



CHARITON COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 1999

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

Report No. 2000-91  
September 15, 2000  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

September 2000

[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

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

- As noted in two prior audit reports, the County Commission does not maintain adequate minutes of its meetings. The County Clerk has not typed the minutes into the official record book or submitted them to the County Commissioners for their approval since September 18, 1995. The only record of commission meetings available to the public is some unofficial notes. State statutes require that each public governmental body shall make available for inspection and copying by the public of that body's public records. The County Clerk is to maintain an accurate record of orders, rulings, and proceedings of the County Commission. Maintaining an accurate record of commission proceedings helps demonstrate compliance with statutory provisions related to issues such as budget approval, the Sunshine Law, bidding, and purchasing decisions.
- As similarly discussed in several prior audit reports, formal procedures have not been established to ensure all accrued costs (court costs, incarceration costs, court-ordered restitution, and fines) pertaining to criminal cases are adequately identified and pursued. A listing of accrued costs owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate. As a result, more than \$3,500 was never billed to the state, more than \$1,500 of over and under billings were noted and thousands of dollars in unpaid restitution are not being pursued.

(over)

YELLOW SHEET

- As Proposition C adjustments for school property tax collections were not considered when determining assessment withholdings, the General Revenue Fund has funded a larger portion of assessment costs than was necessary. For the months of December 1999 and 1998, amounts not withheld from school tax collections totaled approximately \$4,500.
- As similarly noted in two prior audit reports, bids were not always solicited nor was sufficient bid documentation always retained for some significant purchases made by the county. Additionally, the county needs to improve and better document its process for handling drainage district improvements.
- The county's personnel policies manual has not been updated since 1989. Some of the policies contained in the manual are unclear and/or outdated and are not being followed consistently among the various county departments.
- While several prior audit reports addressed the inadequacy of the county's general fixed assets records and procedures, it was again determined that the various required inventories and inspections have not been performed and no reports have been filed with the County Clerk. Property tags are not affixed to county property.

Also, included in the audit are recommendations to improve the accounting controls and procedures for the Sheriff and Circuit Clerk .

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

CHARITON COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u> <hr/>		
	State Auditor's Reports: .....	2-6
	Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
	Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	5-6
	Financial Statements: .....	7-25
<u>Exhibit</u>	<u>Description</u>	
	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds	
A-1	Year Ended December 31, 1999 .....	8
A-2	Year Ended December 31, 1998 .....	9
	<u>General Revenue Fund</u>	
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	10
	<u>Special Road and Bridge Fund</u>	
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	11
	<u>Assessment Fund</u>	
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	12
	<u>Law Enforcement Training Fund</u>	
E	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	13
	<u>Law Enforcement Sales Tax Fund</u>	
F	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	14

CHARITON COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

---

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
G	<u>Prosecuting Attorney Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	15
H	<u>Prosecuting Attorney Bad Check Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	16
I	<u>Prosecuting Attorney Delinquent Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	17
J	<u>Domestic Violence Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	18
K	<u>Recorder User Fee Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	19
L	<u>Health Center Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	20
M	<u>Law Library Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....	21

CHARITON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
N	<u>Circuit Clerk Interest Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....22
O	<u>Drainage Districts Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....23
P	<u>Senate Bill 40 Board Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....24
Q	<u>Sheriff Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1999 and 1998 .....25
Notes to the Financial Statements..... 26-29	
Supplementary Schedule:..... 30-32	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 1999 and 1998 ..... 31-32	
Notes to the Supplementary Schedule ..... 33-35	
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
State Auditor's Report:..... 37-39	
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133..... 38-39	

CHARITON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <b>FEDERAL AWARDS - SINGLE AUDIT SECTION</b> <hr/>	
Schedule:.....	40-42
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 1999 and 1998.....	41-42
Section I - Summary of Auditor's Results.....	40
Section II - Financial Statement Findings.....	42
Section III - Federal Award Findings and Questioned Costs.....	42
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	43-44
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133.....	45-46
<hr/> <b>MANAGEMENT ADVISORY REPORT SECTION</b> <hr/>	
Management Advisory Report - State Auditor's Findings .....	48-62
<u>Number</u>	<u>Description</u>
1.	County Commission Minutes .....
2.	County Expenditures.....
3.	General Fixed Assets .....
4.	County Personnel Policies .....
5.	Assessment Withholdings.....
6.	Circuit Court Liabilities .....
7.	Circuit Court Accrued Costs Records and Procedures .....
8.	Sheriff's Accounting Records, Controls, and Procedures .....
Follow-Up on Prior Audit Findings .....	63-67
<hr/> <b>STATISTICAL SECTION</b> <hr/>	
History, Organization, and Statistical Information .....	69-74

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 Chariton County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Chariton County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

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

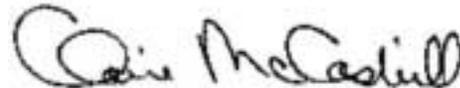
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Chariton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,

1999 and 1998, 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 April 26, 2000, 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 Chariton County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill  
State Auditor

April 26, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Regina Pruitt, CPA
In-Charge Auditor:	Charles Van Loo, CPA
Audit Staff:	Terese Summers, CPA Julie Vollmer



**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 Chariton County, Missouri

We have audited the special-purpose financial statements of various funds of Chariton County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 26, 2000. 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

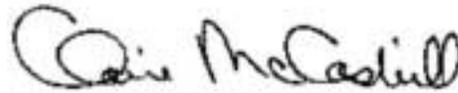
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Chariton County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Chariton County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

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

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

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

Claire McCaskill  
State Auditor

April 26, 2000 (fieldwork completion date)

## Financial Statements

Exhibit A-1

CHARITON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 386,568	1,082,223	1,337,102	131,689
Special Road and Bridge	701,119	820,443	751,223	770,339
Assessment	0	140,860	140,860	0
Law Enforcement Training	3,234	4,045	5,723	1,556
Law Enforcement Sales Tax	597,954	408,110	156,166	849,898
Prosecuting Attorney Training	613	557	704	466
Prosecuting Attorney Bad Check	11,803	4,810	32	16,581
Prosecuting Attorney Delinquent Tax	6,693	822	0	7,515
Domestic Violence	2,695	670	0	3,365
Recorder User Fee	7,585	4,718	2,167	10,136
Health Center	148,892	366,945	347,778	168,059
Law Library	449	1,380	1,371	458
Circuit Clerk Interest	483	379	470	392
Drainage Districts	100,752	27,859	7,085	121,526
Senate Bill 40 Board	121,273	56,467	50,768	126,972
Sheriff Fund	1,066	6,267	5,301	2,032
FEMA Fund	0	104,746	104,746	0
Total	\$ 2,091,179	3,031,301	2,911,496	2,210,984

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

Exhibit A-2

CHARITON 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	\$ 403,616	1,213,107	1,230,155	386,568
Special Road and Bridge	727,150	1,284,265	1,310,296	701,119
Assessment	0	120,028	120,028	0
Law Enforcement Training	5,530	3,414	5,710	3,234
Law Enforcement Sales Tax	345,088	393,097	140,231	597,954
Prosecuting Attorney Training	466	603	456	613
Prosecuting Attorney Bad Check	8,161	4,060	418	11,803
Prosecuting Attorney Delinquent Tax	6,303	390	0	6,693
Domestic Violence	2,257	438	0	2,695
Recorder User Fee	35,420	4,730	32,565	7,585
Health Center	124,573	361,342	337,023	148,892
Law Library	1,360	1,218	2,129	449
Circuit Clerk Interest	643	390	550	483
Drainage Districts	106,363	28,264	33,875	100,752
Senate Bill 40 Board	113,153	53,207	45,087	121,273
Sheriff Fund	1,137	4,825	4,896	1,066
Total	\$ 1,881,220	3,473,378	3,263,419	2,091,179

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

Exhibit B

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 268,700	264,529	(4,171)	254,600	263,363	8,763
Sales and use taxes	250,000	216,255	(33,745)	250,000	269,800	19,800
Intergovernmental	327,480	376,765	49,285	332,095	430,256	98,161
Charges for services	129,800	143,486	13,686	120,800	140,485	19,685
Interest	23,000	15,621	(7,379)	26,000	27,138	1,138
Other	45,825	35,567	(10,258)	46,925	49,951	3,026
Transfers in	32,700	30,000	(2,700)	33,620	32,114	(1,506)
Total Receipts	<u>1,077,505</u>	<u>1,082,223</u>	<u>4,718</u>	<u>1,064,040</u>	<u>1,213,107</u>	<u>149,067</u>
<b>DISBURSEMENTS</b>						
County Commission	71,852	70,290	1,562	39,500	38,480	1,020
County Clerk	98,600	86,558	12,042	90,500	60,057	30,443
Elections	15,700	11,085	4,615	35,050	26,332	8,718
Buildings and grounds	199,160	86,131	113,029	202,010	105,718	96,292
Employee fringe benefits	134,600	138,324	(3,724)	111,200	130,473	(19,273)
County Treasurer	72,950	65,965	6,985	71,165	46,228	24,937
Ex Officio County Collector	3,000	1,859	1,141	2,500	2,334	166
Circuit Clerk and Ex Officio Recorder of Deeds	33,100	70,338	(37,238)	32,930	59,306	(26,376)
Associate and Probate Circuit Court	12,650	10,118	2,532	11,000	4,863	6,137
Court administration	15,780	11,149	4,631	15,780	3,773	12,007
Public Administrator	17,075	13,931	3,144	12,025	17,567	(5,542)
Sheriff	349,375	358,363	(8,988)	310,850	334,844	(23,994)
Jail	90,100	74,756	15,344	69,500	85,494	(15,994)
Prosecuting Attorney	63,112	59,712	3,400	45,022	42,310	2,712
Juvenile Officer	34,406	29,025	5,381	50,367	45,836	4,531
County Coroner	12,475	10,017	2,458	12,475	9,391	3,084
Public health and welfare services	0	0	0	250	0	250
Other	77,250	64,353	12,897	64,150	63,211	939
Transfers out	176,500	175,128	1,372	180,400	153,938	26,462
Emergency Fund	32,400	0	32,400	32,000	0	32,000
Total Disbursements	<u>1,510,085</u>	<u>1,337,102</u>	<u>172,983</u>	<u>1,388,674</u>	<u>1,230,155</u>	<u>158,519</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(432,580)	(254,879)	177,701	(324,634)	(17,048)	307,586
CASH, JANUARY 1	386,568	386,568	0	403,616	403,616	0
CASH, DECEMBER 31	<u>\$ (46,012)</u>	<u>131,689</u>	<u>177,701</u>	<u>78,982</u>	<u>386,568</u>	<u>307,586</u>

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

Exhibit C

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Intergovernmental	913,000	777,731	(135,269)	1,279,000	1,242,037	(36,963)
Interest	39,500	38,850	(650)	40,000	39,665	(335)
Other	200	3,862	3,662	0	2,563	2,563
Total Receipts	952,700	820,443	(132,257)	1,319,000	1,284,265	(34,735)
<b>DISBURSEMENTS</b>						
Salaries	185,000	167,220	17,780	160,000	150,037	9,963
Employee fringe benefits	57,100	50,113	6,987	44,250	46,588	(2,338)
Supplies	15,000	9,235	5,765	12,150	8,802	3,348
Insurance	10,500	8,012	2,488	11,000	8,211	2,789
Equipment repairs	41,500	7,534	33,966	8,000	4,892	3,108
Equipment purchases	22,000	3,435	18,565	78,000	26,733	51,267
Construction, repair, and maintenance	967,200	450,344	516,856	724,000	537,646	186,354
Federal bridge expenditures	28,000	25,330	2,670	524,000	497,387	26,613
Transfers out	30,000	30,000	0	0	30,000	(30,000)
Total Disbursements	1,356,300	751,223	605,077	1,561,400	1,310,296	251,104
RECEIPTS OVER (UNDER) DISBURSEMENTS	(403,600)	69,220	472,820	(242,400)	(26,031)	216,369
CASH, JANUARY 1	701,119	701,119	0	727,150	727,150	0
CASH, DECEMBER 31	\$ 297,519	770,339	472,820	484,750	701,119	216,369

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

Exhibit D

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 122,000	115,150	(6,850)	120,500	114,645	(5,855)
Interest	1,100	135	(965)	1,000	1,100	100
Other	300	447	147	300	345	45
Transfers in	26,500	25,128	(1,372)	29,400	3,938	(25,462)
Total Receipts	<u>149,900</u>	<u>140,860</u>	<u>(9,040)</u>	<u>151,200</u>	<u>120,028</u>	<u>(31,172)</u>
DISBURSEMENTS						
Assessor	149,900	140,860	9,040	151,200	120,028	31,172
Total Disbursements	<u>149,900</u>	<u>140,860</u>	<u>9,040</u>	<u>151,200</u>	<u>120,028</u>	<u>31,172</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Exhibit E

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 3,000	3,176	176	3,000	3,188	188
Intergovernmental	1,000	780	(220)	0	0	0
Interest	200	89	(111)	350	226	(124)
Total Receipts	4,200	4,045	(155)	3,350	3,414	64
DISBURSEMENTS						
Sheriff	7,400	5,723	1,677	7,000	5,710	1,290
Total Disbursements	7,400	5,723	1,677	7,000	5,710	1,290
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,200)	(1,678)	1,522	(3,650)	(2,296)	1,354
CASH, JANUARY 1	3,234	3,234	0	5,530	5,530	0
CASH, DECEMBER 31	\$ 34	1,556	1,522	1,880	3,234	1,354

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

Exhibit F

CHARITON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LAW ENFORCEMENT SALES TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 220,000	221,295	1,295	215,000	218,213	3,213
Interest	30,000	36,815	6,815	15,000	24,225	9,225
Other	0	0	0	0	659	659
Transfers in	150,000	150,000	0	150,000	150,000	0
Total Receipts	400,000	408,110	8,110	380,000	393,097	13,097
DISBURSEMENTS						
Jail lease payments	145,500	136,516	8,984	148,000	136,759	11,241
Equipment and supplies	26,125	16,255	9,870	10,000	3,472	6,528
Other	10,000	3,395	6,605	11,000	0	11,000
Total Disbursements	181,625	156,166	25,459	169,000	140,231	28,769
RECEIPTS OVER (UNDER) DISBURSEMENTS	218,375	251,944	33,569	211,000	252,866	41,866
CASH, JANUARY 1	597,954	597,954	0	345,088	345,088	0
CASH, DECEMBER 31	\$ 816,329	849,898	33,569	556,088	597,954	41,866

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

Exhibit G

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 350	534	184	500	575	75
Interest	30	23	(7)	25	28	3
Total Receipts	<u>380</u>	<u>557</u>	<u>177</u>	<u>525</u>	<u>603</u>	<u>78</u>
DISBURSEMENTS						
Prosecuting Attorney	950	704	246	950	456	494
Total Disbursements	<u>950</u>	<u>704</u>	<u>246</u>	<u>950</u>	<u>456</u>	<u>494</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(570)	(147)	423	(425)	147	572
CASH, JANUARY 1	613	613	0	466	466	0
CASH, DECEMBER 31	<u>\$ 43</u>	<u>466</u>	<u>423</u>	<u>41</u>	<u>613</u>	<u>572</u>

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

Exhibit H

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,000	4,145	145	2,500	3,579	1,079
Interest	400	665	265	300	481	181
Total Receipts	<u>4,400</u>	<u>4,810</u>	<u>410</u>	<u>2,800</u>	<u>4,060</u>	<u>1,260</u>
DISBURSEMENTS						
Prosecuting Attorney	5,250	32	5,218	1,750	418	1,332
Total Disbursements	<u>5,250</u>	<u>32</u>	<u>5,218</u>	<u>1,750</u>	<u>418</u>	<u>1,332</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(850)	4,778	5,628	1,050	3,642	2,592
CASH, JANUARY 1	11,803	11,803	0	8,161	8,161	0
CASH, DECEMBER 31	<u>\$ 10,953</u>	<u>16,581</u>	<u>5,628</u>	<u>9,211</u>	<u>11,803</u>	<u>2,592</u>

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

Exhibit I

CHARITON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 100	488	388	200	72	(128)
Interest	200	334	134	350	318	(32)
Total Receipts	<u>300</u>	<u>822</u>	<u>522</u>	<u>550</u>	<u>390</u>	<u>(160)</u>
DISBURSEMENTS						
Prosecuting Attorney	1,000	0	1,000	1,000	0	1,000
Total Disbursements	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(700)	822	1,522	(450)	390	840
CASH, JANUARY 1	6,693	6,693	0	6,303	6,303	0
CASH, DECEMBER 31	<u>\$ 5,993</u>	<u>7,515</u>	<u>1,522</u>	<u>5,853</u>	<u>6,693</u>	<u>840</u>

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

Exhibit J

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 300	525	225	250	320	70
Interest	110	145	35	100	118	18
Total Receipts	410	670	260	350	438	88
DISBURSEMENTS						
Other	1,000	0	1,000	1,000	0	1,000
Total Disbursements	1,000	0	1,000	1,000	0	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(590)	670	1,260	(650)	438	1,088
CASH, JANUARY 1	2,695	2,695	0	2,257	2,257	0
CASH, DECEMBER 31	\$ 2,105	3,365	1,260	1,607	2,695	1,088

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

Exhibit K

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,000	4,308	308	4,000	4,148	148
Interest	450	410	(40)	150	582	432
Total Receipts	<u>4,450</u>	<u>4,718</u>	<u>268</u>	<u>4,150</u>	<u>4,730</u>	<u>580</u>
DISBURSEMENTS						
Ex OfficioRecorder of Deeds	1,000	2,167	(1,167)	31,700	32,565	(865)
Total Disbursements	<u>1,000</u>	<u>2,167</u>	<u>(1,167)</u>	<u>31,700</u>	<u>32,565</u>	<u>(865)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,450	2,551	(899)	(27,550)	(27,835)	(285)
CASH, JANUARY 1	7,585	7,585	0	35,420	35,420	0
CASH, DECEMBER 31	<u>\$ 11,035</u>	<u>10,136</u>	<u>(899)</u>	<u>7,870</u>	<u>7,585</u>	<u>(285)</u>

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

Exhibit L

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 91,285	92,056	771	89,861	92,999	3,138
Intergovernmental	194,339	219,287	24,948	212,412	216,188	3,776
Charges for services	19,000	25,558	6,558	20,800	21,942	1,142
Interest	5,251	5,899	648	5,250	5,693	443
Other	18,194	24,145	5,951	21,585	24,520	2,935
Total Receipts	<u>328,069</u>	<u>366,945</u>	<u>38,876</u>	<u>349,908</u>	<u>361,342</u>	<u>11,434</u>
<b>DISBURSEMENTS</b>						
Salaries	290,350	284,384	5,966	274,019	274,019	0
Office expenditures	59,750	46,393	13,357	50,482	50,482	0
Mileage and training	16,000	15,486	514	11,806	11,806	0
Other	2,100	1,515	585	716	716	0
Total Disbursements	<u>368,200</u>	<u>347,778</u>	<u>20,422</u>	<u>337,023</u>	<u>337,023</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(40,131)	19,167	59,298	12,885	24,319	11,434
CASH, JANUARY 1	148,892	148,892	0	124,573	124,573	0
CASH, DECEMBER 31	<u>\$ 108,761</u>	<u>168,059</u>	<u>59,298</u>	<u>137,458</u>	<u>148,892</u>	<u>11,434</u>

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

Exhibit M

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,200	1,380	180	1,200	1,218	18
Total Receipts	1,200	1,380	180	1,200	1,218	18
DISBURSEMENTS						
Books	1,000	1,371	(371)	1,000	2,129	(1,129)
Total Disbursements	1,000	1,371	(371)	1,000	2,129	(1,129)
RECEIPTS OVER (UNDER) DISBURSEMENTS	200	9	(191)	200	(911)	(1,111)
CASH, JANUARY 1	449	449	0	1,360	1,360	0
CASH, DECEMBER 31	\$ 649	458	(191)	1,560	449	(1,111)

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

Exhibit N

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 450	379	(71)	500	390	(110)
Total Receipts	450	379	(71)	500	390	(110)
DISBURSEMENTS						
Office equipment	810	470	340	1,143	550	593
Total Disbursements	810	470	340	1,143	550	593
RECEIPTS OVER (UNDER) DISBURSEMENTS	(360)	(91)	269	(643)	(160)	483
CASH, JANUARY 1	483	483	0	643	643	0
CASH, DECEMBER 31	\$ 123	392	269	0	483	483

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

Exhibit O

CHARITON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 DRAINAGE DISTRICTS FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 21,701	22,163	462	21,501	22,467	966
Interest	4,394	5,696	1,302	3,800	5,797	1,997
Total Receipts	<u>26,095</u>	<u>27,859</u>	<u>1,764</u>	<u>25,301</u>	<u>28,264</u>	<u>2,963</u>
DISBURSEMENTS						
Supplies	200	89	111	650	70	580
Maintenance and repairs	80,160	6,996	73,164	104,167	33,805	70,362
Total Disbursements	<u>80,360</u>	<u>7,085</u>	<u>73,275</u>	<u>104,817</u>	<u>33,875</u>	<u>70,942</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(54,265)	20,774	75,039	(79,516)	(5,611)	73,905
CASH, JANUARY 1	100,752	100,752	0	106,363	106,363	0
CASH, DECEMBER 31	<u>\$ 46,487</u>	<u>121,526</u>	<u>75,039</u>	<u>26,847</u>	<u>100,752</u>	<u>73,905</u>

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

Exhibit P

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 47,035	46,621	(414)	46,647	47,062	415
Interest	5,085	4,846	(239)	5,392	5,145	(247)
Other	2,000	5,000	3,000	2,000	1,000	(1,000)
Total Receipts	54,120	56,467	2,347	54,039	53,207	(832)
DISBURSEMENTS						
Contract services	58,540	50,230	8,310	58,540	33,994	24,546
Repair/upkeep	15,600	457	15,143	12,000	5,871	6,129
Miscellaneous	210	81	129	707	5,222	(4,515)
Total Disbursements	74,350	50,768	23,582	71,247	45,087	26,160
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,230)	5,699	25,929	(17,208)	8,120	25,328
CASH, JANUARY 1	121,273	121,273	0	113,153	113,153	0
CASH, DECEMBER 31	\$ 101,043	126,972	25,929	95,945	121,273	25,328

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

Exhibit Q

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

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,500	6,208	1,708	4,500	4,780	280
Interest	50	59	9	50	45	(5)
Total Receipts	<u>4,550</u>	<u>6,267</u>	<u>1,717</u>	<u>4,550</u>	<u>4,825</u>	<u>275</u>
DISBURSEMENTS						
Sheriff	<u>5,610</u>	<u>5,301</u>	<u>309</u>	<u>4,500</u>	<u>4,896</u>	<u>(396)</u>
Total Disbursements	<u>5,610</u>	<u>5,301</u>	<u>309</u>	<u>4,500</u>	<u>4,896</u>	<u>(396)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,060)</u>	<u>966</u>	<u>2,026</u>	<u>50</u>	<u>(71)</u>	<u>(121)</u>
CASH, JANUARY 1	1,066	1,066	0	1,137	1,137	0
CASH, DECEMBER 31	<u>\$ 6</u>	<u>2,032</u>	<u>2,026</u>	<u>1,187</u>	<u>1,066</u>	<u>(121)</u>

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

Notes to the Financial Statements

CHARITON 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 Chariton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, 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 a formal budget for the FEMA Fund for the year ended December 31, 1999.

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorder User Fee Fund	1999 and 1998
Law Library Fund	1999 and 1998
Sheriff Fund	1998

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

A deficit budget balance is presented for the General Revenue Fund for the year ended December 31, 1999. However, the budget of that fund also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balance presented.

D. Published Financial Statements

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

However, the county's published financial statement for the year ended December 31, 1999, did not include the FEMA Fund.

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. 1999, requires political subdivisions with 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 deposits at December 31, 1999 and 1998, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

Of the Health Center Board's bank balance at December 31, 1999, \$ 155,052 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, and \$23,499 was uninsured and uncollateralized. Of the Health Center Board's bank balance at December 31, 1998, \$160,772 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, and \$2,998 was uninsured and uncollateralized.

Furthermore, because of significantly higher bank balances at certain times during the year, the amounts of uninsured and uncollateralized balances were substantially higher at those times than such amounts at year-end.

The SB 40 Board's deposits at December 31, 1999 and 1998, were entirely covered by federal depositary insurance or by collateral securities held by the SB 40 Board's custodial bank in the SB 40 Board's name.

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.

Supplementary Schedule

Schedule

CHARITON 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,	
			1999	1998
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-9120 ER0045-8120	12,672	12,586
U.S. DEPARTMENT OF DEFENSE				
Direct Program -				
12.105	Protection of essential highways, highway bridge approaches, and public works	N/A	2,500	114,385
U.S. DEPARTMENT OF THE INTERIOR				
Direct Program -				
15.unknown	Refuge Revenue Sharing Act	N/A	21,889	23,259
U.S. DEPARTMENT OF JUSTICE				
Direct program -				
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	780	0
Passed through:				
State Department of Public Safety -				
16.579	Byrne Formula Grant Program	98-NCD2-073 99-NCD2-073	32,501	11,296
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	991	1,013
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-21 (23) BRO-21 (24) BRO-21 (25)	6,960 13,305 0	42,433 146,881 207,841
	Program Total		<u>20,265</u>	<u>397,155</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	1253-DR-MO	104,746	9,908

Schedule

CHARITON 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,	
			1999	1998
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct program -				
93.268	Immunization Grants	N/A	688	688
Passed through state:				
Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ER0146-9120	322	0
93.268	Immunization Grants	N/A	13,450	7,964
Department of Social Services -				
93.563	Child Support Enforcement	N/A	1,240	414
Department of Health -				
93.575	Child Care and Development Block Grant	N/A	2,193	2,385
Department of Health -				
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ER0161-90002	3,887	3,263
93.991	Preventive Health and Health Services Block Grant	N/A	147	141
93.994	Maternal and Child Health Services Block Grant to the States	ER0146-9120 ER0146-8120	14,632	14,986
93.994	Comprehensive Family Planning	ER0175-9120FP ER0175-8120FP	2,657	4,071
Total Expenditures of Federal Awards			\$ <u>235,560</u>	<u>603,514</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

CHARITON 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 Chariton 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.

The direct program amounts for Immunization Grants (CFDA number 93.268) represent the original acquisition cost of varicella (chicken pox) vaccine provided to the Health Center through the Centers for Disease Control of the U.S. Department of Health and Human Services. Of the pass-through amounts for that program, \$12,370

and \$5,414 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$147 and \$141 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$736 and \$492 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1999 and 1998.

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 Chariton County, Missouri

Compliance

We have audited the compliance of Chariton 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, 1999 and 1998. 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.

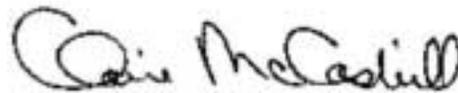
In our opinion, Chariton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998.

## Internal Control Over Compliance

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

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

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



Claire McCaskill  
State Auditor

April 26, 2000 (fieldwork completion date)

Schedule

CHARITON COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 1999 AND 1998

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes   x   no

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

Noncompliance material to the financial statements noted? \_\_\_\_\_ yes   x   no

Federal Awards

Internal control over major programs:

Material weakness identified? \_\_\_\_\_ yes   x   no

Reportable condition identified that is not considered to be material weakness? \_\_\_\_\_ yes   x   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   x   no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
15.unknown	Refuge Revenue Sharing Act
20.205	Highway Planning and Construction

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

Auditee qualified as a low-risk auditee?  yes  no

## **Section II - Financial Statement Findings**

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

## **Section III - Federal Award Findings and Questioned Costs**

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

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

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

Our prior audit report issued for the two years ended December 31, 1997, 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

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

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

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

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

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

We have audited the special-purpose financial statements of various funds of Chariton County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 26, 2000. We also have audited the compliance of Chariton 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, 1999 and 1998, and have issued our report thereon dated April 26, 2000.

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 Chariton 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*.

<b>1. County Commission Minutes</b>
-------------------------------------

As noted in our prior two audit reports, the County Commission does not maintain adequate minutes of its meetings. Unofficial notes from the meetings are kept by one of the commissioners in a handwritten minutes book. These unofficial notes did not always include a record of votes taken as required by Section 610.020(6), RSMo Cumulative Supp. 1999, and were generally vague and barely legible. The County Clerk has not typed the minutes into the official record book or submitted them to the County Commissioners for their approval since September 18, 1995. As a result, there is less assurance these notes represent a correct record of matters discussed and actions taken. Section 610.023(2), RSMo Cumulative Supp. 1999, states that each public governmental body shall make available for inspection and copying by the public of that body's public records. By not maintaining an official minutes book, the only record of commission meetings available to the public is the unofficial notes. By maintaining an accurate record of commission proceedings the county demonstrates compliance with statutory provisions related to issues such as budget approval, the Sunshine Law (Chapter 610, RSMo), bidding, and purchasing decisions. The minutes should also serve as a reference source should questions arise from the public, employees, contractors, etc.

Pursuant to Section 51.120, RSMo 1994, the county clerk is to maintain an accurate record of orders, rulings, and proceedings of the county commission. In addition, timely approval not only adds assurance to the authenticity of official minutes, but allows a review of the contents to ensure the minutes include all important information regarding the meetings held.

**WE AGAIN RECOMMEND** the County Commission ensure a formal and complete record of commission meetings is made and approved on a timely basis.

**AUDITEE'S RESPONSE**

*The County Clerk has typed January through June 1998 minutes, and is current for the year 2000. By December 31, 2000, the minutes for July 1998 through December 1999 will be finished. The remainder of 1995 through December 1997 minutes will hopefully be completed by September 30, 2001.*

<b>2. County Expenditures</b>
-------------------------------

A. Bids were not always solicited nor was sufficient bid documentation always retained for some significant purchases made by the county. These purchases included a

booking system with camera costing \$6,250, tank cars costing \$15,500, and a sheriff's patrol vehicle costing \$11,500. Additionally, it was noted that the Sheriff made food purchases totaling \$30,953 during 1999 and 1998 from one vendor without soliciting bids.

The County Commission indicated bids were often solicited by phone or items were sometimes purchased from sole source suppliers (i.e. aware of no other vendor providing the good or service, or no other vendor in the county provides the good or service). However, they frequently failed to retain adequate documentation of their efforts and reasons for decisions made.

Section 50.660, RSMo Cumulative Supp.1999, requires the advertisement of bids for all purchases of \$4,500 or more, and the solicitation of bids for purchases greater than \$4,500 from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all parties are given an equal opportunity to participate in county business. Documentation of bids should always be retained as evidence that the county's established purchasing procedures, as well as statutory requirements, are being followed. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, newspaper publication notices when applicable, bids received, the basis and justification for awarding bids, and documentation of all discussions with vendors.

- B. Pursuant to Section 243.020, RSMo 1994, the County Commission established eleven drainage districts for the purpose of draining and protecting any land or other property within the respective districts. Section 243.220, RSMo 1994, outlines the procedures for landowners to request repairs and improvements and the county commission's role in verifying their need and monitoring completion of the work. Statutory provisions require that five or more landowners must file a written maintenance report with the County Commission. The County Commission is to select an engineer to observe the district land and prepare a report of estimated costs of the proposed repairs and improvements which are deemed necessary. Upon approval of this report, the County Commission should then authorize the engineer to proceed with the needed repairs. An itemized report detailing the actual costs of labor and supplies incurred to complete the work is to be prepared by the engineer and submitted to the county. These costs are to be paid from the applicable drainage district's funds.

The county's procedures do not comply with the various statutory provisions described above. Written maintenance reports are not submitted. Rather, when repairs or improvements are needed, individual landowners from drainage districts, after apparently consulting with the district's advisory board, verbally request

approval from the County Commission to make the repair. County Commission considerations and approvals of such requests are not always documented in commission minutes. In some cases the county hires and pays the contractor directly. In other cases, the landowner hires a contractor or performs the work himself, and upon completion, the landowner submits applicable invoices to the county for reimbursement.

Without the independent review of an engineer, documentation of the district advisory board's or County Commission's approval, and written maintenance reports, there is less assurance all repairs and maintenance are necessary and appropriate. Considering the fact that county procedures do not comply with statutory provisions, thorough documentation of the County Commission's role and involvement regarding drainage district repairs and improvements is essential in case concerns arise.

Conditions similar to A and B were noted in our prior two reports.

**WE RECOMMEND** the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained. If bids cannot be obtained and/or sole source procurement is necessary, the County Commission minutes should reflect the circumstances.
- B. Ensure that the process for approving, completing, and monitoring repairs and improvements made to drainage districts complies with state law. In addition, information in the County Commission minutes regarding drainage district decisions needs to be improved.

**AUDITEE'S RESPONSE**

- A. *Bidding procedures have already been corrected with careful documentation of bids solicited by newspaper and phone advertising when necessary. All officials have been made aware of the need for compliance with state law. We will try to obtain bids recommended as soon as we get a list of specifications (i.e.; prisoner food and milk).*
- B. *The County Commission will consider the recommendation to hire an engineer and to have an itemized report detailing actual costs incurred to complete the work prepared by the engineer for the drainage districts. Written maintenance letters are now being submitted to the County Commission from landowners requesting work to be done. The county is paying all contractors directly and requiring bids for the labor and materials. Requests for work and bids are being documented in the County Commission minutes.*

**3.****General Fixed Assets**

Several prior audit reports have addressed the inadequacy of the county's general fixed assets records and procedures. Although the county has continually responded that efforts will be made to implement the recommendations, problems still exist in this area.

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections. Our review determined that the various required inventories and inspections have not been performed and no reports have been filed with the County Clerk. Property tags are not affixed to county property.

Adequate general fixed asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Physical inventories of county 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.

Effective August 28, 1999, Section 49.093, RSMo Cumulative Supp. 1999, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the county clerk. The reports required by this section shall be signed by the county clerk.

**WE RECOMMEND** the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, all general fixed assets should be tagged or otherwise identified as county-owned property.

**AUDITEE'S RESPONSE**

*The County Commission will work on a written policy for the handling and accounting for fixed assets to be completed by December 2000. Our goal for getting all property tagged will be December 2001.*

4.

#### County Personnel Policies

The county's personnel policies manual has not been updated since 1989. Some of the policies contained in the manual are unclear and/or outdated and are not being followed consistently among the various county departments.

The county does not have a formal policy regarding county phone usage. Employees are allowed to use county phones for personal calls with the understanding that the calls will be tracked and the county reimbursed for any long distance charges incurred. Although some county officials require reimbursement to the county for personal calls, there is no evidence that all offices within the courthouse follow this procedure. We noted one month where 120 minutes of long distance personal phone calls were made from the Prosecuting Attorney's office, however, the county was not reimbursed for the expense. A policy is needed to ensure county phones are only used for business purposes, or to establish a reimbursement procedure if the County Commission continues to authorize personal use of county phones.

A current and comprehensive personnel policies manual is necessary to clearly outline the expectations and benefits of employment, and can also help ensure that management's policies are fairly and consistently applied to all county employees. If inconsistent application of policies or instances of non-compliance with established policies are identified, timely action should be taken to determine the cause and rectify the problem.

**WE RECOMMEND** the County Commission establish and formally adopt an updated county-wide personnel policies manual that reflects current county policies. Policies regarding county phone usage should be developed and included. In addition, the County Commission should review telephone usage in the various county offices and request reimbursements as deemed appropriate.

#### **AUDITEE'S RESPONSE**

*By June 2001, the county will have an updated personnel policy to include, among other things, employee phone usage and address the reimbursement thereof.*

5.

#### Assessment Withholdings

The costs pertaining to the assessment of properties within the county is a shared expense. Section 137.750, RSMo 1994, provides the basis for funding assessment maintenance costs. The state reimburses the county for expenses incurred subject to a minimum or maximum per parcel. Funding from the county comes from one percent of taxes collected by all taxing authorities within the county, and the general revenue of the county.

Section 50.338, RSMo 1994, states that no fund shall lose revenue because of a reduction in school tax levies due to Proposition C. The Ex Officio Collector determines the 1 percent to be withheld prior to adjusting school property tax collections for the effects of Proposition C, resulting in incorrect assessment withholdings. For the months of December 1999 and 1998, amounts not withheld from school tax collections totaled approximately \$4,500.

The General Revenue Fund is required to fund assessment costs not funded by the state and other taxing authorities in the county. As a result of the Ex Officio Collector not considering Proposition C adjustments when determining the one percent assessment withholdings, the General Revenue Fund has funded a larger portion of assessment costs than was necessary. This condition also pertains to some previous years and the county should consider recalculating for past years to determine any necessary adjustments.

**WE RECOMMEND** the Ex Officio Collector adjust the amounts withheld from school tax collections to take into consideration the effects of Proposition C and withhold the appropriate portion for assessment purposes as provided by statute. In addition, the county should consider recalculating the assessment withholding amounts for past years and withhold appropriate amounts from future school property tax distributions.

#### **AUDITEE'S RESPONSE**

*We have implemented a schedule to reimburse the Assessment Fund for 1999 and 1998. Of the approximate \$4,400 due to the fund, all but \$37 has been withheld from current school tax distributions. We have determined that approximately \$5,600 is due to the Assessment Fund for 1997 and 1996. Reimbursement to the fund will be made as taxes are collected.*

**6.**

#### **Circuit Court Liabilities**

As discussed in several prior audit reports, the Circuit Clerk does not prepare a monthly listing of liabilities. The most recent listing of liabilities was prepared as of December 31, 1995, and indicated the reconciled cash balance exceeded the listing by approximately \$3,065. The reconciled bank balance of the fee account was approximately \$25,275 at December 31, 1999.

Monthly listings of liabilities 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.

**WE RECOMMEND** the Circuit Clerk establish and maintain an accurate monthly listing of liabilities which can be reconciled to the appropriate accounting records.

## AUDITEE'S RESPONSE

*We will be implementing this recommendation when preparing the August 2000 bank reconciliation.*

### **7. Circuit Court Accrued Costs Records and Procedures**

As similarly discussed in several prior audit reports, formal procedures have not been established to ensure all accrued costs (court costs, incarceration costs, court-ordered restitution, and fines) pertaining to criminal cases are adequately identified and pursued. A listing of accrued costs owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate. When a case is closed and the costs determined, the Circuit Clerk prepares and sends a cost bill to the defendant. If payment is not received, the Circuit Clerk does not initiate any further collection procedures. In addition, summary records are not maintained of accrued cost balances and the Circuit Clerk does not periodically determine total accrued costs. An estimate of the total accrued costs could not be determined by the Circuit Clerk. By not adequately monitoring accrued costs, these costs could remain uncollected and might eventually result in lost revenue.

- A. Our review of criminal cases with accrued costs and the related billings prepared by the Circuit Clerk and sent to defendants, the state, or other counties revealed some concerns.
- 1) The Circuit Clerk maintains separate fee sheets for cases where amounts are still due. Our scan of these fee sheets identified twelve cases where payments were not being made as required by the court order. Additional follow up efforts appeared necessary, however, for eight of these cases appropriate actions had not been taken by the court to collect these costs from the defendant or bill the state when appropriate. As of March 2000, accrued costs related to these cases totaled approximately \$5,365.
  - 2) Section 221.105, RSMo Cumulative Supp. 1999, allows for the reimbursement of certain costs in criminal cases where the state has been rendered liable. The Sheriff is to certify the number of prisoner incarceration days and the Circuit Clerk is responsible for preparing and submitting cost bills to the state for reimbursement. The revenue generated by these billings is received by the county. Section 33.120, RSMo Cumulative Supp. 1999, requires all such bills to be submitted to the state's Office of Administration within two years of the date of judgment and sentence.

The Circuit Clerk does not submit criminal cost billings to the state for incarceration costs related to defendants where the court retained the option of granting probation to the defendant after 120 days pursuant to Section 559.115, RSMo Cumulative Supp. 1999. However, if the defendant violates

probation and returns to the Department of Corrections for the original sentence period the Circuit Clerk will then bill the state. Although it appears the Circuit Clerk's Office generally ensured that other applicable cases (non-120 day cases) were properly billed, we noted one such case for 1996, involving billable incarceration costs of \$3,526, which was never billed to the state. Since the two year time limit has expired on this case, this represents revenue which has been lost to the county. In addition, after we brought it to the Circuit Clerk's attention, a billing for a similar case with costs totaling \$682 was submitted to the state one day prior to the two year allowable period expiring.

- 3) Criminal cost billings prepared by the Circuit Clerk and sent to defendants, the state, or other counties are not always completed properly. For 10 of 22 cost billings tested, the incorrect number of days of incarceration or the incorrect cost per day were used in the computation. This resulted in the county both over and under billing for some cases with a net over billing of approximately \$1,500. Problems resulted from errors made by both the Circuit Clerk's office and Sheriff's department. For some cases, the Sheriff's department submitted amended certifications to the court; however, amended billings were not prepared. The Circuit Clerk needs to ensure the number of incarceration days is correct and in agreement with the Sheriff's certification, and that the proper billing rate is utilized in the computation. Careful scrutiny of billing information by both the Circuit Clerk and Sheriff would provide the county with greater assurance that it is being reimbursed properly.

To ensure criminal cost reimbursements received by the county are maximized and amounts are correct, all allowable costs should be billed in a timely manner, cost billings should be thoroughly examined for accuracy by the Circuit Clerk, and all methods available to the court to pursue unpaid costs should be exercised regularly and timely.

- B. When an order of probation or a specified court order includes the payment of victim restitution, the Circuit Judge may order that the restitution be paid through the Sheriff's department. While reviewing the restitution case files at the Sheriff's department it was determined that there was approximately \$88,000 in outstanding restitution due as of February 2000. Our review of thirteen of these restitution case files (which account for approximately \$67,000 or 76 percent of the February 2000 outstanding restitution total) revealed that ten defendants were not making payments in accordance with their order of probation or specified court order. Of the ten defendants that were not making payments, two were on probation under the supervision of the court, one was never placed on probation, and seven were under the supervision of a probation and parole officer. Our review of the related case files noted some concerns.

- 1) For the two defendants under court supervision payments were not being made as ordered and appropriate follow-up action was not taken. For one of these cases \$2,216 of restitution and \$476 of court costs were due from 1992. Three payments totaling \$100 were made during 1992. For the other case the defendant was ordered to pay full restitution totaling \$1,305 within sixty days in 1991. No payments have been made. Despite the lack of payment, there is no evidence in either of these case files of further efforts by the Sheriff or Circuit Court to pursue monies due.
- 2) In May 1995 a defendant pled guilty and was ordered to pay fines and court costs of \$634 and restitution of \$3,149 within thirty days. This defendant was not placed on probation. While case records indicate the fines and court costs were paid during 1995, there was no evidence that restitution was paid or appropriate follow-up action taken.
- 3) For defendants placed on supervised probation and required to report to a Department of Corrections probation and parole officer, regular case summary reports are to be filed with the court. These reports indicate whether or not the defendants are adhering to the conditions of probation. In addition, if the defendant violates any of the conditions of probation, a violation report should be filed with the court. Upon signing the order of probation, the defendant is made aware that a violation of probation could result in executing the original sentence.

A review of file documentation pertaining to three of these cases indicated that regular case summary reports and violation reports were on file and included various recommendations made by probation and parole officers, some of which were intended to improve the possibility of collecting more or all of the unpaid restitution or to further penalize the defendant for lack of payment. There was no documentation in these files to document the court's consideration of these recommendations and reasons for not applying them. In addition, there was no documentation that the court actively pursued other options available to collect restitution monies owed. These defendants were discharged from probation during 1993, 1996, and 1998, with significant restitution balances of \$8,532, \$4,145, and \$12,000 still owed.

A review of file documentation pertaining to the other four cases where defendants were on supervised probation indicated no particular concerns regarding the court's actions.

From our review it appeared the court did not always use various options available to collect unpaid monies, including probation and parole officer recommendations, periodic rebillings, show cause orders, and requesting the Circuit Judge to issue warrants. In addition, the Circuit Clerk and Sheriff need to improve communications

regarding the status of restitution cases to ensure that the court can implement appropriate actions in a timely manner. Ineffective monitoring of cases with accrued costs and the failure to utilize available options in a timely manner can result in lost revenues.

To ensure that all applicable monies are received by the Circuit Court and/or Sheriff's department, formal procedures should be established and records of accrued cost balances should be maintained. These records should be periodically reviewed to ensure that accrued costs are identified and followed up on in a timely manner.

**WE RECOMMEND** the Circuit Clerk:

- A.1. Establish adequate procedures to monitor and collect accrued costs.
  2. Take timely action to ensure any unbilled costs pertaining to past 120 day cases are billed to the state before the two-year time limit expires. In addition, in the future, the Circuit Clerk should ensure all billable criminal costs are billed to the state on a timely basis.
  3. Work with the Sheriff to ensure the accuracy of cost billings to defendants and other political subdivisions.
- B. Work with the Circuit Judge and Sheriff to ensure that the status of cases with restitution balances are monitored and all appropriate actions are taken to pursue any unpaid amounts due.

**AUDITEE'S RESPONSE**

- A.1. *I have started placing defendants with accrued case costs on the Circuit Judge's show cause docket. If the defendant fails to appear in court a warrant is issued for their arrest with a bond that is set in excess of the accrued case costs to cover the costs of issuing the arrest warrant.*
  2. *I will immediately bill all applicable costs to the state and will try to recover the costs from the defendant if they should happen to be placed on probation.*
  3. *I will immediately begin working with the Sheriff to ensure the accuracy of the cost billings. However, if there is an error on a cost billing that is submitted to the state the state will correct the error and send the appropriate reimbursement.*
- B. *A copy of all probation violation reports is submitted to the Circuit Judge, the Prosecuting Attorney, and retained by my office. I will discuss the violation reports with the Circuit Judge to determine his expectations concerning these cases and violation reports in general.*

## **AUDITOR'S COMMENT**

- A.3. Errors were noted in billings to defendants and other political subdivisions, not just billings to the state. If inappropriate information regarding dates of incarceration are submitted to the state, errors may not be detected. The court should not rely on the state to correct its errors.

### **8. Sheriff's Accounting Records, Controls, and Procedures**

During our review of the Sheriff's office we noted the following areas of concern in the accounting controls and procedures:

- A.1. Accounting and record keeping duties are not properly segregated. All employees in the sheriff's department collect receipts and have access to monies received. The bookkeeper, who has primary responsibilities for collecting receipts, also prepares and makes deposits, prepares checks, maintains the various records, and performs month-end reconciliations. Neither the Sheriff nor anyone else independent of these processes performs periodic comparisons of receipts records to deposits or reviews the month-end reconciliations.
2. The sheriff's department also receives monies from employees and visitors for the purchase of snacks and sodas. The monies received from the sales are not properly controlled or accounted for and are simply placed in cans in the booking area.

To establish accountability and adequately protect monies from loss, theft or misuse, monies should be secured in a location with access limited to the individual responsible for the monies, records should be maintained for all monies received, and independent reviews of the monthly bank reconciliations and comparisons of deposits and accounting records performed.

- B. The Chariton County Sheriff's Department receives personal monies for inmates and operates a commissary to purchase snacks and soda for prisoners. During our review of procedures relating to these monies, we noted the following concerns:
- 1) Although prenumbered receipt slips are issued when prisoner monies are received, the method of payment is not always indicated on the receipt slips and they are not properly controlled and accounted for.
  - 2) Each prisoner has his/her own ledger sheet which records information such as deposits, purchases, and balance. Although these subsidiary ledger sheets are maintained, they are not reconciled to the inmate bank account balance.

Upon our request, a March 9, 2000, listing of individual inmate balances was prepared. The listing revealed a difference of approximately \$38 between the bank balance and the Sheriff's subsidiary records.

- 3) Snack and soda inventories are purchased with county General Revenue Fund monies. However, a periodic comparison of county purchases to total sales (comprised of sales to inmates and sales to employees and visitors as discussed above in A.2.) and monies periodically remitted to the County Treasurer is not performed.

To help ensure that all monies are properly received and accounted for, and to reduce the risk of loss or misuse of funds, receipt slips should indicate the method of payment, they should be properly controlled, and their numerical sequence should be properly accounted for. To also assist in accounting for monies received, a listing of individual inmate balances should be prepared and maintained to explain bank balances. In addition, periodic comparisons of county purchases to sales and transmittals are needed to better account for items sold, evaluate the reasonableness of any profits made, and account for monies transmitted to the County Treasurer.

**WE RECOMMEND** the Sheriff:

- A. Limit the access to monies received, maintain records of all monies received and disbursed, compare the composition of receipts to deposits, and properly review and approve the monthly bank reconciliations.
- B.1. Indicate the method of payment on all receipt slips, properly control receipt slips, and properly account for their numerical sequence.
  2. Investigate the reason for the unreconcilable difference between the subsidiary ledger sheets and inmate account and prepare a monthly listing of individual inmate balances to document what comprises the bank balance.
  3. Perform periodic comparisons of county purchases to overall sales and transmittals to the County Treasurer.

**AUDITEE'S RESPONSE**

- A. *I will designate a person per shift to take money and issue receipt slips. I will also designate an alternate person to receive money. Although the report states that I do not perform periodic comparisons of records, I do look over records every quarter. I will start to initial each record after I check them.*
- B.1. *We will write on each receipt slip if we received cash, check, or money order, and put the check or money order number on the receipt slip. Receipt slips will be properly accounted*

*for.*

2. *I will investigate the \$38 and ensure a listing of inmate balances is prepared each month.*
3. *I will work with the County Treasurer on this each quarter, rather than yearly as is done at this time.*

*All of the recommendations will be implemented during August 2000.*

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

CHARITON 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 Chariton County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1997. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR.

1. County Financial Statements and Commission Minutes

- A. The county's published financial statements did not include activity for the Health Center Fund or the Senate Bill 40 Board Fund.
- B. The County Commission did not approve meeting minutes until they were entered into the official record book and the County Clerk had not typed the minutes into the official record book since September 18, 1995. The unofficial handwritten notes from the meetings were kept by one of the commissioners and did not always include a record of commissioners present or absent, or a record of votes taken.

Recommendation:

The County Commission:

- A. Ensure the published financial statements include all county funds as required by state law.
- B. Ensure a complete record of commission meetings is made and approved on a timely basis.

Status:

- A. Implemented.
- B. Not implemented. See MAR No. 1.

2. County Expenditures

- A. Bids were not always solicited nor was the selection process always documented for various purchases made by the county.
- B. The county did not issue Forms 1099-MISC.
- C. The county's procedures for making repairs and improvements to drainage districts did not comply with state law.

- D. The county provided funding totaling \$11,188 to three local public service organizations without entering into written agreements with those organizations.

Recommendation:

The County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained. If bids cannot be obtained and sole source procurement is necessary, the County Commission minutes should reflect the circumstances.
- B. Establish procedures to ensure IRS Forms 1099-MISC are issued as required by the Internal Revenue Code.
- C. Ensure repairs and improvements are made to drainage districts in accordance with state law.
- D. Refrain from providing public funds to local public service organizations unless the funding is provided under written agreements which adequately detail the duties and responsibilities of the parties.

Status:

A&C. Not implemented. See MAR No. 2.

B&D. Implemented.

3. General Fixed Assets

- A. An annual inventory of all general fixed assets and quarterly inspections of all lands and buildings were not being conducted by the County Clerk.
- B. The property records did not contain totals.
- C. County asset items were not numbered, tagged, or otherwise identified as county property.

Recommendation:

The County Clerk:

- A. Perform an annual inventory of all general fixed asset items and quarterly inspections of buildings and land in accordance with Section 51.155, RSMo 1997 Cum. Supp. Records should be maintained to document the inventory and inspections.
- B. Provide control totals in the general fixed asset records and reconcile additions and deletions to fixed asset purchases and dispositions to ensure the accuracy of the fixed asset records.
- C. Tag or otherwise identify each property item as being property of Chariton County.

Status:

- A,B,  
&C. Not implemented. However, legislation passed in 1999 changed responsibilities for county officials concerning fixed asset records. For related comments, see MAR No. 3.

4. Circuit Clerk's Accounting Records, Controls, and Procedures

- A. No formal procedures had been established to ensure all accrued costs are adequately identified and pursued.
- B.1. The Circuit Clerk did not prepare a monthly listing of liabilities.
  - 2. Old, inactive cases dating back twenty years or more had not yet been disbursed.
- C. The Circuit Clerk did not follow up on outstanding checks.

Recommendation:

The Circuit Clerk:

- A. Establish adequate procedures to follow up and collect costs that accrue to the court.
- B.1. Establish and maintain an accurate monthly listing of liabilities which can be reconciled to the appropriate accounting records. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state statute.
  - 2. Along with the Circuit Judge, review the older cases and determine the appropriate disposition of inactive cases.
- C. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.

Status:

- A. Partially implemented. The Circuit Clerk follows up on civil cases. However, proper follow-up is not performed for criminal cases. See MAR No. 7.
- B.1. Not implemented. See MAR No. 6.
- B.2.
- &C. Implemented.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

CHARITON COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1820, the county of Chariton was named after the Chariton River or possibly after John Charvette, a fur trader who drowned in what is now the Chariton River. Chariton County is a township-organized, third-class county and is part of the Ninth Judicial Circuit. The county seat is Keytesville.

Chariton 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 Chariton County received its money in 1999 and 1998 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 264,529	14	263,363	11
Sales taxes	216,255	11	269,800	11
Federal and state aid	1,154,496	61	1,672,293	67
Fees, interest, and other	267,386	14	291,916	11
Total	\$ 1,902,666	100	2,497,372	100

The following chart shows how Chariton County spent monies in 1999 and 1998 from the General Revenue and Special Road and Bridge Funds:

USE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 805,229	39	712,280	28
Public safety	531,873	25	517,875	20
Highways and roads	751,223	36	1,310,296	52
Total	\$ 2,088,325	100	2,540,451	100

In addition, Chariton County has a Law Enforcement Sales Tax Fund, with sales tax and interest receipts of \$258,110 and \$243,097 and disbursements of \$156,166 and \$140,231, for the years ended December 31, 1999 and 1998, respectively. This fund is being used to make interest and principal payments related to the jail building lease-purchase agreement.

The county maintains approximately 225 county bridges and the townships maintain approximately 800 miles of county roads.

The county's population was 11,084 in 1970 and 9,202 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	1999	1998	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 44.8	41.5	46.2	28.4	22.3
Personal property	22.8	21.9	10.9	11.2	6.7
Railroad and utilities	30.7	31.3	31.8	24.5	20.1
Total	\$ 98.3	94.7	88.9	64.1	49.1

\* First year of statewide reassessment.

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

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

	Year Ended December 31,	
	1999	1998
General Revenue Fund	\$ .30	.28
Health Center Fund	.10	.10
Senate Bill 40 Board Fund	.05	.05

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 local governments. Taxes collected were distributed as follows:

	Year Ended February 28(29),	
	2000	1999
State of Missouri	\$ 29,713	28,164
General Revenue Fund	310,634	283,798
Special Road and Bridge Fund	696,968	658,710
Assessment Fund	51,670	45,038
Health Center Fund	97,154	92,882
Senate Bill 40 Board Fund	49,198	47,031
School districts	3,573,364	3,361,822
Townships	98,366	94,038
Ambulance district	254,920	243,705
Fire protection district	90,206	68,948
Drainage districts	21,528	22,332
Watershed district	0	40
Cities	37,602	43,430
County Clerk	271	298
County Employees' Retirement	14,393	11,324
Commissions and fees:		
Township Collectors	38,797	37,863
General Revenue Fund	68,472	62,233
Total	\$ <u>5,433,256</u>	<u>5,101,656</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28(29).	
	2000	1999
Real estate	96.4 %	96.3 %
Personal property	95.0	94.9
Railroad and utilities	100.0	100.0
Drainage districts	95.8	97.8

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

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ .0050	None	50
Law Enforcement	.0050	None	None
Use Tax	.0100	None	None

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

Officeholder	2000	1999	1998
<b>County-Paid Officials:</b>			
Larry R. Peters, Presiding Commissioner	\$	23,384	11,700
Gail Brown, Associate Commissioner		21,384	11,700
Ray Dowell, Associate Commissioner		21,384	11,700
Susan Littleton, County Clerk		32,400	25,500
Julie Fox, Prosecuting Attorney		38,700	25,226
Christopher Hughes, Sheriff		35,000	35,000
William Leatherwood, County Coroner		5,500	5,500
Patti Yung, Public Administrator *		12,639	16,362
Beverly Vasser, Treasurer and Ex Officio County Collector, year ended March 31,	28,745	28,745	
Jerry Hayes, County Assessor **, year ended August 31,		33,300	33,300
Marcus Magee, County Surveyor ***			

\* Includes fees received from probate cases.

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

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

**State-Paid Officials:**

Robert Widmer, Circuit Clerk and Ex Officio Recorder of Deeds	44,292	42,183
Michael Midyett, Associate Circuit Judge	87,235	85,158

A breakdown of employees (excluding the elected officials) by office at December 31, 1999, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex Officio Recorder of Deeds	1	1
County Clerk	2	0
Prosecuting Attorney	1	0
Sheriff	19 *	0
County Coroner	1 **	0
Treasurer and Ex Officio County Collector	1	0
County Assessor	3	0
Associate and Probate Division	0	2 ***
Road and Bridge	6	0
Health Center	10 ****	0
Total	<u>44</u>	<u>3</u>

- \* Includes five part-time employees
- \*\* Part-time employee
- \*\*\* Includes one part-time employee
- \*\*\*\* Includes four part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Chariton County's share of the Ninth Judicial Circuit's expenses is 31.28 percent.

Following the completion of the jail in 1995, the county entered into a 20 year lease-purchase agreement to pay for the building. At December 31, 1999, the county owed \$1,420,000 in principal and \$974,367 in interest for a total of \$2,394,367.

\* \* \* \* \*