



Claire McCaskill

Missouri State Auditor

December 2006

Dent County, Missouri

Years Ended

December 31, 2005 and 2004



Office Of
Missouri State Auditor
Claire McCaskill

December 2006

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

Reconciliations of the county's accounting records are not adequate. The County Clerk and Treasurer reconcile computer records with the Treasurer's manual fund ledger for General Revenue Fund, Special Road and Bridge Fund, Assessment Fund, and 911 Emergency Fund disbursements. However, the County Clerk does not perform reconciliations between the manual ledger and the computer system for other funds which are entered into the system by the County Treasurer. Reconciliations would provide a more effective check-and-balance system, increase the likelihood of timely detection of errors and omission, and improve financial reporting.

The Juvenile Office budget did not include all anticipated revenues and expenditures, and cash balances were not reflected. In addition, the Juvenile Office Fund budget was not filed with the State Auditor's Office, and actual expenditures exceeded budgeted amounts.

Various county procedures are in need of improvement including tracking federal awards, ensuring passwords are periodically changed and remain confidential, and ensuring all equipment is recorded on the fixed asset listing. In addition, the county's annual published financial statements did not include information for the Juvenile Office Fund and included only those amounts that passed through the County Treasurer for the Health Center Fund and the Developmental Disabilities Fund. Finally, documentation was not maintained to support property tax rollback calculations or 911 expenses incurred by the LEST Fund.

Controls over the property tax system could be improved including the verification of the delinquent tax books and amounts reported for property tax additions. In addition, reporting errors on the County Collector's annual settlements may have been identified more timely had a thorough review of the settlements been performed.

The Circuit Clerk Office accounting procedures could be improved by adequately segregating duties, following-up on old outstanding checks, and depositing more timely. In addition, differences between the bank reconciliation and the monthly fee report were not always resolved in a timely manner for the Ex Officio Recorder of Deeds account.

YELLOW SHEET

There is no independent review to ensure manual receipt slips issued by the Associate Circuit Division were properly entered into the computer system. In addition, official pre-numbered receipt slips should be obtained and used when manual receipt slips are necessary.

The Health Center Fund budget reported inaccurate amounts for cash, revenues, and expenditures. In addition, accounting duties are not adequately segregated for the Cardio Vascular Wellness Program and receipt slips are not issued for some sales.

All reports are available on our Web site: www.auditor.mo.gov

DENT COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

To the County Commission
and
Officeholders of Dent County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Dent County, Missouri, as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed more fully in Note 1, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dent County, Missouri, as of December 31, 2005 and 2004, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Dent 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, 2005 and 2004, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 14, 2006, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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



Claire McCaskill
State Auditor

August 14, 2006 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Peggy Schler, CPA
In-Charge Auditor:	Terri Erwin
Audit Staff:	Jennifer Carter
	Liang Xu
	Christopher McCullick



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Dent County, Missouri

We have audited the financial statements of various funds of Dent County, Missouri, as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Dent County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Responses as finding number 05-1.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over

financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, finding number 05-1, to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Dent County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Dent County, Missouri, and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

August 14, 2006 (fieldwork completion date)

Financial Statements

Exhibit A-1

DENT COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2005

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 659,659	1,343,117	1,232,659	770,117
Special Road and Bridge	121,050	944,718	993,676	72,092
Assessment	45,328	175,082	157,049	63,361
911	75,128	53,765	37,103	91,790
Law Enforcement Sales Tax	57,940	771,072	768,670	60,342
Associate Circuit Court Interest	1,807	267	1,954	120
Child Trust	810	760	0	1,570
Circuit Clerk Interest	3,885	519	1,217	3,187
Collector's Tax Maintenance	6,396	15,351	5,334	16,413
Health Center	87,041	564,806	431,012	220,835
Juvenile Office	24,745	272,645	279,403	17,987
Law Library	2,557	7,457	9,634	380
Miscellaneous Grant	51	26,575	26,575	51
Prosecuting Attorney Bad Check	21,397	15,909	21,883	15,423
Prosecuting Attorney Special Law Enforcement	21	0	0	21
Prosecuting Attorney Training	2,049	1,424	1,414	2,059
Recorder Users Fee	8,687	11,638	7,400	12,925
Dent County Developmental Disabilities Board	135,128	265,809	240,041	160,896
Senior Citizens Service	12,659	61,904	64,855	9,708
Special Election Service	15,997	6,544	7,993	14,548
Title III	38,272	192	0	38,464
Law Enforcement Restitution	0	18,708	7,703	11,005
Law Enforcement Training	3,682	2,216	1,924	3,974
Sheriff Revolving	4,661	1,140	1,178	4,623
Total	\$ 1,328,950	4,561,618	4,298,677	1,591,891

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

Exhibit A-2

DENT COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2004

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 422,711	1,251,578	1,014,630	659,659
Special Road and Bridge	82,526	1,092,021	1,053,497	121,050
Assessment	32,708	156,758	144,138	45,328
911	54,722	49,913	29,507	75,128
Law Enforcement Sales Tax	53,342	702,174	697,576	57,940
Associate Circuit Court Interest	1,573	234	0	1,807
Child Trust	860	750	800	810
Circuit Clerk Interest	3,527	373	15	3,885
Collector's Tax Maintenance	543	16,386	10,533	6,396
Health Center	139,544	418,903	471,406	87,041
Juvenile Office	21,213	266,042	262,510	24,745
Law Library	4,020	6,514	7,977	2,557
Miscellaneous Grant	51	19,360	19,360	51
Prosecuting Attorney Bad Check	22,836	21,143	22,582	21,397
Prosecuting Attorney Special Law Enforcement	21	0	0	21
Prosecuting Attorney Training	1,116	1,273	340	2,049
Recorder Users Fee	16,083	11,464	18,860	8,687
Dent County Developmental Disabilities				
Board	97,589	260,361	222,822	135,128
Senior Citizens Service	13,997	61,484	62,822	12,659
Special Election Service	482	15,515	0	15,997
Title III	76	38,196	0	38,272
Law Enforcement Training	5,305	3,009	4,632	3,682
Sheriff Revolving	0	4,661	0	4,661
Total	\$ 974,845	4,398,112	4,044,007	1,328,950

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

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 4,461,011	4,561,618	100,607	4,320,530	4,390,442	69,912
DISBURSEMENTS	4,561,094	4,298,677	262,417	4,224,147	4,039,375	184,772
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100,083)	262,941	363,024	96,383	351,067	254,684
CASH, JANUARY 1	1,304,236	1,328,929	24,693	890,660	969,540	78,880
CASH, DECEMBER 31	1,204,153	1,591,870	387,717	987,043	1,320,607	333,564
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	62,000	59,925	(2,075)	60,000	61,328	1,328
Sales taxes	685,000	690,212	5,212	655,000	667,102	12,102
Intergovernmental	137,015	141,218	4,203	103,125	117,501	14,376
Charges for services	263,908	327,415	63,507	274,350	288,620	14,270
Interest	14,500	19,035	4,535	15,000	14,462	(538)
Other	103,600	85,512	(18,088)	92,250	91,565	(685)
Transfers in	19,000	19,800	800	9,000	11,000	2,000
Total Receipts	1,285,023	1,343,117	58,094	1,208,725	1,251,578	42,853
DISBURSEMENTS						
County Commissioner	91,740	90,747	993	89,999	89,404	595
County Clerk	90,852	88,701	2,151	87,481	86,075	1,406
Elections	96,200	70,509	25,691	62,360	49,937	12,423
Buildings and grounds	104,662	72,493	32,169	65,010	55,596	9,414
Employee fringe benefit	157,180	158,621	(1,441)	154,264	140,955	13,309
County Treasurer	34,021	32,435	1,586	33,752	33,048	704
County Collector	75,742	71,361	4,381	72,666	72,654	12
Ex Officio Recorder of Deed	30,030	28,761	1,269	33,215	30,372	2,843
Circuit Clerk	16,700	13,011	3,689	16,700	13,468	3,232
Associate Circuit Court	17,074	15,010	2,064	17,074	16,208	866
Court administration	12,300	12,580	(280)	11,000	17,519	(6,519)
Public Administrator	34,800	41,687	(6,887)	32,992	29,135	3,857
Prosecuting Attorney	133,950	134,960	(1,010)	123,847	122,630	1,217
Juvenile Offices	39,524	39,410	114	32,667	32,668	(1)
County Coroner	23,957	21,408	2,549	23,045	20,034	3,011
Court Reporter	1,400	1,101	299	1,225	933	292
Extension Council	32,000	32,000	0	30,500	30,500	0
Road and bridge capital expense	120,000	211,147	(91,147)	60,000	86,701	(26,701)
Trial expense	40,000	3,319	36,681	0	0	0
Other General County Government	52,189	55,642	(3,453)	70,310	46,108	24,202
Transfers out	39,972	37,756	2,216	48,993	40,685	8,308
Emergency Fund	38,600	0	38,600	36,500	0	36,500
Total Disbursements	1,282,893	1,232,659	50,234	1,103,600	1,014,630	88,970
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,130	110,458	108,328	105,125	236,948	131,823
CASH, JANUARY 1	659,659	659,659	0	422,711	422,711	0
CASH, DECEMBER 31	661,789	770,117	108,328	527,836	659,659	131,823

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	320,000	309,803	(10,197)	325,000	316,095	(8,905)
Intergovernmental	644,500	604,497	(40,003)	700,250	738,429	38,179
Interest	4,500	3,754	(746)	4,000	4,129	129
Other	23,000	26,664	3,664	142,000	33,368	(108,632)
Total Receipts	992,000	944,718	(47,282)	1,171,250	1,092,021	(79,229)
DISBURSEMENTS						
Salaries	366,288	365,909	379	351,728	351,594	134
Employee fringe benefit	109,600	105,568	4,032	100,410	98,762	1,648
Supplies	100,500	131,500	(31,000)	84,500	101,398	(16,898)
Insurance	21,500	8,494	13,006	17,500	20,691	(3,191)
Road and bridge materials	310,500	328,329	(17,829)	434,000	386,610	47,390
Equipment repairs	50,000	50,159	(159)	50,000	62,451	(12,451)
Equipment purchases	30,000	0	30,000	65,000	28,745	36,255
Other	5,500	3,717	1,783	5,450	3,246	2,204
Total Disbursements	993,888	993,676	212	1,108,588	1,053,497	55,091
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,888)	(48,958)	(47,070)	62,662	38,524	(24,138)
CASH, JANUARY 1	121,050	121,050	0	82,526	82,526	0
CASH, DECEMBER 31	119,162	72,092	(47,070)	145,188	121,050	(24,138)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	124,605	139,371	14,766	101,179	111,889	10,710
Interest	1,025	1,456	431	1,000	1,096	96
Other	3,100	3,089	(11)	3,500	3,088	(412)
Transfers in	39,972	31,166	(8,806)	48,485	40,685	(7,800)
Total Receipts	168,702	175,082	6,380	154,164	156,758	2,594
DISBURSEMENTS						
Assessor	170,402	157,049	13,353	154,164	144,138	10,026
Total Disbursements	170,402	157,049	13,353	154,164	144,138	10,026
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,700)	18,033	19,733	0	12,620	12,620
CASH, JANUARY 1	45,328	45,328	0	32,708	32,708	0
CASH, DECEMBER 31	43,628	63,361	19,733	32,708	45,328	12,620
<u>911 FUND</u>						
RECEIPTS						
Charges for services	49,000	51,845	2,845	44,500	48,398	3,898
Interest	1,600	1,920	320	1,700	1,515	(185)
Total Receipts	50,600	53,765	3,165	46,200	49,913	3,713
DISBURSEMENTS						
Telephone	2,500	1,391	1,109	5,000	1,726	3,274
Emergency radio system	3,000	0	3,000	5,000	0	5,000
Equipment	30,000	20,712	9,288	36,000	27,781	8,219
Transfers out	15,000	15,000	0	0	0	0
Total Disbursements	50,500	37,103	13,397	46,000	29,507	16,493
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	16,662	16,562	200	20,406	20,206
CASH, JANUARY 1	75,128	75,128	0	54,722	54,722	0
CASH, DECEMBER 31	75,228	91,790	16,562	54,922	75,128	20,206

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT SALES TAX FUND						
RECEIPTS						
Sales taxes	685,000	689,250	4,250	610,000	640,460	30,460
Interest	1,500	1,584	84	0	1,989	1,989
Charges for services	62,500	51,278	(11,222)	43,000	58,735	15,735
Other	16,287	7,370	(8,917)	9,000	990	(8,010)
Transfers in	15,000	21,590	6,590	0	0	0
Total Receipts	780,287	771,072	(9,215)	662,000	702,174	40,174
DISBURSEMENTS						
Sheriff's salary	42,000	42,000	0	42,000	42,000	0
Deputy salary	303,598	283,600	19,998	276,499	238,978	37,521
Part-time salary	5,000	4,692	308	5,000	33,551	(28,551)
Medical insurance	81,500	76,334	5,166	38,655	54,519	(15,864)
Uniform allowance	10,080	9,390	690	10,080	9,450	630
Social Security/Medicare	26,438	24,526	1,912	24,748	22,942	1,806
Office expenses	5,000	4,861	139	6,000	4,490	1,510
Other - telephone	4,200	4,052	148	4,200	4,048	152
Postage	550	430	120	500	555	(55)
Computer Mules	6,500	5,771	729	7,000	5,682	1,318
Equipment	6,000	3,915	2,085	12,000	3,081	8,919
Investigation and training	5,000	1,535	3,465	13,000	1,462	11,538
Workman's compensation insurance	14,461	15,755	(1,294)	9,876	10,357	(481)
Automobile expenses	27,800	35,980	(8,180)	24,000	28,987	(4,987)
Automobile purchase	50,000	48,647	1,353	40,000	38,298	1,702
Sheriff grant	10,000	0	10,000	10,000	0	10,000
Matching funds	1,000	988	12	1,000	0	1,000
Automobile liability	22,429	1,356	21,073	0	6,170	(6,170)
Property liability	6,170	0	6,170	0	22,769	(22,769)
Jail salaries	145,124	129,128	15,996	122,868	93,669	29,199
Jail Social Security/Medicare	11,041	9,870	1,171	9,400	7,891	1,509
Travel and per diem	4,200	4,983	(783)	3,800	4,008	(208)
Board of prisoners	40,000	54,870	(14,870)	39,000	57,797	(18,797)
Inmates medical expenses	2,800	1,783	1,017	2,200	3,810	(1,610)
Jury room and board	1,400	592	808	1,400	622	778
Mattress and blankets	2,500	3,437	(937)	3,000	2,110	890
Maintenance supplies	600	175	425	600	330	270
Total Disbursements	835,391	768,670	66,721	706,826	697,576	9,250
RECEIPTS OVER (UNDER) DISBURSEMENTS	(55,104)	2,402	57,506	(44,826)	4,598	49,424
CASH, JANUARY 1	57,219	57,940	721	53,342	53,342	0
CASH, DECEMBER 31	2,115	60,342	58,227	8,516	57,940	49,424
ASSOCIATE CIRCUIT COURT INTEREST FUND						
RECEIPTS						
Interest	200	267	67	250	234	(16)
Total Receipts	200	267	67	250	234	(16)
DISBURSEMENTS						
Associate Circuit Judge	2,007	1,954	53	1,823	0	1,823
Total Disbursements	2,007	1,954	53	1,823	0	1,823
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,807)	(1,687)	120	(1,573)	234	1,807
CASH, JANUARY 1	1,807	1,807	0	1,573	1,573	0
CASH, DECEMBER 31	0	120	120	0	1,807	1,807

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CHILD TRUST FUND</u>						
RECEIPTS						
Charges for service:	800	760	(40)	670	750	80
Total Receipts	800	760	(40)	670	750	80
DISBURSEMENTS						
Crisis Center	600	0	600	600	600	0
Russell House	200	0	200	200	200	0
Total Disbursements	800	0	800	800	800	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	760	760	(130)	(50)	80
CASH, JANUARY 1	810	810	0	860	860	0
CASH, DECEMBER 31	810	1,570	760	730	810	80
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	360	519	159	350	373	23
Total Receipts	360	519	159	350	373	23
DISBURSEMENTS						
Circuit Clerk	2,000	1,217	783	2,000	15	1,985
Total Disbursements	2,000	1,217	783	2,000	15	1,985
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,640)	(698)	942	(1,650)	358	2,008
CASH, JANUARY 1	3,885	3,885	0	3,527	3,527	0
CASH, DECEMBER 31	2,245	3,187	942	1,877	3,885	2,008
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for service:	16,400	15,351	(1,049)	16,516	16,386	(130)
Total Receipts	16,400	15,351	(1,049)	16,516	16,386	(130)
DISBURSEMENTS						
County Collector	16,500	5,334	11,166	16,516	10,533	5,983
Total Disbursements	16,500	5,334	11,166	16,516	10,533	5,983
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100)	10,017	10,117	0	5,853	5,853
CASH, JANUARY 1	6,390	6,396	6	1,633	543	(1,090)
CASH, DECEMBER 31	6,290	16,413	10,123	1,633	6,396	4,763

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
HEALTH CENTER FUND						
RECEIPTS						
Property taxes	116,500	119,083	2,583	114,000	122,811	8,811
Intergovernmental	168,795	161,589	(7,206)	165,648	154,403	(11,245)
Charges for services:	77,564	91,132	13,568	73,000	59,220	(13,780)
Interest	1,400	3,093	1,693	1,900	1,426	(474)
Special income	2,000	8,185	6,185	100	2,326	2,226
Cardio vascular wellness gran	170,402	181,724	11,322	175,744	73,966	(101,778)
Unclassified adjustmen	0	0	0	0	4,751	4,751
Total Receipts	536,661	564,806	28,145	530,392	418,903	(111,489)
DISBURSEMENTS						
Salaries	231,914	213,540	18,374	238,552	231,522	7,030
Office expenditures:	15,950	14,956	994	12,950	15,799	(2,849)
Program expense	16,100	17,053	(953)	14,500	14,448	52
Training and mileage	12,000	9,550	2,450	9,300	10,523	(1,223)
Equipment	3,000	3,564	(564)	3,000	2,065	935
Insurance	6,000	5,140	860	5,000	5,230	(230)
Maintenance	4,000	2,905	1,095	5,000	2,904	2,096
Healthy community nutrition education initiativ	21,295	396	20,899	14,000	22,402	(8,402)
Staff benefits	56,000	35,392	20,608	52,346	44,342	8,004
Cardio vascular wellness	170,402	121,692	48,710	175,644	114,719	60,925
Unclassified adjustmen	0	6,824	(6,824)	0	7,452	(7,452)
Total Disbursements	536,661	431,012	105,649	530,292	471,406	58,886
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	133,794	133,794	100	(52,503)	(52,603)
CASH, JANUARY 1	95,382	87,041	(8,341)	80,787	139,544	58,757
CASH, DECEMBER 31	95,382	220,835	125,453	80,887	87,041	6,154
JUVENILE OFFICE FUND						
RECEIPTS						
Intergovernmental	181,302	270,899	89,597	149,852	263,528	113,676
Interest	0	280	280	0	208	208
Other	0	1,466	1,466	0	2,306	2,306
Total Receipts	181,302	272,645	91,343	149,852	266,042	116,190
DISBURSEMENTS						
Juvenile Officer	181,302	279,403	(98,101)	149,852	262,510	(112,658)
Total Disbursements	181,302	279,403	(98,101)	149,852	262,510	(112,658)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(6,758)	(6,758)	0	3,532	3,532
CASH, JANUARY 1	0	24,745	24,745	0	21,213	21,213
CASH, DECEMBER 31	0	17,987	17,987	0	24,745	24,745

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for service:	6,500	7,457	957	5,500	6,514	1,014
Total Receipts	6,500	7,457	957	5,500	6,514	1,014
DISBURSEMENTS						
Prosecuting Attorney	6,000	9,634	(3,634)	5,000	7,977	(2,977)
Total Disbursements	6,000	9,634	(3,634)	5,000	7,977	(2,977)
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	(2,177)	(2,677)	500	(1,463)	(1,963)
CASH, JANUARY 1	5,483	2,557	(2,926)	4,020	4,020	0
CASH, DECEMBER 31	5,983	380	(5,603)	4,520	2,557	(1,963)
<u>MISCELLANEOUS GRANT FUND</u>						
RECEIPTS						
Intergovernmental	46,490	26,575	(19,915)	36,422	19,360	(17,062)
Interest	0	0	0	8	0	(8)
Total Receipts	46,490	26,575	(19,915)	36,430	19,360	(17,070)
DISBURSEMENTS						
Other	46,490	26,575	19,915	36,422	19,360	17,062
Total Disbursements	46,490	26,575	19,915	36,422	19,360	17,062
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	8	0	(8)
CASH, JANUARY 1	51	51	0	51	51	0
CASH, DECEMBER 31	51	51	0	59	51	(8)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for service:	18,000	15,773	(2,227)	16,000	21,023	5,023
Interest	100	136	36	90	120	30
Total Receipts	18,100	15,909	(2,191)	16,090	21,143	5,053
DISBURSEMENTS						
Prosecuting Attorney	6,000	5,883	117	10,050	11,582	(1,532)
Transfers out	16,000	16,000	0	11,000	11,000	0
Total Disbursements	22,000	21,883	117	21,050	22,582	(1,532)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,900)	(5,974)	(2,074)	(4,960)	(1,439)	3,521
CASH, JANUARY 1	21,408	21,397	(11)	22,836	22,836	0
CASH, DECEMBER 31	17,508	15,423	(2,085)	17,876	21,397	3,521
<u>PROSECUTING ATTORNEY SPECIAL LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Interest				0	0	0
Total Receipts				0	0	0
DISBURSEMENTS						
Prosecuting Attorney				21	0	21
Total Disbursements				21	0	21
RECEIPTS OVER (UNDER) DISBURSEMENTS				(21)	0	21
CASH, JANUARY 1				21	21	0
CASH, DECEMBER 31				0	21	21

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for service:	900	1,424	524	850	1,273	423
Total Receipts	900	1,424	524	850	1,273	423
DISBURSEMENTS						
Prosecuting Attorney	1,400	1,414	(14)	700	340	360
Total Disbursements	1,400	1,414	(14)	700	340	360
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	10	510	150	933	783
CASH, JANUARY 1	2,049	2,049	0	1,116	1,116	0
CASH, DECEMBER 31	1,549	2,059	510	1,266	2,049	783
RECORDER USERS FEE FUND						
RECEIPTS						
Charges for service:	11,950	11,583	(367)	11,900	11,416	(484)
Interest	50	55	5	50	48	(2)
Total Receipts	12,000	11,638	(362)	11,950	11,464	(486)
DISBURSEMENTS						
Ex Officio Recorder of Deed	5,000	3,600	1,400	18,800	18,860	(60)
Transfers out	3,000	3,800	(800)	0	0	0
Total Disbursements	8,000	7,400	600	18,800	18,860	(60)
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,000	4,238	238	(6,850)	(7,396)	(546)
CASH, JANUARY 1	8,687	8,687	0	16,083	16,083	0
CASH, DECEMBER 31	12,687	12,925	238	9,233	8,687	(546)
DENT COUNTY DEVELOPMENTAL DISABILITIES BOARD FUND						
RECEIPTS						
Property taxes	215,000	213,736	(1,264)	202,000	220,938	18,938
Charges for service:	5,300	6,164	864	5,275	5,287	12
Interest	2,800	6,383	3,583	3,500	2,712	(788)
Other	42,000	39,526	(2,474)	21,500	31,424	9,924
Total Receipts	265,100	265,809	709	232,275	260,361	28,086
DISBURSEMENTS						
Payroll	24,500	23,522	978	22,700	22,700	0
Office expense:	6,000	4,918	1,082	6,000	5,188	812
Capitol improvements	5,000	10,549	(5,549)	8,000	1,719	6,281
Property insurance	7,000	7,301	(301)	7,000	6,885	115
Direct services:	12,500	12,191	309	15,000	11,864	3,136
Health insurance - Board	47,500	41,703	5,797	43,500	43,692	(192)
Health insurance - employee:	42,000	36,013	5,987	21,500	32,603	(11,103)
Emergency funding	10,000	3,601	6,399	10,000	1,517	8,483
Contracted service:	100,587	100,243	344	97,077	96,654	423
Future services	10,000	0	10,000	10,000	0	10,000
Total Disbursements	265,087	240,041	25,046	240,777	222,822	17,955
RECEIPTS OVER (UNDER) DISBURSEMENTS	13	25,768	25,755	(8,502)	37,539	46,041
CASH, JANUARY 1	125,128	135,128	10,000	97,589	97,589	0
CASH, DECEMBER 31	125,141	160,896	35,755	89,087	135,128	46,041

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SENIOR CITIZENS SERVICE FUND</u>						
RECEIPTS						
Property taxes	58,237	57,598	(639)	57,000	59,415	2,415
Intergovernmental	100	4,136	4,036	1,040	1,891	851
Interest	150	170	20	100	178	78
Total Receipts	58,487	61,904	3,417	58,140	61,484	3,344
DISBURSEMENTS						
Contracted services:	60,773	64,855	(4,082)	61,990	62,822	(832)
Total Disbursements	60,773	64,855	(4,082)	61,990	62,822	(832)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,286)	(2,951)	(665)	(3,850)	(1,338)	2,512
CASH, JANUARY 1	12,659	12,659	0	13,997	13,997	0
CASH, DECEMBER 31	10,373	9,708	(665)	10,147	12,659	2,512
<u>SPECIAL ELECTION SERVICE FUND</u>						
RECEIPTS						
Intergovernmental	0	6,468	6,468	0	15,499	15,499
Interest	1	76	75	0	16	16
Total Receipts	1	6,544	6,543	0	15,515	15,515
DISBURSEMENTS						
County Clerk	15,000	7,993	7,007	0	0	0
Total Disbursements	15,000	7,993	7,007	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,999)	(1,449)	13,550	0	15,515	15,515
CASH, JANUARY 1	15,498	15,997	499	482	482	0
CASH, DECEMBER 31	499	14,548	14,049	482	15,997	15,515
<u>TITLE III FUND</u>						
RECEIPTS						
Intergovernmental	19,000	0	(19,000)	18,926	38,098	19,172
Interest	75	192	117	0	98	98
Total Receipts	19,075	192	(18,883)	18,926	38,196	19,270
DISBURSEMENTS						
Title III projects	38,000	0	38,000	18,926	0	18,926
Total Disbursements	38,000	0	38,000	18,926	0	18,926
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,925)	192	19,117	0	38,196	38,196
CASH, JANUARY 1	38,272	38,272	0	76	76	0
CASH, DECEMBER 31	19,347	38,464	19,117	76	38,272	38,196

Exhibit B

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

	Year Ended December 31,					
	2005			2004		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Charges for service:	18,000	18,682	682			
Interest	0	26	26			
Total Receipts	<u>18,000</u>	<u>18,708</u>	<u>708</u>			
DISBURSEMENTS						
Equipment	18,000	7,703	10,297			
Total Disbursements	<u>18,000</u>	<u>7,703</u>	<u>10,297</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	11,005	11,005			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	<u>0</u>	<u>11,005</u>	<u>11,005</u>			
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for service:	3,000	2,197	(803)			
Interest	23	19	(4)			
Total Receipts	<u>3,023</u>	<u>2,216</u>	<u>(807)</u>			
DISBURSEMENTS						
Sheriff	4,000	1,924	2,076			
Total Disbursements	<u>4,000</u>	<u>1,924</u>	<u>2,076</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(977)	292	1,269			
CASH, JANUARY 1	3,682	3,682	0			
CASH, DECEMBER 31	<u>2,705</u>	<u>3,974</u>	<u>1,269</u>			
<u>SHERIFF REVOLVING FUND</u>						
RECEIPTS						
Charges for service:	1,000	1,115	115			
Interest	0	25	25			
Total Receipts	<u>1,000</u>	<u>1,140</u>	<u>140</u>			
DISBURSEMENTS						
Sheriff	4,000	1,178	2,822			
Total Disbursements	<u>4,000</u>	<u>1,178</u>	<u>2,822</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000)	(38)	2,962			
CASH, JANUARY 1	4,661	4,661	0			
CASH, DECEMBER 31	<u>\$ 1,661</u>	<u>4,623</u>	<u>2,962</u>			

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

Notes to the Financial Statements

DENT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

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

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Law Enforcement Training Fund and Sheriff Revolving Fund for the year ended December 31, 2004.

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Juvenile Office Fund	2005 and 2004
Law Library Fund	2005 and 2004
Prosecuting Attorney Training Fund	2005
Prosecuting Attorney Bad Check Fund	2004
Recorder Users Fee Fund	2004
Senior Citizen Services Fund	2005 and 2004

D. Published Financial Statements

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

However, the county's published financial statements for the years ended December 31, 2005 and 2004, did not include the Juvenile Office Fund.

In addition, for the Health Center Fund and the Dent County Developmental Disabilities Board Fund, the county's published financial statements for the years ended December 31, 2005 and 2004, included only those amounts that passed through the County Treasurer.

2. Cash

Disclosures are provided below to comply with Statement No. 40 of the Governmental Accounting Standards Board, *Deposit and Investment Risk Disclosures*. 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. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Dent County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The county's, Health Center Board's, and Dent County Developmental Disabilities Board's deposits at December 31, 2005 and 2004, were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance or by collateral securities held by the county's or the boards' custodial bank in the county's or the boards' name.

Investments

Section 110.270, RSMo, 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. At December 31, 2005 and 2004, the county had no such investments. In addition, Section 30.950, RSMo, 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.

Schedule

DENT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

05-1.	Reconciliation of County Records
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Reconciliations of the county's accounting records are not adequate.

The County Treasurer posts all receipts, disbursements, and transfers to the county's computer system, except for disbursements from the General Revenue Fund, Special Road and Bridge Fund, Assessment Fund, and 911 Emergency Fund which are posted by the County Clerk. Receipts of approximately \$3.4 million each year and disbursements of approximately \$920,000 and \$836,000 were posted in 2005 and 2004, respectively, by the County Treasurer. The Treasurer also maintains a manual fund ledger and files semi-annual settlements for each fund with the County Clerk.

The County Clerk and the Treasurer reconcile the computer records with the Treasurer's manual fund ledger for disbursements for the four funds entered into the computer system by the County Clerk. However, the County Clerk does not perform reconciliations between the manual ledger or semi-annual settlements and computer system for any information entered into the computer system by the Treasurer. As a result, cash balances are not reconciled and the beginning budgeted 2005 cash balance of the Law Enforcement Sales Tax Fund was understated by \$721.

To provide an effective check-and-balance system, increase the likelihood of timely detection of errors and omissions, and improve financial reporting, the County Clerk and County Treasurer should reconcile the manual and computer records monthly and resolve any discrepancies. In addition, the County Clerk should periodically compare individual transactions entered on the computer system to the Treasurer's receipt slips and warrants approved by the County Commission. Section 51.150, RSMo, requires the County Clerk to keep regular account books with the County Treasurer.

Similar conditions were noted in our prior three reports.

WE RECOMMEND the County Clerk and the County Treasurer reconcile receipts, disbursements, transfers, and cash balances for all county funds.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Treasurer, County Clerk, and County Clerk-elect indicated they will work together to implement the recommendation. The County Treasurer indicated he will discuss this with the County Treasurer-elect.

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

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

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dent County, Missouri, on the applicable finding in the prior audit report issued for the two years ended December 31, 2001.

01-1. Reconciliation of County Records

The cash balances presented in the county's budget documents for some funds were incorrect and did not agree to the County Treasurer's semi-annual settlements. While the County Clerk and County Treasurer reconciled the receipts and disbursements in the computerized records with the County Treasurer's manual fund ledgers, this information was not reconciled with the semi-annual settlements. In addition, the county did not maintain perpetual cash balances for each fund.

Recommendation:

The County Clerk and County Treasurer maintain perpetual cash balances for each fund and reconcile the computerized financial records and the County Treasurer's manual fund ledgers with information recorded on the County Treasurer's semi-annual settlements.

Status:

Partially implemented. The County Treasurer maintains perpetual cash balances for each fund; however, the County Clerk did not reconcile the computerized financial records with the County Treasurer's manual fund ledgers and semi-annual settlements. See finding number 05-1.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the financial statements of various funds of Dent County, Missouri, as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 14, 2006.

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

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

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

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

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

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

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

1.**Juvenile Office Fund Budget**

The budget adopted for the Juvenile Office Fund was not complete and actual expenditures exceeded budgeted amounts. In addition, the Juvenile Office Fund budget was not filed with the State Auditor's Office.

The Juvenile Officer prepares an annual budget for anticipated expenditures billed to the five counties in the 42nd Judicial Circuit. The budget does not include anticipated state grant and crisis intervention revenues and expenditures. As a result, actual revenues were understated and actual expenditures exceeded budgeted amounts by \$98,101 and \$112,658, for the years ended December 31, 2005 and 2004, respectively. In addition, beginning available resources and the estimated ending cash balance were not reflected on the budget. Juvenile Office Fund revenues were approximately \$272,000 and \$266,000 and expenditures were approximately \$279,000 and \$262,000 during the years ended December 31, 2005 and 2004, respectively.

To be of maximum assistance to the Juvenile Officer and to adequately inform citizens of the office's operations and financial position, budget documents should include all anticipated revenues and expenditures and available resources. In addition, Chapter 50 prohibits the expenditure of public funds without an approved budget that has been filed with the State Auditor's Office.

WE RECOMMEND the Juvenile Officer include anticipated revenues and related expenditures for all funding sources. Beginning available resources and estimated ending cash balances should be reflected on the budget document. In addition, the budget should be submitted to the State Auditor's Office.

AUDITEE'S RESPONSE

The Juvenile Officer indicated the recommendation will be implemented beginning January 2007, and each year thereafter.

2.**County Procedures**

Various county procedures are in need of improvement. Federal awards are not adequately tracked, an accurate fixed asset listing is not maintained, and computer system passwords are not changed periodically or kept confidential. In addition, documentation to support property tax rollback calculations or 911 expenses incurred by the LEST Fund is not maintained.

- A. The county does not have adequate procedures in place to track federal awards for the preparation of the (SEFA), and as a result, the county's SEFA contained several errors and omissions.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the county to prepare a (SEFA) for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

The SEFA submitted by the county to the State Auditor's Office included only the Health Center's federal expenditures. Upon our request, the County Clerk updated the county's SEFA for 2005 and 2004; however, errors and omissions were still noted. The updated 2005 and 2004 SEFA included approximately \$110,000 and \$66,000, respectively, which was either not federal or was not expended in the year reported. In addition, approximately \$275,000 of National Forest monies received and distributed in 2004 was not included on the updated 2004 SEFA.

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

- B. The county's annual published financial statements did not include financial information for the Juvenile Office Fund and included only those amounts that passed through the County Treasurer for the Health Center Fund and the Developmental Disabilities Fund. As a result, receipts of approximately \$1.1 million and \$945,000, and disbursements of approximately \$950,000 and \$756,000 were omitted from the 2005 and 2004 annual published financial statements, respectively.

Section 50.800, RSMo, provides details regarding the various information required to be provided in the county's annual published financial statements, and requires that receipts, disbursements, and beginning and ending balance information be presented for all county funds. Complete published financial statements are needed to adequately inform the citizens of the county's financial activities and show compliance with statutory requirements.

- C. The fixed asset listing is not complete. The County Clerk maintains a listing of fixed assets and indicated that items are added to the listing at the time of purchase; however, some fixed assets were not included on the listing, including new voting equipment purchased for the County Clerk's office and computer equipment in the Assessor's office. The County Clerk indicated these items were overlooked.

Section 49.093, RSMo requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the inventory records.

Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Physical inventories and proper tagging

of county property items are necessary to evaluate the accuracy of the records, and deter and detect theft.

- D. Computer systems and data are vulnerable to unauthorized use. Passwords for most offices are not changed periodically and are not always kept confidential. Several officials indicated they have used the same passwords for several years. In addition, various officials indicated all employees within their respective offices know or have access to coworkers' passwords.

Passwords are an effective, simple control to provide protection against improper access to computer systems and data. Passwords are important even in an environment where the computer is physically accessible only to county personnel. When properly managed in a controlled environment, passwords can provide effective security.

- E. The County Clerk does not maintain documentation to support the property tax rollback calculations for sales tax revenues. As a result, the County Clerk cannot monitor compliance with state law. Per our calculations, the county reduced property taxes revenues approximately \$87,000 and \$76,000 more than required during the years ended December 31, 2005 and 2004, respectively.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Dent County voters enacted a one-half cent sales tax with a provision to reduce property taxes by fifty percent of sales taxes collected.

Failure to document the property tax rollback calculations reduces the county's ability to monitor compliance with state law. The county's decision to voluntarily roll back its property tax rate when other resources are available is commendable, but should be formally documented.

- F. The County Clerk did not maintain documentation of 911 expenses incurred by the LEST Fund. During the year ended December 31, 2005, a transfer of \$15,000 was made from the 911 Fund to the Law Enforcement Sales Tax Fund. The County Clerk indicated the Sheriff runs the 911 program and the transfer was made to offset related costs. However, there was no calculation of 911 expenses incurred by the LEST Fund.

Documentation of 911 expenses incurred by the LEST Fund is necessary to ensure each fund is being used for the intended purpose.

WE RECOMMEND:

- A. The County Commission and County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

- B. The County Commission, Health Center Board, and Developmental Disabilities Board ensure all required information is presented in the county's annual published financial statements.
- C. The County Clerk ensure the fixed asset listing is updated on a timely basis.
- D. The County Commission require passwords for all employees which are confidential and periodically changed to prevent unauthorized access to the county's computer systems and data.
- E. The County Commission and County Clerk ensure documentation is maintained to support property tax rollback calculations.
- F. The County Commission and County Clerk ensure adequate documentation is maintained for 911 expenses incurred by the LEST Fund.

AUDITEE'S RESPONSE

A. *The County Clerk and County Clerk-elect indicated they have already taken steps to implement the recommendation.*

B. *The County Commission, County Clerk, and County Clerk-elect indicated they will implement the recommendation.*

The Health Center Administrator indicated she will ensure all required information is presented in the county's annual published financial statements.

The Developmental Disabilities Board Chair indicated the Board will work with the County Clerk-elect to ensure the financial statements are published.

C. *The County Clerk and County Clerk-elect indicated the recommendation will be implemented.*

D. *The County Commission indicated they will discuss the recommendation with the various county officials.*

E. *The County Clerk and County Clerk-elect indicated they will begin documenting the calculations and the documentation will be maintained.*

F. *The County Commission, County Clerk, and County Clerk-elect indicated they will begin reviewing 911 expenses and will maintain documentation in order to implement the recommendation.*

Property tax system procedures and controls are not sufficient. The County Clerk does not prepare or verify the back tax books or maintain an account book with the County Collector. Neither the County Clerk nor the County Commission verify the County Collector's settlements or adequately review property tax additions and abatements.

- A. The County Clerk does not prepare or verify the accuracy of the delinquent tax books. The County Collector prepares the back tax books. The County Clerk indicated she does not foot the tax books or perform any tests to verify that the totals of the back tax books are correct.

Because the Collector is responsible for collecting property tax monies, good internal controls require that someone independent of that process be responsible for generating and testing the accuracy of the property tax books.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and back tax books and charge the Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, she should verify the accuracy of the tax books and document approval of the tax book amounts to be charged to the County Collector. Failure to do so could result in errors or irregularities going undetected.

- B. Problems were noted with the County Collector's annual settlements and with the county's review of County Collector transactions.
1. Although monies were properly distributed, the County Collector's annual settlements contained errors in amounts reported which caused differences between total collections and distributions. For the years ended February 28, 2006, total collections reported on the annual settlement exceeded total distributions by approximately \$205,000. For the years ended February 2004 and 2003, reported distributions exceeded collections by approximately \$210,000 and \$489,000, respectively. Misstatements were primarily related to railroad and utility distributions to school districts. Other categories were also misstated for the year ended February 28, 2003. Inaccurate information reduces the effectiveness of the annual settlement as a mechanism for accounting for all monies the collector was charged with collecting.
 2. Neither the County Commission nor the County Clerk provide a thorough review of the activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's annual settlements. As a result, neither the County Clerk nor the County Commission detected reporting errors in

the County Collector's annual settlements. The County Clerk indicated she compares the County Collector's monthly report of collections to his monthly abstract report.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury.

An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

- C. Controls over property tax additions are not adequate. Addition requests are prepared by the Assessor and are submitted to the County Collector. The County Collector posts the changes to the property tax system. The County Collector generates a listing of additions at the end of each month for the County Commission to review. However, an independent review of changes made to the property tax system as compared to addition requests prepared by the Assessor is not performed. As a result, additions, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assigns responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission.

The county's failure to follow control procedures established under statutory guidelines allows greater opportunity for errors or inappropriate transactions to occur. To comply with the statutes and provide for the proper segregation of duties, the County Clerk should periodically reconcile all approved additions to actual changes made to the property tax system. Such procedures are essential to ensure that only appropriate correcting adjustments are made to the master property tax records.

WE RECOMMEND:

- A. The County Clerk prepare the delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.
- B.1. The County Collector prepare annual settlements that are complete and accurate.

2. The County Clerk maintain records that summarize property tax system activities. In addition, the County Commission and County Clerk should perform a thorough review of the County Collector's annual settlements.
- C. The County Commission develop procedures to ensure any changes to the property tax system are properly approved and monitored.

AUDITEE'S RESPONSE

- A. *The County Clerk and County Clerk-elect indicated they agree to verify the accuracy of the tax books.*
- B.1. *The County Collector indicated he has taken steps to implement the recommendation and will ensure collections agree with distributions on the next annual settlement. The error was made when transferring amounts from the spreadsheet to the annual settlement.*
 2. *The County Commission, County Clerk, and County Clerk-elect agree and will implement the recommendation.*
- C. *The County Clerk, County Clerk-elect and County Collector indicated the Assessor does not currently have the capability to provide additions directly to the County Clerk; however, they will work with the Assessor to set up proper monitoring procedures and the recommendation will be implemented by March 1, 2007.*

<p>4. Circuit Clerk/Ex Officio Recorder of Deeds Accounting Controls and Procedures</p>
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The Circuit Clerk/Ex Officio Recorder of Deeds' accounting procedures are in need of improvement. Circuit Clerk Office accounting duties are not adequately segregated. In addition, the Circuit Clerk does not adequately follow-up on old outstanding checks, some deposits were not made timely, and the change fund is not maintained on an imprest basis. Differences between the Ex Officio Recorder of Deeds' reconciled bank balances and the monthly fee report are not always investigated and resolved in a timely manner.

- A. Circuit Clerk Office accounting duties are not adequately segregated. The Circuit Court is on the Justice Information System (JIS); however, manual receipts are issued by the Circuit Clerk and two deputy clerks to people paying in person. All monies received are then entered into JIS by the Circuit Clerk, who also prepares deposits and performs bank reconciliations. No one independent of the cash custody and record-keeping functions provides any review of the work performed by the Circuit Clerk. In addition, manual receipt slips issued are not official, pre-numbered receipt slips.

Internal controls would be improved by segregating the duties of receiving and depositing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic independent reviews of the records should be performed and documented. Official pre-numbered receipt

slips should be obtained and used when manual receipt slips are necessary and manual receipt slips should be reconciled to the JIS.

- B. The Circuit Clerk does not adequately follow-up on old outstanding checks. At December 31, 2005, there were 14 checks totaling approximately \$500 which had been outstanding for more than one year.

Procedures should be adopted to routinely follow up on old outstanding checks. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

- C. Some deposits were not made timely by the Circuit Clerk. Instances were noted where deposits were taken to the bank several days after the deposits were prepared. For example, during December 2005, three deposits in the amounts of \$502, \$1,289, and \$2,022, were deposited 4, 5, and 8 business days, respectively, after the date of the deposit slip. Of these three deposits, \$1,639 was cash. The Circuit Clerk indicated she would prepare the deposits, but would get busy and not have time to take the deposits to the bank. Given the amount of cash received, to adequately safeguard receipts and reduce the risk of loss or misuse of funds, deposits should be made timely.
- D. The Circuit Clerk change fund is not maintained on an imprest basis. The change fund is also used as a petty cash fund and is replenished by copy monies received for recorded documents or from the Circuit Clerk Interest Fund. A log maintained by the Circuit Clerk reflects interest of \$50 and copy monies of \$47 were credited to the change/petty cash fund and disbursements of \$115 from April 5, 2006, through June 20, 2006.

If a petty cash fund is necessary, a separate fund should be established and maintained on an imprest basis.

- E. Although the Ex Officio Recorder of Deeds prepares bank reconciliations, differences between reconciled bank balances and the monthly fee report are not always investigated and resolved in a timely manner. At June 30, 2006, the reconciled bank balance exceeded the monthly fee report by \$3,128.

The excess balance includes, in part, \$751 that is reflected as outstanding checks on the bank reconciliations; however, there is no record of the individual checks comprising this amount such as check numbers, payee names or amounts. The Ex Officio Recorder of Deeds has identified a \$305 error which she attributes a computer system error. In addition, interest income earned on this account has not been turned over to the County Treasurer since it was established in 2001. Interest income of approximately \$120 was earned from January 2004 through June 2006.

Failure to investigate and resolve errors on a timely basis results in unnecessary bookkeeping. Reconciling bank balances to the monthly fee report is necessary to ensure underlying records are in balance. The Ex Officio Recorder of Deeds should investigate any differences noted and take appropriate action.

WE RECOMMEND the Circuit Clerk/Ex-Officio Recorder of Deeds:

- A. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented. In addition, official pre-numbered manual receipt slips should be obtained for use when necessary.
- B. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- C. Ensure that all receipts are deposited timely.
- D. Re-evaluate the necessity of a petty cash fund and if deemed necessary establish a separate fund. The change fund and petty cash fund should be maintained on an imprest basis.
- E. Consult with legal counsel as to the proper disposition of the excess monies in the recorder account. In addition, future differences should be investigated and resolved on a timely basis.

AUDITEE'S RESPONSE

The Circuit Clerk/Ex-Officio Record of Deeds indicated:

- A. *She has ordered new official pre-numbered receipt slips and when these are received, each clerk will enter their daily deposits. She does the monthly reconciliations now and they are checked by a clerk.*
- B. *She has mailed letters to outstanding check payees as of November 22, 2006.*
- C. *Deposits not made on that day are put in the vault for safekeeping. Timely deposits will be worked on.*
- D. *The office no longer has a petty cash drawer. There is a change drawer which is a locked drawer.*
- E. *On December 31, 2006, all monies will be paid out to the correct entities and the account will be closed out.*

5.**Associate Circuit Division's Accounting Controls and Procedures**

Manual receipt slips are not reconciled to the Judicial Information System (JIS). Receipts are usually posted to the JIS as received. However, manual receipt slips may be issued on court days and subsequently entered in the JIS as time allows. The manual receipt slips are filed in the corresponding case file after being entered in the JIS. There is no independent review to ensure manual receipt slips are properly entered into the JIS and subsequently deposited. In addition, the manual receipt slips issued were not official, pre-numbered receipt slips.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for manual receipt slips and verify that the receipts have been recorded on the JIS and deposited. In addition, official pre-numbered receipts slips should be obtained and used when manual receipt slips are necessary.

WE RECOMMEND the Associate Circuit Division Clerk ensure manual receipt slips are recorded on the JIS and properly accounted for. In addition, official pre-numbered manual receipt slips should be obtained for use when necessary.

AUDITEE'S RESPONSE

The Associate Circuit Division Clerk indicated she will implement the recommendation. Steps have been taken to reduce the number of manual receipts issued. In addition, printers have been contacted to inquire about obtaining official pre-numbered receipt slips.

6.**Health Center**

The Health Center Fund budgets were not accurate. In addition, accounting duties are not adequately segregated for the Cardio Vascular Wellness Program (CVWP) and receipting procedures need improvement.

- A. The Health Center Fund budgets included incorrect amounts. For example, beginning cash was overstated by \$1,154 and \$8,341 on the 2006 and 2005 budget summary pages, respectively and understated by \$58,757 on the 2004 budget summary page. An adjustment of \$29,462 was included on the 2005 cash reconciliation of the 2006 budget summary page; however, the Health Center Administrator did not know what the adjustment included. In addition, the cash reconciliation balances on the budget summary page did not agree to the beginning budgeted cash balances. These incorrect balances, combined with inaccurate revenue and expenditure amounts, created the need for adjustments in both revenues and expenditures for the past two years. Revenues were understated approximately \$23,000 and \$4,700 and disbursements were overstated approximately \$13,600 and \$14,500 for 2005 and 2004, respectively. The 2005 revenue adjustment was primarily the result of an understatement of

CVWP revenues. The disbursement adjustments were primarily related to the overstatement of federal payroll tax withholdings. Adjustments have been discussed with the Health Center Administrator and made to the audited financial statements.

To be of maximum assistance to the Health Center Board and to adequately inform citizens of the health center's operations and financial position, the budgets need to be accurate. A thorough review process needs to be implemented to ensure budget documents are accurate and complete prior to approval.

- B. Accounting duties are not adequately segregated for the CVWP. The CVWP resembles a traditional fitness center in which members pay a monthly fee. The CVWP also receives funding from grants and donations. CVWP revenues for 2005 and 2004 were approximately \$181,000 and \$74,000, respectively.

The CVWP is run by a Program Manager who reports directly to the Health Center Board. Monies are received by the manager or two part-time employees; however, the manager enters the information into the computerized accounting system, prepares deposits, and performs bank reconciliations with no independent review. The manager creates the summary reports of revenues and expenditures which are presented to the board monthly; however, the Health Center Administrator indicated neither she nor the board review any detailed information to ensure that all revenues have been properly recorded and accounted for.

Internal controls would be improved by segregating the duties of receiving and depositing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- C. Receipt slips are issued for the CVWP membership dues; however, receipt slips are not issued for sales such as tote bags or exercise balls. The numerical sequence of receipt slips issued by the CVWP is not accounted for and the composition of receipt slips issued is not reconciled to the composition of deposits. In addition, receipt slips issued by the Health Center and the CVWP are not official, pre-numbered receipt slips.

To adequately account for collections and reduce the risk of loss or misuse of funds, official pre-numbered receipt slips should be issued for all monies received immediately upon receipt. All receipt slips should be accounted for and the composition should be reconciled to bank deposits.

WE RECOMMEND the Health Center Board:

- A. Ensure proper compilation and review procedures are in place to ensure the budget document presents accurate and complete financial information.

- B. Segregate CVWP accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- C. Require official pre-numbered receipt slips be issued for all monies received and the numerical sequence of those receipt slips be accounted for properly. In addition, the composition of receipt slips should be reconciled to deposits.

AUDITEE'S RESPONSE

The Health Center Administrator indicated:

- A. *She agrees and is in the process of implementing the recommendation. All financial information received from the CVWP will be re-verified by the Administrator to ensure these amounts are reconciled, accurate and complete. The accounting system will be corrected to reflect accurate federal payroll tax withholdings. The Administrator will do a thorough review of all budget documents prior to Board approval to ensure the budget presents accurate and complete financial information. The date of implementation will be December 2006.*
- B. *She agrees. Currently monies are received and the deposit is prepared by the CVWP Manager or the two part-time employees. The Program Manager will continue to enter information into the computerized accounting system, perform bank reconciliations, and prepare summary reports to be presented to the board monthly. Periodic supervisory review of the above will be performed and documented by the Administrator to ensure all revenues have been properly recorded and accounted for. The date of implementation will be December 2006.*
- C. *She agrees and is in the process of implementing the recommendation. Official pre-numbered receipt slips have been ordered and will be used as soon as received. Receipt slips are now being issued by the CVW for all sales and monies received. The numerical sequence will be accounted for and reconciled to the composition of deposits by the CVW employee preparing the deposit. This will be periodically reviewed and signed by the Administrator to document the review. The date of implementation will be December 2006.*

Follow-Up on Prior Audit Findings

DENT 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 Dent County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2001.

Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgetary Practices and County Expenditures

- A. Actual disbursements exceeded the budgeted amounts in various funds.
- B.1. Bids were not solicited for various purchases of rock base.
- 2. The County had purchased prisoner meals from one local restaurant for several years without a contract for the service and had not advertised for bids in several years.
- C. The County was overpaying its share of the juvenile office expenditures.
- D. The County Salary Commission had provided a mid-term salary increase for the Associate County Commissions effective in 1999 based upon a change in state law. In 2001, the Missouri Supreme Court handed down a decision making these increases unconstitutional. Despite the ruling, the Dent County Salary Commission voted not to require the Associate County Commissioners to repay the salary overpayments.

Recommendation:

- A. The County Commission, Senior Citizen Service Board, and Prosecuting Attorney refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's office. In addition, budget amendments should be made prior to incurring the actual expenditures.
- B. The County Commission solicit bids for all items in accordance with state law and ensure all contracts are in writing and signed by each of the parties involved.
- C. The County Commission and Juvenile Officer work with the Circuit Court to determine the amount of the billing errors and issue corrected billing or refunds, as appropriate, to all affected counties.
- D. The County Commission and/or Salary Commission reconsider their decision and develop a plan for obtaining repayment of the salary overpayments.

Status:

- A. Not implemented. Actual disbursements exceeded budgeted amounts of various funds during the years ended December 31, 2005 and 2004. Although not repeated in the current MAR, our recommendation remains as stated above. See MAR finding number 1 for a related comment.
- B. Not implemented. Bids were not solicited for rock base. The Presiding Commissioner indicated that only one vendor is close enough to transport rock base; however, the reason for not soliciting bids is not documented. Bids were solicited in 2006 for prisoner meals. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Implemented. Billings are based on the correct population of each county in proportion to the Circuit and previous billing errors were corrected.
- D. Not implemented. The Presiding County Commissioner indicated the County Commission reconsidered the decision, but did not require repayment since the salary increase was legal when given. Although not repeated in the current MAR, our recommendation remains as stated above.

2. County Procedures

- A. The county had not established procedures to monitor collateral securities pledged by its depository bank, and as a result, funds were under collateralized at various times during the audit period.
- B. Fuel usage logs were not reconciled to fuel purchases and fuel on hand on a timely basis.
- C.1. The County Clerk maintained a manual inventory listing of fixed assets held by county officials; however, some of the fixed asset listings had not been updated since 1999. The County Clerk did not periodically reconcile equipment purchases with additions to the fixed asset records and physical inventories were not documented annually.
 - 2. The county did not have formal procedures for disposing of county owned property.

Recommendation:

The County Commission:

- A. Establish monitoring procedures to ensure the depository bank pledges adequate collateral securities at all times.
- B. Require the Road and Bridge Department supervisor and County Sheriff to ensure

fuel logs are complete and contain sufficient information and to perform a documented periodic reconciliation of fuel purchased and on hand to amounts used in county vehicles and equipment and investigate any significant discrepancies.

- C. Establish a written policy related to the handling and accounting for fixed assets. Besides 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.

Status:

- A. Partially implemented. Monitoring procedures were not established; however, county funds were properly collateralized during the audit period. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.
- C. Not implemented. A written policy related to the handling and accounting for fixed assets was not established; however, state law provides policies related to accounting for general fixed assets. Although not repeated in the current MAR, our recommendation remains as stated above. See MAR finding number 2 for related comments regarding an incomplete fixed asset listing.

3. Circuit Clerk's Accounting Controls and Procedures

- A. Accounting duties were not adequately segregated. While the Circuit Clerk indicated that an independent review of deposits and accounting records was performed, there was no documentation of this review.
- B. Monies received by the Circuit Division were not always deposited on a timely basis and checks were not restrictively endorsed immediately upon receipt.
- C. A \$50 change fund along with daily monies collected, were not kept in a secure location and access to these monies was not limited. In addition, the change fund was used to make small petty cash purchases and supporting records were not maintained to document all such expenditures. The Circuit Clerk replenished the change fund from the monies on hand to be deposited.

Recommendation:

The Circuit Clerk:

- A. Adequately segregate accounting duties or ensure periodic independent reviews are performed and documented.

- B. Ensure checks and money orders are endorsed immediately upon receipt and monies are deposited daily or when accumulated receipts exceed \$100.
- C. Maintain cash funds and daily collections in a secure location and limit access to only authorized individuals. If needed, a separate petty cash fund should be established and maintained on an imprest basis along with supporting documentation for all expenditures.

Status:

- A. Not implemented. See MAR finding number 4.
- B. Partially implemented. Checks and money orders are endorsed immediately upon receipt; however, instances were noted where deposits were taken to the bank several days after the deposits were prepared. See MAR finding number 4.
- C. Partially implemented. The cash funds and daily collections are held in a secure location and access is limited to authorized individuals. However, a separate petty cash fund was not established and the change/petty cash fund is not maintained on an imprest basis. See MAR finding number 4.

4. County Clerk's Accounting Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B. The County Clerk's office transmitted monies directly to the County Treasurer approximately once a month, and some monies were retained from the transmittals for petty cash purchases. Also, checks were not restrictively endorsed upon receipt and receipt slips were not written for some monies received.

Recommendation:

The County Clerk:

- A. Adequately segregate accounting duties or ensure periodic supervisory reviews are performed and documented.
- B. Ensure receipt slips are prepared for all monies received, checks are restrictively endorsed upon receipt, the method of payment per receipt slips is reconciled to the composition of monies transmitted to the County Treasurer and monies are transmitted timely and intact. In addition, if necessary, a petty cash fund should be established and maintained on an imprest basis.

Status:

- A. Implemented. The County Clerk reconciles monies received to the receipt log when

turning monies over to the County Treasurer.

- B. Implemented. Receipt slips are not issued for monies received; however, all monies are recorded on a log. Checks are restrictively endorsed upon receipt and all monies are transmitted to the County Treasurer timely and intact. The County Clerk discontinued withholding monies for petty cash purchases.

5. Prosecuting Attorney's Accounting Controls and Procedures

- A. Duties were not adequately segregated.
- B. In addition to two current bank accounts, at December 31, 2001, there was approximately \$5,170 in an old bad check account and \$3,124 in an old restitution account which the Prosecuting Attorney could not specifically identify to whom the monies belonged. While the Prosecuting Attorney indicated that efforts had been made to identify these monies in prior years, these monies remained in the accounts since prior to 1997.
- C. Monies were not always deposited on a timely basis.

Recommendation:

The Prosecuting Attorney:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Dispose of all unidentified monies in accordance with state law.
- C. Deposit receipts daily or when accumulated receipts exceed \$100.

Status:

- A. Implemented. The Prosecuting Attorney now performs periodic reviews of both deposits and monthly bank reconciliations, and documents his review by signing or initialing the computer generated deposit reports and the bank reconciliations.
- B. Implemented. The Prosecuting Attorney turned over a total of \$8,196 to the Missouri State Treasurer as unclaimed property. This amount reflects the amount identified in the previous audit, less accrued bank fees.
- C. Not implemented. During November and December 2005 deposits were made weekly or every two weeks. For example, the January 3, 2006, deposit of \$3,115 was for receipt slips issued as far back as December 15, 2005, and included \$1,683 cash. Although not repeated in the current MAR, our recommendation remains as stated above.

6. Sheriff's Accounting Controls and Procedures

- A. The Sheriff did not maintain a log of amounts billed to or collected from the various entities for boarding prisoners in the county jail. While the Sheriff maintained a file of all billings sent, payments received by the County Treasurer were not matched or compared to billings as a means to track and follow-up on unpaid amounts.
- B. Seized property items were not always tagged to identify the property to a specific case and the property tags used were not prenumbered. In addition, while an inventory listing of seized property was maintained, the listing did not appear complete or accurate.

Recommendation:

The Sheriff:

- A. Maintain a log of amounts billed to and collected from the various entities for boarding of prisoners as a means to track and follow-up on amounts due to the county.
- B. Mark all property with prenumbered property tags and identify property to specific cases. In addition, a complete inventory listing of all seized property should be maintained and kept updated for both additions and dispositions.

Status:

Implemented.

7. Associate Circuit Division's Accounting Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B. Monies were not always deposited on a timely basis.

Recommendation:

The Associate Circuit Division:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Deposit receipts daily or when accumulated receipts exceed \$100.

Status:

- A. Implemented. The Associate Division Clerk performs supervisory reviews when

preparing deposits by comparing cash on hand to electronic cashier reports. In addition, the Associate Division Clerk prepares bank reconciliations.

- B. Implemented. Although deposits are not always made daily, for the months reviewed deposits were made at least two times per week and multiple deposits were made on some days.

8. Dent County Health Center

- A.1. Monies received were not deposited intact. In addition, the method of payment was not always properly noted on receipt slips, and the composition of monies received was not reconciled to the composition of monies deposited.
 - 2. Pre-numbered receipt slips were not accounted for properly. Questionable voided transactions of \$402 were noted where the voided receipt slips were missing and for which no other supporting documentation was maintained.
 - 3. Accounting duties were not adequately segregated. Although the Health Center Administrator stated that she reviewed monthly bank reconciliations and monthly reports, there was no documentation of this review and an independent review was not performed to ensure that receipts were properly recorded and deposited intact.
- B. The employees responsible for collecting monies were not bonded.
- C.1. Additions of fixed assets were not always recorded as they occurred and fixed asset purchases per the expenditure records were not reconciled to additions on the inventory records.
 - 2. Property records did not always include some necessary information, such as acquisition date, date of disposition, and location of the asset. In addition, written authorization from the Health Center Board of Trustees was not consistently obtained for fixed asset dispositions.
 - 3. Fixed assets were not being tagged on a timely basis. In addition, while the Health Center Administrator stated that annual inventories were performed, no documentation of the inventories or differences identified was maintained and the property control records were apparently not adjusted.

Recommendation:

The Health Center Board of Trustees:

- A.1. Ensure the method of payment is properly recorded on all receipt slips, deposit all monies intact and reconcile the composition of monies received to the composition of monies deposited.
 - 2. Retain the original copies of all voided receipt slips and ensure voided transactions

are adequately documented.

3. Ensure that receipting duties are properly segregated, or at a minimum, require someone other than the bookkeeper to perform and document a periodic supervisory review of receipts to deposits.
 4. Investigate the items noted above and determine what, if any, additional actions should be taken.
- B. Obtain bond coverage for all employees responsible for handling monies.
- C.1. Record all fixed asset additions as they occur and ensure purchases are reconciled periodically to additions to the property records.
2. Ensure proper authorization is obtained for all fixed asset dispositions and ensure all necessary information is included on the fixed asset records.
 3. Tag all fixed assets immediately upon receipt, perform and document an annual physical inventory and reconcile the results to the inventory listing.

Status:

- A.1. Implemented. However, see MAR finding number 6 for similar findings related to the Cardiovascular Wellness Center.
- A.2.&
C.1-2. Implemented.
- A.3. Implemented. The Health Center Administrator reviews bank statements and periodically compares deposits to the daily cash record. However, see MAR finding number 6 for similar findings related to the Cardiovascular Wellness Center.
- A.4. Implemented. Health Center accounting controls were improved. The Health Center Board Treasurer and Administrator indicated the status of the \$402 of voided receipts could not be determined and no further action was taken.
- B. Not implemented. Although improvements have been made in health center internal controls, weaknesses were noted in controls related to the Cardiovascular Wellness Center. Although not repeated in the current MAR, our recommendation remains as stated above.
- C.3. Partially implemented. The Health Center tags all fixed assets immediately upon receipt. A physical inventory was completed in April 2006; however, the previous physical inventory was conducted in 2003. Although not repeated in the current MAR, our recommendation remains as stated above.

9. Dent County Developmental Disabilities Board

The Dent County Developmental Disabilities Board (DCDDB) disbursed monies for individuals in Independent Supported Living (ISL) arrangements. The DCDDB contracted with the Department of Mental Health - Rolla Regional Center to provide these services to several developmentally disabled individuals via contracts the regional center had with other vendors. The agreement indicated that the DCDDB would provide matching funds for the portion of the services not covered by the Department of Mental Health and other funding sources. The DCDDB did not receive or maintain adequate documentation to support the days of service for which they were billed and did not monitor the subcontractor to ensure the services were actually provided as agreed.

Recommendation:

The Dent County Developmental Disabilities Board adequately monitor the contracts to ensure the specified services are being provided to residents of Dent County and ensure adequate supporting documentation is obtained and reviewed for all expenditures.

Status:

Implemented. The DCDDB discontinued the funding for the individuals in ISL arrangements effective December 2001. Monitoring is performed for other contracts.

STATISTICAL SECTION

History, Organization, and
Statistical Information

DENT COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1851, the county of Dent was named after Lewis Dent, an early settler and state representative. Dent County is a county-organized, third-class county and is part of the Forty-Second Judicial Circuit. The county seat is Salem.

Dent County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 600 miles of county roads and 20 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

The county's population was 14,517 in 1980 and 14,927 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2005	2004	2003	2002	1985*	1980**
		(in millions)					
Real estate	\$	92.3	76.4	74.8	73.2	42.7	27.7
Personal property		35.1	33.3	32.7	32.5	10.1	9.3
Railroad and utilities		7.5	6.7	6.6	6.4	4.5	4.0
Total	\$	134.9	116.4	114.1	112.1	57.3	41.0

* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2005	2004	2003	2002
General Revenue Fund	\$.0350	.0350	.0350	.0350
Special Road and Bridge Fund		.2550	.2550	.2550	.2550
Health Center Fund		.0920	.1000	.1000	.1000
Senate Bill 40 Board Fund		.1600	.1800	.1800	.1600
Senior Citizen Service Fund		.0460	.0500	.0500	.0500

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to

penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2006	2005	2004	2003
State of Missouri	\$ 42,003	37,033	36,038	34,967
General Revenue Fund	67,341	61,138	59,970	59,448
Special Road and Bridge Fund	356,414	314,379	306,816	298,160
Assessment Fund	70,963	63,809	50,060	48,623
Health Center Fund	128,461	121,833	118,940	115,590
Senate Bill 40 Board Fund	224,827	219,302	212,538	185,798
School districts	4,254,399	3,829,988	3,725,364	3,622,660
Library district	121,055	116,964	112,767	109,402
Ambulance district	2,528	1,895	1,907	1,861
Fire protection district	218,023	208,013	197,276	192,427
Hospital	307,725	303,500	296,173	287,938
Senior Citizen Service Board Fund	62,271	59,031	57,608	55,934
Tax Maintenance Fund	16,562	16,414	16,029	7,559
Tax Sale Surplus and advertising	386	2,518	250	1,629
Hagale Ind.	0	8,072	0	0
Delinquent Salem City & Library	0	0	0	4,455
Cities	315,562	291,762	282,171	273,930
County Clerk	223	230	244	252
County Employees' Retirement	45,977	46,639	43,566	37,729
Commissions and fees:				
General Revenue Fund	100,435	92,542	89,790	86,459
Total	\$ 6,335,155	5,795,062	5,607,507	5,424,821

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2006	2005	2004	2003	
Real estate	92	92	91	90	%
Personal property	90	89	87	88	
Railroad and utilities	100	100	100	99	

Dent 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	

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

Officeholder	2006	2005	2004	2003	2002
County-Paid Officials:	\$				
James C. Biggs, Presiding Commissioner		27,080	27,080	27,808	25,641
Bobby Simpson, Associate Commissioner		25,080	25,080	25,080	25,080
J.J. Tune, Associate Commissioner		25,080	25,080	25,080	25,080
Janet L. Inman, County Clerk		38,000	38,000	38,000	
Gary M. Leonard, County Clerk					35,820
James P. Gray, Prosecuting Attorney		45,000	45,000	45,000	42,418
Bob Wofford, Sheriff		42,000	42,000	42,000	42,000
Don Shipley, County Treasurer		28,120	28,120	28,120	
Carl Hale, Treasurer					26,506
Eddie Wilson, County Coroner		11,000	11,000	11,000	11,000
Larry Edwards, Public Administrator (1)		34,036	23,637	29,852	20,368
Dennis O. Medlock, County Collector, year ended February 28 (29),	38,000	38,000	38,000	35,820	
Brenda Bell, County Assessor (2), year ended August 31,		38,688	38,765	38,900	38,900
Craig Ruble, County Surveyor (3)					

(1) Includes fees received from probate cases.

(2) Includes \$688, \$765, \$900, and \$900 annual compensation received from the state for year ended August 31, 2005, 2004, 2003, and 2002, respectively.

(3) Compensation on a fee basis.

State-Paid Officials:

Ruth Ann (Lough) Williams, Circuit Clerk and Ex Officio Recorder of Deeds	48,500	47,900	47,300	47,300
Sanborn N. Ball, Associate Circuit Judge	96,000	96,000	96,000	96,000