords should adequately restrict the capabilities of the respective user to only those duties the user has been authorized to perform.
- B. The county does not have a formal emergency contingency plan for its computer systems. As a result, the county has not made formal arrangements for the use of backup facilities in the event of a disaster. In addition, some of the areas housing computer hardware and software are not equipped with fire detection, smoke detection, or extinguishing systems. Fire detectors and extinguishers should be installed to ensure that personnel can respond appropriately in the case of a fire.

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefit of thorough emergency contingency planning is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the county's degree of reliance on data processing, the need for contingency planning is evident.

- C. Control and proof functions are not performed by the County Clerk or the County Treasurer and Ex Officio County Collector to ensure that no data were added or lost during processing. We noted numerous inaccuracies in computer generated reports and source documents. Examples of these errors included the following:

- ! The computer generated report for outstanding checks at December 31, 1998 included voided checks and checks that had cleared prior to December 31, 1998. In addition, several outstanding checks were not included on the report.

- ! Per the County Clerk, 1998 and 1997 actual receipts and disbursements reported in the county's budgets were based on computer generated reports. Per our review of the budgets, numerous errors were noted with actual receipts and disbursements.

These errors could have been detected had a thorough review of computer reports been performed by each applicable office to ensure that no data was added or lost during processing.

Each of the above issues is a factor that would provide improved internal control to the county and would help ensure the system is not used to circumvent the various controls that protect county assets and revenue sources. As the county's systems become more complex and more reliance is placed on them, it is necessary to ensure proper consideration is given to such control issues.

WE RECOMMEND the County Commission:

- A. Ensure unique passwords are assigned to each employee and these passwords are periodically changed and remain confidential.
- B. Develop a formal contingency plan for the county's computer systems and equip areas that house computer hardware and software with fire detectors, smoke detectors, or extinguishing systems.
- C. Require control and proof functions to be performed by someone other than the computer operator to ensure that no data was added or lost during processing.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *Passwords will be changed periodically and the County Commission will attempt to keep them confidential.*
- B. *They will discuss this with the computer programmer and will develop a contingency plan. A few smoke detectors were added.*
- C. *They will look into this situation and if extra time is needed, they will do it.*

The Assessor indicated:

- A. *New passwords were received in July 1999 and they were being kept confidential.*

The County Treasurer and Ex-Officio County Collector indicated:

- A. *New passwords were received in July 1999. The office has two computers and two passwords.*
- C. *A new program was obtained and she will work with the programmer to ensure it is accurate.*

6. Personnel Policies and Procedures

- A. The county has adopted vacation and sick leave policies for county employees. Full-time employees are allowed to earn one week paid vacation after one year of employment and two weeks after two years of employment. Any unused vacation time for the year is forfeited at the employee's anniversary date. The county's sick leave policy allows full-time employees to earn one day for each month until thirty days of sick leave have been accumulated. The county's compensatory time policy allows full-time employees to earn compensatory time at time and one-half if the employee works over forty hours per week. Compensatory time earned should be taken by the employee during the pay period earned. The county has no maximum limit on compensatory time earned.

Centralized records of leave balances and leave used and earned are not maintained. The County Clerk and County Commission indicated leave records are to be maintained by each individual office but our review noted some offices are not maintaining these records. In addition, in some of the offices the employees maintain their own leave records.

Without centralized records, the County Commission cannot ensure that employees' vacation and sick leave and compensatory time balances are accurate and that all employees are treated equitably. Centralized leave records also aid in determining unused vacation leave upon termination of employment.

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

During the year ended December 31, 1997, the Public Administrator received fees totaling \$41,972, and the county paid her a salary of \$4,000 as compensation. Because the Public Administrator received more than \$25,000 in fees during 1997, it is questionable whether any additional salary was allowable for that year.

A condition similar to A was also noted in our prior report.

WE RECOMMEND the County Commission:

- A. Maintain centralized records of leave earned, used, and accumulated for all county employees.
- B. Review this situation with the Prosecuting Attorney to ensure the proper amount was paid to the Public Administrator and seek reimbursement for any overpayments.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *They will stress to each officeholder that leave records should be maintained.*
- B. *They have requested an Attorney General's Opinion and will take action when the opinion is received.*

7. Board of Prisoners

The county jail is used to board prisoners for the cities within the county. Dunklin County established a billing rate for the cities at \$4 a day, except for the city of Kennett, which is billed a flat rate of \$600 a month. In its most recent report of prisoner incarceration costs submitted to the State Office of Administration, the county calculated its daily prisoner cost to be approximately \$15. By establishing a billing rate that is not sufficient to recover all costs, the county is subsidizing the cost to house other political subdivisions' prisoners. In addition, no written agreement existed between Dunklin County and the City of Kennett for these services. Section 432.070, RSMo 1994, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents.

The County Commission and Sheriff should periodically review the costs of operating the jail, including any indirect costs, and establish an appropriate billing rate for all political subdivisions housing prisoners in the county jail. In addition, the County Commission should develop a written contract with the City of Kennett regarding inmate housing and related fees.

A similar condition was also noted in our prior report.

WE AGAIN RECOMMEND the Sheriff and the County Commission periodically review the cost of boarding prisoners and establish a billing rate for other political subdivisions that is sufficient to recover costs of housing prisoners in the Dunklin County jail. In addition, the county should obtain written agreements with the City of Kennett for the boarding of inmates.

AUDITEE'S RESPONSE

The County Commission indicated they do not believe a change should be made at this time. Because the cities are part of the county, the County Commission has discussed not charging the cities for the boarding of prisoners. The County Commission will ask the Prosecuting Attorney to look into the situation with the city of Kennett and advise the County Commission accordingly.

The Sheriff indicated this was previously discussed with the County Commission. The Sheriff believes \$10-\$12 is more appropriate for jail board cost. In the past, the Sheriff has asked the County Commission to obtain an agreement with the city of Kennett.

8. Ex Officio County Collector's Accounting Controls and Procedures
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During the years ended February 28, 1999 and 1998, the Ex Officio County Collector collected property taxes totaling approximately \$2.0 and \$2.1 million, respectively. Our review indicated many significant problems in the control procedures used by the Ex Officio County Collector to account for this money.

- A. Receipt slips are not issued for partial payments received. Partial payments are held until full payment is received and then the tax statement is marked paid. In addition, the receipt books used for some drainage districts and levee collections are not prenumbered. Consequently, the numerical sequence of receipt slips issued is not accounted for. To adequately account for receipts, prenumbered receipt slips should be issued for all receipts and the numerical sequence accounted for properly.
- B. The method of payment received (cash, check, and money order) is not consistently indicated on the receipt slip or on the paid tax receipt. Additionally, the tax receipts are not reconciled to the composition of bank deposits. The Ex Officio County Collector does not post the paid tax bills to the computer on a daily basis or generate a daily abstract. To properly reconcile receipts to deposits and ensure all monies are being deposited intact, a daily abstract should be generated and the method of payment should be reconciled to the composition of deposits.
- C. Monies received are not deposited intact. Personal checks are cashed for county employees from the daily receipts. To ensure receipts are accounted for properly and deposited intact, personal checks should not be cashed from official tax receipts.
- D. During the two years ended February 28, 1999, the Ex Officio County Collector did not distribute interest earned on bank deposits. As of February 28, 1999, cumulative interest totaled approximately \$10,125. According to the Ex Officio County Collector, the interest had not been disbursed because she was not sure how to allocate the interest monies to the various political subdivisions.

Section 110.150.2, RSMo Cum. Supp. 1998, and Missouri Attorney General's Opinions No. 126, 1981 to Antonio; No. 108, 1981 to Busker; No. 148, 1980 to Antonio; and No. 40, 1965 to Owensby, provide the interest on school funds, county hospital and hospital district funds, health center funds, library funds, special road and bridge funds, assessment funds, and bond debt service funds, be placed to the credit of those funds, and the interest on all other funds to the credit of the county's General Revenue Fund. To allocate the interest equitably, the percentage of tax collections should be used.

- E. For the year ended February 28, 1998, the annual settlement of the Ex Officio County Collector was completed and filed with the County Commission in July 1998. As of May 1999, the annual settlement for the year ended February 28, 1999, had not been completed. Section 139.160, RSMo 1994, requires settlements be filed with the County Commission by the first Monday in March. In addition, timely completion of the settlement is necessary to permit the prompt review and verification of the tax book charges and credits.
- F. The Ex Officio County Collector's account includes land tax sale monies totaling approximately \$13,000. Section 140.230, RSMo 1994, requires surplus monies from land tax sales be held by the County Treasurer for a period of seven years. At that time the monies shall be distributed to the various school districts within the county.
- G. Monthly bank reconciliation procedures during the audit period were inadequate. Although the Ex Officio County Collector performed bank reconciliations for the regular checking account, other accounts were not reconciled. In addition, monthly listings of liabilities were not prepared and reconciled to cash balances. As of February 28, 1999, unidentified monies totaling \$4,411 were held in the Ex Officio County Collector's bank account.

Additionally, during the two years ended February 28, 1999, CART monies totaling \$512,872, sales tax monies totaling \$466,890 and county monies totaling \$100,000 were erroneously deposited into the Ex Officio County Collector's money market account. As of May 1999, county receipts and the related interest totaling \$147,736 were still being held in the Ex Officio County Collector's bank accounts. The Ex Officio County Collector believed these monies had been transferred to a County Treasurer account, but instead they were erroneously transferred to another Ex Officio County Collector bank account. These monies should be transferred to the County Treasurer's account so that the balance of the County Treasurer's account is sufficient to cover the balances recorded in the County Treasurer's fund ledger (see 98-3).

These errors and the unidentified cash balance were not detected because the Ex Officio County Collector did not perform adequate monthly bank reconciliations and because monthly listings of liabilities were not prepared and reconciled to cash in the bank.

Accurate and complete bank reconciliations and identification of month-end liabilities are necessary to ensure all receipts and collections are properly accounted for, that cash in the bank is adequate to meet liabilities and that there is no unidentified excess or shortage in the account.

Conditions similar to B., C., D., and G. were also noted in our prior report.

WE RECOMMEND the Ex Officio County Collector:

- A. Issue prenumbered receipt slips for all monies received and account for the numerical sequence of those receipt slips.
- B. Record the method of payment on each receipt slip issued and each paid tax statement. Reconcile the composition of receipts to the paid tax bills and to bank deposits. Furthermore, prepare a daily abstract to reconcile collections per books to bank deposits.
- C. Deposit all receipts intact and discontinue the practice of cashing personal checks.
- D. Allocate interest in accordance with state statutes and Attorney General's opinion.
- E. Ensure annual settlements are completed in a timely manner.
- F. Disburse surplus monies from land tax sales to the County Treasurer.
- G. Perform monthly bank reconciliations on all bank accounts, prepare monthly listings of liabilities and reconcile the listings to the reconciled bank balances.

AUDITEE'S RESPONSE

The Ex Officio County Collector indicated:

- A. *She will deposit partial payments as received and record the payments on the tax receipts. In addition, a log is now maintained for duplicate tax statement monies. In the future, all receipts will be prenumbered.*
- B. *The method of payment is usually recorded and they will work to ensure it is always recorded. In addition, tax receipts are now reconciled to the composition of bank deposits. A log of all receipts will be maintained daily.*
- C, D,
&G *These recommendations will be implemented.*

- E. *The settlement for the year ended February 28, 1999 is being finalized and she will work to complete future settlements in a timely manner.*
- F. *Monies have been turned over to the County Treasurer and placed in a separate fund.*

9. Circuit Clerk's Accounting Controls and Procedures
--

- A. Civil and criminal receipts are not deposited on a timely basis. Deposits are made approximately once a week and average approximately \$1,309 and \$2,305 for civil and criminal receipts, respectively. To safeguard receipts and reduce the risk of loss, theft or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100.
- B. Formal bank reconciliations are not prepared for the new child support account on a timely basis. As of March 1999, bank reconciliations had not been prepared for the previous five months. Failure to prepare formal bank reconciliations and post reconciling items on a timely basis increases the risk that misstatements will not be detected on a timely basis.
- C. Monthly listings of open items (liabilities) are prepared; however, the listings do not reconcile with the cash balance for either the old or the new child support account. At December 31, 1998, the open items listing for the old child support account was \$650 greater than the cash balance and the listing for the new child support account was \$576 less than the cash balance. Monthly listings of open items are necessary to ensure monies held in trust by the Circuit Clerk are sufficient to meet liabilities. In addition, the Circuit Clerk should work to identify all cases with open items and to reconcile the open items to cash balances. If not identified, the Circuit Clerk should dispose of the monies in accordance with state law. Various statutory provisions including Sections 50.470 through 50.500, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994, provide for the disposition of unclaimed monies.

WE RECOMMEND the Circuit Clerk:

- A. Deposit all monies intact daily or when accumulated receipts exceed \$100.
- B. Perform bank reconciliations and post reconciling items on a timely basis, so that errors or irregularities will be detected on a timely basis.
- C. Reconcile the monthly listing of open items to the cash balance for all accounts. In addition, any unidentified monies should be disposed of in accordance with state law.

AUDITEE'S RESPONSE

The Circuit Clerk indicated:

- A. *Civil and criminal receipts are deposited on a timely basis. We deposit every Friday unless cash accumulates over \$100 then a deposit is made at that time. All checks are stamped when receipted with FOR DEPOSIT ONLY and kept at night in the vault until a deposit is made. Usually we make a deposit every other day, but always on Friday so that it is not carried over a weekend. A review of deposits with cash and the date cash was receipted on the 'board' will prove out this statement.*
- B. *The bank reconciliations have now been caught up. I am working with the month of July 1999 at this time.*
- C. *I have reviewed the open items and the checks outstanding on the old child support account and have resolved any differences and checks have been voided. Some monies were turned over to Division of Finance for those payments where we have no address information and some monies were paid over to Dunklin County with case number information so that if a claim for it is made in the next year or so, it will be readily accessible for refund.*

10. Prosecuting Attorney's Accounting Controls and Procedures
--

The Prosecuting Attorney collects fees and restitution on bad checks and court-ordered restitution monies. The Prosecutor's Office requests that bad check offenders remit two money orders, one payable to the merchant for restitution and one payable to the Prosecuting Attorney's Office for the administrative fee. Court-ordered restitution is also made payable to the Prosecuting Attorney's Office. If the offender submits payments made payable to the Prosecuting Attorney or only one money order for the bad check restitution and fees, the monies are deposited to and disbursed from the Prosecuting Attorney's bank account. The bank account is maintained to account for payments related to bad checks. Our review of the Prosecuting Attorney's procedures revealed the following areas of concern:

- A. Backup disks of computerized bad check information are not prepared. The bad check records are at risk of loss due to equipment failure or other electronic disaster. Backup disks should be prepared to provide a means of recreating destroyed master disks. Backup disks should be stored off-site to provide increased assurance that any lost data can be recreated.
- B. Our review of the cash receipting and depositing procedures revealed the following weaknesses:
 - 1) Money orders for bad check restitution made payable to merchants are not always transmitted on a timely basis. As of February 23, 1999, money orders payable to merchants totaling over \$6,700 had been held for two or more weeks. In

addition, bad check fees are not deposited on a timely basis. Fees are deposited approximately once a week and average approximately \$1,155.

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited intact daily or when accumulated receipts exceed \$100. In addition, money orders made payable to merchants should be transmitted on a more frequent basis.

- 2) Checks and money orders are not restrictively endorsed immediately upon receipt. They are endorsed when deposited, approximately once a week. To adequately safeguard assets, checks and money orders should be endorsed immediately upon receipt.

- C. Monthly listings of open items (liabilities) are not prepared for the old and new checking accounts, and consequently, open items are not reconciled with cash balances. At our request, an open items listing was prepared as of December 31, 1998, for the old and new checking accounts. The December 31, 1998 open items listing for the new account exceeded the reconciled bank balance by \$16. The open items listing for the old account was \$546 less than the reconciled cash balance.

The December 31, 1998 open items listing for the old checking account includes items totaling approximately \$6,008 which have been held since before December 1996. Some of these items have been carried on the open items list since before December 1993. These items have not been followed up on or corrected in a timely manner.

To adequately account for cash on deposit in the old checking account, old liabilities on the open items list should be distributed to the proper payees. If proper payees can not be located the monies should be disposed of in accordance with state law. Various statutory provisions including Sections 50.470 through 50.500, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994, provide for the disposition of unclaimed monies. In addition, monthly listings of open items are necessary to ensure the proper disposition of cash balances. The periodic reconciliation of liabilities with the cash balance provides assurance that the records are in balance and that sufficient cash is available for payment of all liabilities. Timely reconciliations are necessary and helpful in the investigation of differences.

Conditions similar to B.2 and C were also noted in our prior report.

WE RECOMMEND the Prosecuting Attorney:

- A. Ensure computerized bad check records are backed up on disk and these disks are stored in a secure, off-site location.

- B.1. Transmit bad check restitutions to merchants on a timely basis and deposit all monies intact daily or when accumulated receipts exceed \$100.
- 2. Restrictively endorse checks and money orders immediately upon receipt.
- C. Prepare a monthly listing of open items and reconcile these listings to monies held in trust. In addition, review the account's open items and resolve any old open items in a timely manner.

AUDITEE'S RESPONSE

The Prosecuting Attorney indicated:

- A. *They are in the process of obtaining price quotes for a back-up system. Back-ups will be performed weekly.*
- B.1. *This is a time issue. The employee responsible for doing this has other responsibilities. They will try to transmit to merchants weekly and will try to deposit more often.*
 - 2. *This recommendation will be implemented.*
- C. *This is a time issue. Current employees have other responsibilities and additional help is needed. They will take care of the open items held for a long period and look into the other areas.*

11. County Clerk's Accounting Controls and Procedures
--

- A. Receipt slips issued are not prenumbered and the method of payment is not always indicated on the receipt slips. To adequately account for receipts, prenumbered receipt slips should be issued for all receipts and the numerical sequence accounted for properly. In addition, to ensure receipts are transmitted intact, the method of payment should be recorded on all receipt slips, and the composition of receipt slips issued should be reconciled to the composition of the transmittals.
- B. Checks and money orders are not restrictively endorsed immediately upon receipt. The endorsements are applied by the County Treasurer when checks and money orders are received from the County Clerk, monthly. To adequately safeguard assets, checks and money orders should be endorsed immediately upon receipt.

WE RECOMMEND the County Clerk:

- A. Issue prenumbered receipt slips for all monies received and account for the numerical sequence. Indicate the method of payment on each receipt slip issued and reconcile the composition of receipts to the composition of monies transmitted.
- B. Restrictively endorse checks and money orders immediately upon receipt.

AUDITEE'S RESPONSE

The County Clerk indicated:

- A. *Prenumbered receipt slips are now issued and the method of payment is indicated.*
- B. *He will look into obtaining a bank endorsement stamp and checks will be endorsed immediately.*

12. Probate Division's Accounting Controls and Procedures
--

During 1997 and 1998, the Probate Division consisted of a Probate Clerk who handled all transactions related to probate cases and maintained the probate bank account and a Juvenile Clerk who handled all transactions related to juvenile cases and maintained the juvenile bank account. Our review of the Probate Division's procedures revealed the following areas of concern:

- A. Accounting and bookkeeping duties are not adequately segregated. One clerk is responsible for handling probate cases and performs the duties of receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the probate accounting records. Another clerk is responsible for handling juvenile cases and performs the duties of receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the juvenile accounting records. An independent review of deposits and accounting records is not performed.

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

- B. We noted the following concerns related to receipts:
 - 1) The method of payment received (cash, check, and money order) is not indicated on the receipt slips issued for the juvenile account. In addition, the numerical sequence of receipt slips issued is not accounted for. To adequately account for all receipts, the numerical sequence of receipt slips should be accounted for. In

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

- 2) Receipts are not deposited to the probate account on a timely basis. Receipts are deposited approximately once a week and average approximately \$1,024. To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100.

WE RECOMMEND the Probate Judge:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B.1. Record the method of payment on each receipt slip issued and reconcile the composition of receipts to the composition of bank deposits. In addition, the numerical sequence of receipt slips should be accounted for.
2. Deposit all monies intact daily or when accumulated receipts exceed \$100.

AUDITEE'S RESPONSE

The Probate Judge indicated:

- A. *Their plan is to rotate accounting and bookkeeping duties monthly to provide segregation.*
- B.1. *This recommendation has been implemented.*
2. *They will try to deposit every three working days.*

13. Assessor's Accounting Controls and Procedures
--

The Assessor's Office sells maps, public record information and copies to the public; however, the Assessor does not maintain adequate records to account for monies received. Our review noted the following concerns:

- A. Receipt slips are not issued for monies received. To adequately account for receipts, prenumbered receipt slips should be issued for all receipts and the numerical sequence accounted for properly. In addition, to ensure all receipts are remitted intact, the method of payment should be recorded on all receipt slips, and the composition of receipt slips issued should be reconciled to the composition of the transmittal.

- B. Receipts are not transmitted to the County Treasurer on a timely basis. We noted the Assessor's Office transmitted receipts to the County Treasurer two times in 1998 and four times in 1997. Receipts totaling \$428 were transmitted on May 1, 1998, and receipts totaling \$195 were transmitted on June 23, 1998. During 1997, receipts were transmitted in June, July, October, and November and averaged \$208.

In addition, receipts are not transmitted to the County Treasurer intact as cash is withheld to make change. The Assessor does not keep a constant amount of monies in the change fund. To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be transmitted to the County Treasurer intact monthly as required by Section 50.360, RSMo 1994, and the change fund should be maintained at a constant amount.

- C. Checks are not restrictively endorsed immediately upon receipt. The endorsements are applied by the County Treasurer when checks are received from the Assessor, two to four times a year. To adequately safeguard assets, checks should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the Assessor:

- A. Issue prenumbered receipt slips for all monies received and account for the numerical sequence. Indicate the method of payment on each receipt slip issued and reconcile the composition of receipts to the composition of monies transmitted.
- B. Transmit all monies to the County Treasurer intact monthly as required by Section 50.360, RSMo 1994, and maintain the change fund at a constant amount.
- C. Restrictively endorse checks immediately upon receipt.

AUDITEE'S RESPONSE

The Assessor indicated:

- A. *She will implement this recommendation.*
- B. *Receipts will be transmitted every month.*
- C. *She will talk with the County Treasurer about obtaining a deposit stamp to endorse checks immediately.*

14. Recorder of Deeds' Accounting Controls and Procedures
--

The Recorder of Deeds' Office collects various fees for recording documents such as marriage licenses, etc. Monies are not deposited intact as cash refunds are made for overpayments of fees paid by check. In addition, receipts are not deposited on a timely basis. Deposits are made approximately twice a week and average approximately \$2,491. When deposits are prepared, the Recorder of Deeds removes the cash and checks from the drawer, accounts for receipts recorded in the various fee books, makes adjustments for cash refunds given, and plugs the excess cash as copy receipts. Because copy receipts are not recorded as received, there is no assurance that the amount deposited for copy receipts is accurate.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, copy receipts should be recorded as received and receipts should be deposited intact daily or when accumulated receipts exceed \$100. In addition, to reduce the risk of loss or misuse of funds, all refunds should be made by check.

A similar condition was also noted in our prior report.

WE AGAIN RECOMMEND the Recorder of Deeds record copy monies as received and deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, refunds should be made by check.

AUDITEE'S RESPONSE

The Recorder indicated she will look into a way to receipt copy money and will make deposits as time allows. Overpayments are recorded in the overpayment receipt book and the person receiving the cash refund is sent a copy of the receipt that is to be signed and returned. Cash refunds do not exceed \$6.

15. Sheriff's Accounting Controls and Procedures

- A. Accounting and bookkeeping duties are not adequately segregated. One deputy is primarily responsible for receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the accounting records. An independent review of deposits and accounting records is not performed.

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

- B. The method of payment received (cash, check, and money order) is not indicated on the receipt slips issued. To ensure all receipts are deposited intact, the method of payment

should be recorded on the receipt slips, and the composition of receipt slips issued should be reconciled to the composition of deposits.

- C. Receipts are not deposited on a timely basis. Deposits are made approximately two times a week and average approximately \$2,400. To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100.
- D. Monthly listings of open items (liabilities) are not prepared. At December 31, 1998, the reconciled bank balance was \$21,219 and December collections disbursed in January totaled \$18,955, resulting in unidentified monies of \$2,264. Monthly listings of open items are necessary to ensure monies held in trust by the Sheriff are sufficient to meet liabilities. In addition, the Sheriff should work to identify the excess monies held in the bank account. If not identified, the Sheriff should dispose of the monies in accordance with state law. Various statutory provisions including Sections 50.470 through 50.500, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994 provide for the disposition of unclaimed monies.

Conditions similar to B and C were also noted in our prior report.

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Record the method of payment on each receipt slip issued and reconcile the composition of receipts to the composition of bank deposits.
- C. Deposit all monies intact daily or when accumulated receipts exceed \$100.
- D. Prepare a monthly listing of open items and reconcile these listings to monies held in trust. In addition, any unidentified monies should be disposed of in accordance with state law.

AUDITEE'S RESPONSE

The Sheriff indicated:

- A. *He is currently looking over the bank reconciliation each month and documenting his review.*
- B. *They now write cash on the receipt slips when cash is received.*
- C. *Receipts are now deposited daily.*

- D. *They have identified approximately 50 percent of the unidentified monies and are working to identify the remaining balance. In the future, a monthly listing of open items will be prepared and agreed to the reconciled bank balance.*

16.

Health Center Procedures

- A. Accounting and bookkeeping duties are not adequately segregated. Although all employees receipt monies, one individual is responsible for depositing and disbursing monies, preparing bank reconciliations and maintaining the accounting records. An independent review of deposits and accounting records is not performed.

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

- B. We noted the following concerns related to the Health Center's budget:
- 1) The Health Center budget was not sufficiently detailed. Budgeted and actual receipts and/or disbursements were reported in category total only with no descriptive classifications for the categories. To be of maximum benefit to the Health Center Board of Trustees and to adequately inform county residents of the Health Center's operations, a complete and detailed budget document is needed.
 - 2) Receipts, disbursements and year end cash balances reported on the Health Center's annual budgets did not agree to the Health Center's internal accounting records or the total reconciled bank balances at year end. For example, for the year ended December 31, 1998, receipts and/or disbursements were misstated by approximately \$12,400. The Health Center does not maintain support for receipts and disbursements reported in the budget and has no procedures to ensure amounts reported in the budget agree to internal accounting records. For the annual budgets to present the Health Center's complete financial activity, all monies received and disbursed in a calendar year should be reflected in the Health Center's budget document and agreed to the cash balance per the year end bank statements.
- C. We noted the following concerns related to the Health Center's cash receipts records and procedures:
- 1) The one-write and vital records receipt slips are not prenumbered. Consequently, the numerical sequence of receipt slips issued cannot be accounted for. In

addition, all receipts are not immediately posted to the cash control records. To adequately account for receipts, all receipts should be posted to the cash control when received and prenumbered receipt slips should be issued.

- 2) Receipts are not deposited on a timely basis. Deposits are made approximately two times a week and average approximately \$3,000. In addition, monies received for TB tests are deposited approximately every two months and monies received for vital records are deposited approximately two times a week. To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100.
- 3) The method of payment received (cash, check, and money order) is not indicated on the receipt slips issued. To ensure all receipts are deposited intact, the method of payment should be recorded on the receipt slips, and the composition of receipt slips issued should be reconciled to the composition of deposits.
- 4) Checks and money orders are not restrictively endorsed immediately upon receipt. The endorsements are applied when the deposits are prepared. To adequately safeguard assets, checks and money orders should be endorsed immediately upon receipt.

- D. The amount of collateral security pledged by the Health Center's depository bank as of December 31, 1997, was insufficient by approximately \$45,400 to cover monies in the custody of the Health Center Board of Trustees. It appears this situation occurred because bank balances were not monitored by the Health Center Board of Trustees.

Section 110.020, RSMo 1994, provides that the value of the securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the Federal Deposit Insurance Corporation (FDIC). Inadequate collateral securities leave Health Center funds unsecured and subject to loss in the event of bank failure.

- E. Records of vacation leave, sick leave, and compensatory time earned, taken, and accumulated were maintained by the Health Center using employee leave slips. However, the Health Center does not agree the leave records to employee time sheets. During our review we noted several discrepancies between the leave records and employee time sheets. For example, one employee's time sheet reported 11.5 hours of sick leave was taken in August 1998; however, the leave record did not indicate any sick leave was taken for August 1998.

Without accurate leave records, the Health Center cannot ensure that employees are treated equitably. Accurate leave records are also necessary to determine final pay for employees leaving Health Center employment.

F. We noted the following concerns related to the Health Center's expenditures:

- 1) The Health Center Director approved some payments to vendors without requiring acknowledgment of receipt of goods or services. As a result, the Health Center does not always have adequate assurance it is paying for actual goods and services received and approved by the applicable party. In addition, invoices were not always canceled or marked paid after payment was made.

To ensure the validity and propriety of expenditures, adequate supporting documentation, including acknowledgment that the specific goods and/or services were in fact received, should be maintained for all payments to vendors. In addition, invoices should be canceled or marked paid to reduce the possibility of duplicating payment.

- 2) The Health Center did not always obtain written contracts for services received. We noted numerous individuals and organizations were paid as independent contractors; however, the Health Center did not enter into contracts with these individuals or organizations governing the services to be provided and the related compensation. Various individuals and organizations received payments totaling approximately \$6,900 and \$10,800 for the years ending December 31, 1998 and 1997, respectively, for which a written contract could not be located.

Section 432.070, RSMo 1994, requires all contracts to be in writing. Written contracts are necessary to outline the terms of arrangements, specify services to be provided and the related funding, and help ensure the reasonableness and propriety of such expenditures.

G. Our review of the general fixed asset records and procedures indicated the following concerns:

- 1) An annual inventory of all general fixed assets is not being conducted.
- 2) The Health Center does not maintain property records in a manner that balances can be reconciled from period to period. That is, records are not such that the beginning balance, plus additions, less dispositions, equals the ending balance. In addition, property records do not include all information applicable to the item. Information such as acquisition dates and cost are not indicated on the property control record.
- 3) Some fixed assets are not consistently numbered, tagged, or otherwise identified as Health Center owned property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the Health Center.

- 4) The Health Center does not have formal procedures for disposing of Health Center owned property. No written authorization for disposal is obtained from the Board of Trustees. Written authorization for the disposal of property and documentation of the date and method of disposition are necessary to lessen the possibility of misuse and to provide adequate support for changes to the general fixed asset records.

Adequate general fixed asset records and procedures are necessary to secure better internal controls over Health Center property and provide a basis for determining proper insurance coverage of Health Center property. Inventories of Health Center property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

H. Our review of the Health Center's computer system indicated the following areas where improvements are needed:

- 1) Passwords which restrict employee access to computer files are not changed periodically, and passwords are not kept confidential. A unique password should be assigned to each user, and these passwords should be kept confidential and be changed periodically to prevent unauthorized access to computer files. In addition, passwords should adequately restrict the capabilities of the respective user to only those duties the user has been authorized to perform.
- 2) The Health Center does not have a formal emergency contingency plan for its computer systems. As a result, the Health Center has not made formal arrangements for the use of backup facilities in the event of disaster. In addition, some of the areas housing computer hardware and software are not equipped with fire detection, smoke detection or extinguishing systems. Fire detectors and extinguishers should be installed to ensure that personnel can respond appropriately in the case of a fire.

Contingency plans should include plans for a variety of situations, such as short and long-term plans for backup hardware, software, facilities, personnel and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefit of thorough emergency contingency planning is the ability of the Health Center to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to operations. Because of the Health Center's degree of reliance on data processing, the need for contingency planning is evident.

- 3) The Health Center prepares back up disks of all financial information data daily; however, the backup disks are not stored at an off-site location. Backups of

computer information provide a means of recreating destroyed data. Failure to store the computer backup disks off-site results in the backups being susceptible to the same damage as the original data on the computer. Backup disks should be maintained and stored off-site to provide increased assurance that any lost data can be recreated.

Conditions similar to A, C.1-C.3, F.1, F.3, G.1, and G.2 were also noted in our prior audit report.

WE RECOMMEND the Health Center Board of Trustees:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B.1. Include detailed classifications of receipts and disbursements in the budgets.
 - 2. Ensure all receipts, disbursements and ending cash balances are properly reflected in the annual budget document.
- C.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence. In addition, ensure all receipts are posted to the cash control record when received.
 - 2. Deposit all monies intact daily or when accumulated receipts exceed \$100.
 - 3. Record the method of payment on each receipt slip issued and reconcile the composition of receipts to the composition of bank deposits.
 - 4. Restrictively endorse checks and money orders immediately upon receipt.
- D. Ensure adequate collateral securities are pledged to protect the Health Center's funds. This can be done by monitoring bank activity and providing timely notice to the depository banks of the need for additional collateral securities to be pledged.
- E. Maintain accurate leave records for all Health Center employees and ensure the leave records agree to time sheets.
- F.1. Require acknowledgment of receipt of goods and/or services prior to payment. In addition, ensure all invoices are canceled when paid to prevent the possibility of duplicate payment.
 - 2. Enter into written contracts that specifically state the services to be provided to the Health Center. Any expenditures made should be monitored for compliance with the terms of the contract.

- G.1. Perform an annual inventory of all general fixed asset items. Records should be maintained to document the inventory.
 2. Ensure reconciliations are performed between prior year general fixed asset records and current year general fixed asset records which document total additions, deletions, and balances. In addition, ensure property control records include a detailed description of each fixed asset as to acquisition date and cost.
 3. Properly number or tag all fixed asset items.
 4. Establish a formal method of disposing of general fixed assets. At a minimum, written authorization for all property dispositions should be obtained and date and method of disposition should be recorded on the general fixed asset records.
- H.1. Ensure unique passwords are assigned to each employee and these passwords are periodically changed and remain confidential.
 2. Develop a formal contingency plan for the Health Center's computer systems and equip all areas that house computer hardware and software with fire detectors, smoke detectors or extinguishing systems.
 3. Ensure backup disks are prepared and stored in a secure, off-site location.

AUDITEE'S RESPONSE

The Health Center Administrator indicated:

A. *All cash receipts now go to one clerk and she makes the deposit daily. The deposit slip is turned over to another clerk who records the deposit and reconciles the bank account. The bank reconciliation will be reviewed by another individual.*

B, G.1,

G.2 &

H.2. These recommendations will be implemented.

C.1. *The one-write is now prenumbered and no other receipt slips are issued.*

2. Deposits are now made daily.

3. The method of payment is now recorded on the one-write.

4. Checks are now endorsed immediately.

D &

H.1 These recommendations have been implemented.

E. Time sheets are now compared with leave slips monthly and differences are investigated.

F.1. Invoices now indicate acknowledgment of receipt of goods and services.

2. The health center no longer contracts for physician services. A nurse practitioner was hired.

G.3. This is generally done and they will work to ensure all fixed assets are tagged.

4. He now has board authorization to dispose of assets costing less than \$1,000.

H.3. The backup disk is now kept off-site.

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

Follow-Up on Prior Audit Findings

DUNKLIN 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 Dunklin County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the three years ended December 31, 1996. Finding number 3. is omitted since the related follow-up appears in an earlier section of this report. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Budgets and Financial Statements

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 1996, 1995, and 1994.
- B. Disbursements exceeded the approved budget for various county funds for the years ended December 31, 1996 and 1994.
- C. Several inaccuracies were noted in the information presented in the county's budget documents. In addition, receipts and disbursements did not always agree to the Treasurer's fund ledger.
- D. The annual published financial statements did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

- A. Ensure financial information for all county funds is included in the annual budgets.
- B. Refrain from incurring disbursements in excess of budgeted amounts. If additional funds are received which could not be estimated when the budget was adopted, the budget should be amended by following the procedures required by state law.
- C. Ensure budget documents are accurate and complete. In addition, a reconciliation between the County Clerk's records and the Treasurer's records should be performed.
- D. Ensure financial information for all county funds is properly reported in the annual financial statements.

Status:

- A,B,
& D. Not implemented. See MAR No. 1.
- C. Not implemented. See No. 98-2.

2. County Expenditure Procedures and Practices

- A. The county had a written agreement with the Southeast Missouri (SEMO) Regional Crime Laboratory to pay a specified sum for services rendered to the Dunklin County Sheriff's department and the Prosecuting Attorney's Office. The county did not receive or maintain any documentation of actual services rendered by the crime lab on behalf of the county to determine whether the amount paid was reasonable compared to the services rendered.
- B. Records were not maintained of annual leave, sick leave, and compensatory time earned, taken, and accumulated for some employees.
- C. The Prosecuting Attorney had an office in the courthouse which was used for both county business and his private practice. The county did not have a written agreement with the Prosecuting Attorney outlining what costs would be paid and what office personnel and equipment would be provided by the county and what would be provided by the private practice. The Prosecuting Attorney did not pay the county for the rent of office space.
- D. The county filed quarterly reports with the State Tax Commission seeking reimbursement of 50 percent of expenses made by the Assessment Fund. The Assessment Fund had expenditures of \$229,546 during the year ended December 31, 1996 but only \$196,261 was claimed on the quarterly reports. As a result, the county did not receive reimbursement of \$16,643.
- E.1. The county had a long-standing oral agreement with the City of Kennett to house city prisoners in the county jail for a set amount of \$600 per month. Based on prisoner days, the average cost per prisoner day to the city of Kennett for 1996 was \$6.66. In addition, computer and dispatching services were provided by the city to the county.
 - 2. The county charged \$4 per day for each prisoner housed in the county jail for cities within the county and \$14 per day for cities outside the county. These agreements between the county and the various cities were not in writing.

Recommendation:

The County Commission:

- A. Enter into a detailed contract with SEMO Regional Crime Laboratory which specifies the services to be rendered and the manner and amount of the compensation. Further, the county should maintain detailed documentation of the services provided to ensure payments made are reasonable.
- B. Require records to be maintained of vacation, sick leave, and overtime earned, used, and accumulated.
- C. And Prosecuting Attorney enter into a written agreement outlining what costs will be paid and what office personnel and equipment will be provided by the county and what will be provided by the private practice.
- D. File an amended quarterly report for the additional expenses incurred by the Assessment Fund.

- E.1. Prepare a written contract between the county and the city of Kennett concerning the boarding of city prisoners and the computer and dispatching services.
- 2. Prepare written contracts between the county and the various cities regarding the boarding of city prisoners.

Status:

A. Not implemented. The county did not enter into a detailed contract with the SEMO Regional Crime Laboratory or receive detailed documentation of services provided. Although not repeated in the current report, our recommendation remains as stated above.

B. Not implemented. See MAR No. 6.

C&

E.2. Implemented.

D. Not implemented. An amended quarterly report was not filed for additional expenses incurred by the Assessment Fund in 1996. Although not repeated in the current report, our recommendation remains as stated above.

E.1. Not implemented. See MAR No. 7.

4. County Clerk's Controls and Procedures

A. An annual inventory of all general fixed assets was not conducted. In addition, inspections of county-owned land and buildings were not performed.

B. The County Clerk did not maintain property records in a manner that balances could be reconciled from period to period. A list of additions and deletions for each year was not maintained. Likewise, purchases per the expenditures records were not reconciled to additions per the inventory records.

C. General fixed assets were not numbered, tagged or otherwise identified as county property.

Recommendation:

The County Clerk:

A. Perform and document inspections and inventories of county-owned property as required by state law.

B. Ensure reconciliations are performed between prior year general fixed asset records and current year general fixed asset records which document total additions, deletions, and balances. Property purchases per the expenditure records should be reconciled to the general fixed asset additions.

C. Properly number, tag, or otherwise identify all county-owned property with an original cost of \$250 or more.

Status:

A-C. Not implemented. See MAR No. 4.

5. County Treasurer's Funds and Procedures

- A. Monies were not deposited daily or when accumulated receipts exceeded \$100.
- B. The County Treasurer maintained a significant amount of money in three noninterest-bearing checking accounts.

Recommendation:

The County Treasurer:

- A. Deposit receipts daily or whenever accumulated receipts exceed \$100.
- B. Maintain all monies in interest-bearing accounts, such as NOW accounts.

Status:

A&B. Implemented.

6. Ex Officio Collector's Accounting Controls and Procedures

- A. The principal of a certificate of deposit purchased with duplicate tax receipt fees, \$6,277, and \$3,500 paid to the former Ex Officio Collector in July 1988, had never been remitted to the General Revenue Fund. As a result, \$9,777 was due from the former Ex Officio Collector to the General Revenue Fund at February 28, 1997.
- B. Tax collections received by the Ex Officio Collector were not adequately invested during the entire audit period.
- C. The County Collector did not distribute interest earned on bank deposits properly.
- D. Monthly bank reconciliation procedures during the audit period were inadequate. A running cash balance was not maintained in the Ex Officio Collector's checkbook and a monthly listing of liabilities was not prepared and compared to the reconciled bank balance to ensure there was adequate cash to meet liabilities.
- E.1. The tax receipts marked paid by the Ex Officio Collector indicated the method of payment, however the tax receipts were not reconciled to the composition of bank deposits. In addition, the Ex Officio Collector did not post the paid tax bills to the computer on a daily basis or generate a daily abstract.
- 2. The Ex Officio Collector did not deposit receipts intact. Some monies were retained for a change fund and checks were cashed for the Ex Officio Collector. Additionally, the change fund was not maintained at a set amount. According to the Ex-Officio Collector, personal monies were included in the change fund.

3. Monies were not deposited daily or when accumulated receipts exceeded \$100.
 4. Checks were not restrictively endorsed until deposits were prepared.
- F. The Ex Officio Collector used incorrect unadjusted levies for some school districts to calculate the ratios to compute the commission and assessment amounts withheld from the state assessed schools portion of the railroad and utility taxes. This resulted in excess amounts withheld from the state assessed school tax.

Recommendation:

- A. The County Commission require the former Ex Officio Collector personally repay \$9,777 to the General Revenue Fund for duplicate tax receipt fees retained.
- B. The Ex Officio Collector invest the official bank account in an interest-bearing account.
- C. The Ex Officio Collector distribute the interest earned in accordance with statutory provisions and opinions of the Attorney General.
- D. The Ex Officio Collector maintain a checkbook balance and prepare complete and accurate bank reconciliations which are compared to monthly listings of liabilities.
- E.1. The Ex Officio Collector reconcile total cash, checks, and money orders received to bank deposits and to the paid tax bills. In addition, a daily abstract should be prepared in order to reconcile collections to bank deposits.
 2. The Ex Officio Collector identify and document all personal monies in the change fund, maintain the change fund at a constant level, and deposit all monies received intact. In addition, the Ex Officio Collector should discontinue cashing personal checks.
 3. The Ex Officio Collector deposit all monies received daily or when accumulated receipts exceed \$100.
 4. The Ex Officio Collector restrictively endorse all checks immediately when received.
- F. The County Commission remit \$1,487 from the General Revenue Fund and \$496 from the Assessment Fund to the schools and the Ex Officio Collector utilize proper ratios when determining amounts to be withheld from the school districts' tax collections.

Status:

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

B,E.3,
& E.4. Implemented.

C&

- E.1. Not implemented. See MAR No. 8.

- D. Partially implemented. A checkbook balance was maintained and reconciled each month; however, no listing of liabilities was maintained. See MAR No. 8.
- E.2 Partially implemented. The change fund was maintained at a constant amount of \$600 and did not contain any personal monies. However, receipts are not deposited intact. See MAR No. 8.
- F. Not implemented. The excess amounts withheld were not remitted to the schools. During the audit period, the Ex Officio Collector continued to use incorrect ratios for two school districts. However, the excess amounts withheld appear to be insignificant. Although not repeated in the current report, our recommendation remains as stated above.

7. Township Collector's Commissions

- A. Incorrect unadjusted levies for Kennett-39 School District were used in calculating ratios used to adjust school tax collections subject to Proposition C. As a result, the township collector responsible for collecting this school district's taxes withheld excess commissions and assessment amounts which were due from the township collector and the assessment fund to the Kennett-39 School District.
- B. During the review of the township collectors' commissions, instances were noted where the township collectors incorrectly calculated the commissions withholding.

Recommendation:

- A. The County Commission ensure future commissions and assessment withholdings are adjusted for amounts over withheld and that the township collectors utilize proper ratios when determining amounts to be withheld from the school districts' tax collections.
- B. The County Commission ensure future commissions are adjusted for amounts over withheld and that the township collectors use the proper commission percentage based on collections.

Status:

A&B. Implemented.

8. Associate Circuit Division's Accounting Controls and Procedures

- A. The method of payment was not indicated on the one-write ledgers for the civil and criminal accounts and the composition of receipts was not reconciled to the deposit slips.
- B. Monthly listings of open items (liabilities) were not prepared for fines and court costs maintained in the traffic account and consequently, liabilities were not reconciled with cash balances.
- C. The Associate Circuit Division fines and court costs received from November 1996 through May 1997 were not disbursed until June 18, 1997.

Recommendation:

The Associate Circuit Division:

- A. Record the method of payment on the one-write ledgers and reconcile total cash, checks, and money orders to bank deposits.
- B. Prepare monthly listings of open items and reconcile to the cash balances for the traffic account.
- C. Disburse monies received on a monthly basis in accordance with state law.

Status:

A-C. Implemented.

9. Prosecuting Attorney's Accounting Controls and Procedures

- A. The method of payment was not indicated on the one-write ledger, and the composition of receipts was not reconciled to the deposit slips.
- B. Only money orders made payable to the Prosecuting Attorney and deposited into the bank account were receipted and recorded on the one-write ledger. Receipts could not be reconciled to deposits because all bad check fees received in one day and recorded on one receipt slip may not have been included in the same deposit.
- C. An open-items listing had not been prepared since our prior audit. At our request, an open-items listing was prepared and the reconciled cash balance exceeded the total identified open items by \$1,644.
- D. At December 31, 1996, the bank account had \$329 in outstanding checks that were over a year old.
- E. Records were not always retained as required.

Recommendation:

The Prosecuting Attorney:

- A. Record the method of payment on the one-write ledger and reconcile total cash, checks, and money orders to bank deposits.
- B. Issue prenumbered receipt slips for all monies received and maintain a complete record of receipts, including those transmitted directly to the merchants.
- C. Prepare a monthly listing of open items and reconcile it to the cash balance. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.
- D. Attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law.

- E. Maintain all public records as required by state law.

Status:

- A, D.
& E. Implemented.

- B. Partially implemented. Receipt slips are prenumbered. Receipt slips are not issued for money orders made payable to vendors and delinquent tax monies received. However, money orders made payable to vendors are recorded on a log as received. See MAR No. 10.

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

10. Recorder of Deeds' Accounting Controls and Procedures

- A. Monies were not deposited intact as cash refunds were made for overpayments of fees paid by check and cash was withheld to make change. In addition, the Recorder of Deeds did not keep a set amount of monies in the change fund.
- B. The fee books and other financial records did not contain sufficient documentation to agree individual recordings to related deposits. The method of payment was not documented in the fee book and sufficient detail was not transferred to accounts receivable records for identification purposes.

Recommendation:

The Recorder of Deeds:

- A. Deposit all monies received intact daily or when cash on hand exceeds \$100. In addition, refunds should be made by check and the change fund kept at a set amount.
- B. Record fees in the fee book in sufficient detail to agree individual recordings to the related deposits. This would include documenting the method of payment in the fee book and transferring sufficient details to the accounts receivable records for identification purposes. In addition, the composition (cash, checks, and money orders) noted in the fee book should be reconciled to the composition of bank deposits.

Status:

- A. Partially implemented. The Recorder of Deeds maintains the change fund at a constant amount. However, deposits are not made daily and refunds, up to an amount of six dollars, are made in cash. See MAR No. 14.
- B. Implemented.

11. Sheriff's Records and Procedures

- A. The method of payment was not indicated on the one-write ledger and the composition of receipts was not reconciled to the deposit slips.

- B. Receipts were not deposited intact and deposits were made only once or twice a week. In addition, checks from employees were cashed from receipts.
- C.1. The mileage claims filed by the Sheriff's Office for investigations did not contain the information required by Section 57.430.2, RSMo 1994.
 - 2. The mileage claims filed by the Sheriff's Office for criminal mileage did not appear to represent actual mileage.

Recommendation:

The Sheriff:

- A. Record the method of payment on the one-write ledger and reconcile total cash, checks, and money orders to bank deposits.
- B. Deposit all monies received intact daily or when cash on hand exceeds \$100. In addition, discontinue cashing checks for employees.
- C. Ensure mileage claims submitted are complete and accurate and in accordance with state law. The County Commission should refrain from reimbursing mileage claims that are not in accordance with state law.

Status:

- A. Not implemented. See MAR No. 15.
- B. Partially implemented. Receipts are deposited intact. However, deposits are not made daily or when receipts exceed \$100. See MAR No. 15.
- C. Implemented.

12. Health Center's Accounting Controls and Procedures

- A.1. Receipts were not deposited intact and on a timely basis. In addition, we noted where checks from employees were cashed.
 - 2. Receipt slips issued by the health center were not prenumbered and receipts were not recorded in the cash control immediately when received. In addition, family planning receipts were not properly recorded.
 - 3. The method of payment was not indicated on the one-write cash control and the composition of receipts was not reconciled to the deposit slips.
 - 4. The duties of receiving, recording, depositing monies and reconciling the bank account were not adequately segregated.
- B.1. The Health Center did not have written contracts with the doctors that performed family planning clinics and no invoice for payment was received. Also, there were other disbursements noted that did not have an invoice or supporting documentation.

2. Invoices did not always indicate that the goods or services were actually received.
 3. The Health Center Administrator did not review the invoices or supporting documentation before the checks were signed.
- C.1. An annual inventory of all general fixed assets was not conducted.
2. Property records were not maintained in a manner that balances could be reconciled from period to period. Likewise, purchases per the expenditure records were not reconciled to additions per the inventory records.

Recommendation:

The Health Center Board of Trustees:

- A.1. Deposit all monies received intact daily or when cash on hand exceeds \$100. In addition, discontinue cashing checks for employees.
 2. Issue prenumbered receipt slips for all monies received and require all receipts to be recorded in the cash control immediately when received.
 3. Record the method of payment on the receipt slips or cash control and reconcile total cash, checks, and money orders to bank deposits.
 4. Adequately segregate the duties of receiving, recording, depositing monies, and reconciling the account. At a minimum, the Health Center Administrator should perform documented review of the work performed.
- B.1. Require a written contract be obtained for all services and ensure adequate documentation is received and maintained to support all expenditures.
 2. Require all applicable invoices to indicate receipt of goods.
 3. Require the invoice or supporting documentation be reviewed before authorizing payment.
- C.1. Perform and document inventories of Health Center owned property as required by state law.
 2. Ensure reconciliations are performed between prior year general fixed asset records and current year general fixed asset records which document total additions, deletions, and balances. Property purchases per the expenditure records should be reconciled to the general fixed asset additions.

Status:

A, B.1,
 B.2,
 & C. Not implemented. See MAR No. 16.

B.3. Partially implemented. The Director or Deputy Director of the Health Center reviews the invoices or supporting documents as checks are signed, however this review is not documented. Although not repeated in the current report, our recommendation remains as stated above.

13. Senate Bill 40 Board

A. The Senate Bill 40 Board Fund had accumulated a significant cash reserve. In addition, the Senate Bill 40 Board had other available resources such as current year property taxes not received at year end also available.

B. The Senate Bill 40 Board contracted with various not-for-profit (NFP) corporations to provide services in accordance with Section 205.970, RSMo 1994. However, the contracts did not specify the amounts to be paid to the NFPs and the specific services to be performed by the NFPs in return.

Recommendation:

The Senate Bill 40 Board:

A. Review the cash balance and consider reducing the property tax levy. If short-term plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the board minutes. In addition, all beginning available resources should be included in the budget document.

B. Update its contracts with the NFP corporations to include the specific services being received to ensure the consideration received for payments made is reasonable.

Status:

A. Partially implemented. The Senate Bill 40 Board reduced the levy from .09 to .08. In addition, the board is considering additional funding for the NFP organizations it supports. Although not repeated in the current report, our recommendation remains as stated above.

B. Not implemented. The contracts were updated; however they do not detail specific services being received. The NFP organizations present funding requests in writing which indicate how the money will be used. The funding requests and board approval are documented in the board minutes. Although not repeated in the current report, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and
Statistical Information

DUNKLIN COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1845, the county of Dunklin was named after Daniel Dunklin, a former governor of Missouri. Dunklin County is a township-organized, third-class county and is part of the Thirty-Fifth Judicial Circuit. The county seat is Kennett.

Dunklin County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Dunklin County received its money in 1998 and 1997 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 513,228	15	523,156	23
Sales taxes	1,061,492	32	0	0
Federal and state aid	1,052,122	31	1,029,925	44
Fees, interest, and other	724,876	22	762,042	33
Total	\$ 3,351,718	100	2,315,123	100

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

USE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 1,387,947	44	1,102,873	41
Public safety	964,303	30	883,312	32
Highways and roads	825,864	26	744,330	27
Total	\$ 3,178,114	100	2,730,515	100

The county maintains approximately 114 county bridges and has 790 miles of county roads which are maintained by the various townships.

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The county's population was 33,742 in 1970 and 33,112 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	1998	1997	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 135.5	126.3	112.8	49.6	34.3
Personal property	60.6	60.3	22.9	12.8	8.7
Railroad and utilities	22.8	23.1	16.7	17.8	13.2
Total	\$ 218.9	209.7	152.4	80.2	56.2

* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	1998	1997
General Revenue Fund	\$ 0.1	0.26
Health Center Fund	0.1	0.1
Senate Bill 40 Board Fund	0.08	0.08

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

	Year Ended February 28,	
	1999	1998
State of Missouri	\$ 66,774	64,928
General Revenue Fund	257,649	561,266
Special Road and Bridge Fund	556,144	544,113
Assessment Fund	93,774	96,572
Health Center Fund	220,325	214,754
Senate Bill 40 Board Fund	177,211	174,204
School districts	6,784,963	6,654,413
Library district	548,958	535,467
Ambulance district	265,539	258,905
Johnson Grass Fund	2,020	2,920
Townships	213,067	207,497
Drainage/Levee Districts	12,053	12,200
Cities	90,202	91,426
County Employees' Retirement	69,918	72,252
Other	6,848	7,998
Commissions and fees:		
General Revenue Fund	74,380	78,768
Townships Collectors	62,603	63,890
Ex Officio Collector	147	81
Total	\$ 9,502,575	9,641,654

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Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	1999	1998
Real estate	93.4 %	93.5 %
Personal property	86.8	87.7
Railroad and utilities	100.0	100.0

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

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ 0.005	None	*

* The ballot indicated the present property tax rate would be reduced to 10 cents per \$100 assessed valuation.

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

Officeholder	1999	1998	1997
County-Paid Officials:			
Don Jones, Presiding Commissioner	\$	25,622	25,622
Carl Williams, Associate Commissioner		25,622	25,622
Jeanie M. Herbst, Associate Commissioner		23,622	23,622
Susan Luce, Recorder of Deeds		36,603	36,603
Charles Isbell, County Clerk		39,654	39,654
Stephen Sokoloff, Prosecuting Attorney		46,364	46,364
Bob Holder, Sheriff		42,120	42,120
Jack Adkins, County Coroner		8,000	8,000
Wanda Stamply, Public Administrator *		44,339	45,972
Jeris Warrington, Treasurer & Ex-Officio County Collector, year ended March 31, **	40,175	40,110	
Donna Abmeyer, County Assessor, year ended August 31, ***		42,400	36,972

* Includes fees received from probate cases.

** Includes \$147 and \$81, respectively, of commissions collected from drainage districts.

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

State-Paid Officials:

Judith Vavak, Circuit Clerk	42,183	40,176
Daniel J. Crawford, Associate Circuit Judge	85,158	81,792
Perry J. Rhew, Associate Circuit Judge (Probate)		61,052
Mark Preyer, Associate Circuit Judge (Probate)		14,050
John Beaton, Associate Circuit Judge (Probate)	85,158	

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

Office	Number of Employees Paid by	
	County	State
Circuit Clerk	0	8
Recorder of Deeds	2	0
County Clerk*	4	0
Prosecuting Attorney	8	0
Sheriff*	20	0
Treasurer and Ex Officio County Collector*	2	0
County Assessor	6	0
Associate Division	0	4
Probate Division	0	2
Juvenile Office	6	0
Health Center	19	0
Custodian	1	0
Total	<u>68</u>	<u>14</u>

* Includes one part-time employee

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Dunklin County's share of the Thirty-Fifth Judicial Circuit's expenses is 53.4 percent.