



Susan Montee, CPA
Missouri State Auditor

December 2007

Warren County, Missouri

Years Ended

December 31, 2006 and 2005



Office of
Missouri State Auditor
Susan Montee, CPA

December 2007

IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every four years in counties, such as Warren, 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 the Missouri Constitution.

Monies totaling \$214,286 for the Election Reform Payments Grants were not disbursed within 30 days in accordance with the grant application. The County indicated they had received the money early from the Secretary of State's office but waited to make the disbursement until after all equipment was received.

Budgets prepared for some county funds contained unreasonable estimates. Budgets were not prepared for some funds, and not all funds were included in the published financial statements. Procedures for procurement of major purchases need improvement and contracts were not entered into for some services. Procedures and records to account for county property need improvement. Also, meeting minutes did not always include sufficient detail of matters discussed and decisions made in closed sessions are not always disclosed in open session.

The County Treasurer's bond was insufficient and receipts for the Planning and Zoning Board and the Health Department are not always transmitted to the County Treasurer on a timely basis.

Accounting and bookkeeping duties for the Sheriff's office have not been adequately segregated. Prenumbered receipt slips are not issued for some monies received, and the method of payment is not always indicated for some receipts. Monthly listings of open items are not reconciled to cash balances for the Inmate Account, and the preparation of bank reconciliations was not documented.

Senate Bill 40 Board receipts are not always deposited and posted to accounting records in a timely manner. Actual financial activity presented in their budgets was inaccurate and inconsistent with amounts recorded in the cash receipts journal.

The audit also suggested changes in the handling of some receipts for the County Treasurer and Prosecuting Attorney.

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

YELLOW SHEET

WARREN COUNTY, MISSOURI

TABLE OF CONTENTS

| | <u>Page</u> | |
|--|--|-------|
| <hr/> <u>FINANCIAL SECTION</u> <hr/> | | |
| State Auditor's Reports: | 2-6 | |
| Financial Statements and Supplementary Schedule of Expenditures of Federal Awards..... | 3-4 | |
| Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 5-6 | |
| Financial Statements: | 7-20 | |
| <u>Exhibit</u> | <u>Description</u> | |
| A-1 | Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 2006 | 8 |
| A-2 | Year Ended December 31, 2005 | 9 |
| B | Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds, Years Ended December 31, 2006 and 2005..... | 10-20 |
| Notes to the Financial Statements..... | 21-24 | |
| Supplementary Schedule: | 25-27 | |
| Schedule of Expenditures of Federal Awards, Years Ended December 31, 2006 and 2005 | 26-27 | |
| Notes to the Supplementary Schedule | 28-30 | |
| <hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/> | | |
| State Auditor's Report: | 32-35 | |
| Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 | 33-35 | |

WARREN COUNTY, MISSOURI

TABLE OF CONTENTS

| | <u>Page</u> |
|---|---|
| <hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/> | |
| Schedule:..... | 36-39 |
| Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 2006 and 2005..... | 37-39 |
| Section I - Summary of Auditor's Results | 37 |
| Section II - Financial Statement Findings..... | 38 |
| Section III - Federal Award Findings and Questioned Costs | 38 |
| <u>Number</u> | <u>Description</u> |
| 06-1. | Election Reform Payments Grant |
| | 38 |
| Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 40-41 |
| Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133 | 42-43 |
| <hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/> | |
| Management Advisory Report - State Auditor's Findings..... | 45-59 |
| <u>Number</u> | <u>Description</u> |
| 1. | Budgetary Practices |
| 2. | Expenditures |
| 3. | Capital Assets |
| 4. | County Commission Meeting Minutes |
| 5. | County Treasurer's Accounting Controls and Procedures |
| 6. | County Accounting Controls and Procedures..... |
| 7. | Sheriff's Accounting Controls and Procedures |
| 8. | Prosecuting Attorney's Accounting Controls and Procedures |
| 9. | Senate Bill 40 Board's Accounting Controls and Procedures..... |
| | 47 |
| | 49 |
| | 51 |
| | 52 |
| | 53 |
| | 55 |
| | 56 |
| | 58 |
| | 58 |
| Follow-Up on Prior Audit Findings..... | 60-64 |
| <hr/> <u>STATISTICAL SECTION</u> <hr/> | |
| History, Organization, and Statistical Information..... | 66-69 |

FINANCIAL SECTION

State Auditor's Reports



SUSAN MONTEE, CPA
Missouri State Auditor

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

To the County Commission
and
Officeholders of Warren 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 Warren County, Missouri, as of and for the years ended December 31, 2006 and 2005. 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 Warren County, Missouri, as of December 31, 2006 and 2005, 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 Warren 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, 2006 and 2005, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated September 6, 2007, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements, taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Warren 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.



Susan Montee, CPA
State Auditor

September 6, 2007

The following auditors participated in the preparation of this report:

| | |
|---------------------|---------------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager: | Randall Gordon, CPA, CGAP |
| In-Charge Auditor: | David Gregg |
| Audit Staff: | Denise Huddleston |
| | Katie Twiehaus |
| | Kelly Nguyen |



SUSAN MONTEE, CPA
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 Warren County, Missouri

We have audited the financial statements of various funds of Warren County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 6, 2007. 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 Warren County, Missouri, we considered the county's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of providing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with applicable accounting principles such that there is more than a remote likelihood that a misstatement of the county's financial statements that is more than inconsequential will not be prevented or detected by the county's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the county's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Warren 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*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Warren County, Missouri; federal awarding agencies and pass-through entities; 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.



Susan Montee, CPA
State Auditor

September 6, 2007

Financial Statements

Exhibit A-1

WARREN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2006

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|--|--------------------|------------|---------------|----------------------|
| General Revenue | \$ 2,131,752 | 3,100,031 | 2,877,518 | 2,354,265 |
| Special Road and Bridge | 953,572 | 2,252,788 | 2,267,327 | 939,033 |
| Assessment | 125,109 | 463,371 | 464,308 | 124,172 |
| Law Enforcement | 114,426 | 2,678,436 | 2,717,567 | 75,295 |
| Officer's Training | 4,711 | 20,047 | 16,451 | 8,307 |
| Prosecuting Attorney Training | 23,141 | 3,544 | 0 | 26,685 |
| Capital Improvement | 4,447,825 | 1,560,065 | 807,430 | 5,200,460 |
| Prosecuting Attorney Delinquent Tax | 10,048 | 13,867 | 6,623 | 17,292 |
| Prosecuting Attorney Bad Check | 46,514 | 20,264 | 30,101 | 36,677 |
| Recorder's User Fees | 102,031 | 30,689 | 72,876 | 59,844 |
| Sheriff's Civil Fees | 21,558 | 36,786 | 51,513 | 6,831 |
| Road and Bridge Capital | 530,224 | 126,476 | 11,082 | 645,618 |
| Prosecuting Attorney Forfeiture | 6,484 | 312 | 788 | 6,008 |
| Election Services | 14,897 | 2,622 | 2,519 | 15,000 |
| Recorder Technology | 56,917 | 15,685 | 64,371 | 8,231 |
| Sheriff's Forfeiture | 1,259 | 62 | 0 | 1,321 |
| Tax Maintenance | 77,880 | 55,822 | 6,436 | 127,266 |
| Sheriff's Revolving | 6,466 | 3,628 | 8,997 | 1,097 |
| County Clerk HAVA | 2,976 | 124,182 | 107,089 | 20,069 |
| Federal Grant | 1 | 5,364 | 5,364 | 1 |
| Law Library | 23,977 | 17,594 | 14,032 | 27,539 |
| Time Payment Fee | 3,451 | 2,935 | 0 | 6,386 |
| DARE | 7,390 | 1,020 | 1,000 | 7,410 |
| Senate Bill 40 Board | 269,610 | 686,507 | 623,255 | 332,862 |
| Circuit Clerk Interest | 43,846 | 43,234 | 15,492 | 71,588 |
| Domestic Violence | 2,964 | 3,485 | 2,964 | 3,485 |
| Drug Court | 1,828 | 2,010 | 2,422 | 1,416 |
| Local Emergency Preparedness Committee | 0 | 15,233 | 2,477 | 12,756 |
| Vending | 0 | 437 | 37 | 400 |
| Associate Circuit Division Interest | 23,149 | 0 | 23,149 | 0 |
| Juvenile Assessment | 3,183 | 174 | 0 | 3,357 |
| Division II Computer | 1,711 | 0 | 1,711 | 0 |
| Total | \$ 9,058,900 | 11,286,670 | 10,204,899 | 10,140,671 |

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

Exhibit A-2

WARREN 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 | \$ 1,951,252 | 3,020,043 | 2,839,543 | 2,131,752 |
| Special Road and Bridge | 820,788 | 1,545,244 | 1,412,460 | 953,572 |
| Assessment | 67,075 | 418,606 | 360,572 | 125,109 |
| Law Enforcement | 46,670 | 2,694,551 | 2,626,795 | 114,426 |
| Officer's Training | 2,393 | 16,978 | 14,660 | 4,711 |
| Prosecuting Attorney Training | 19,147 | 3,994 | 0 | 23,141 |
| Capital Improvement | 3,273,272 | 1,436,105 | 261,552 | 4,447,825 |
| Prosecuting Attorney Delinquent Tax | 10,489 | 3,939 | 4,380 | 10,048 |
| Prosecuting Attorney Bad Check | 48,214 | 19,295 | 20,995 | 46,514 |
| Recorder's User Fees | 109,160 | 30,138 | 37,267 | 102,031 |
| Sheriff's Civil Fees | 14,347 | 43,864 | 36,653 | 21,558 |
| Road and Bridge Capital | 468,478 | 113,781 | 52,035 | 530,224 |
| Prosecuting Attorney Forfeiture | 8,057 | 227 | 1,800 | 6,484 |
| Election Services | 12,862 | 4,090 | 2,055 | 14,897 |
| Recorder Technology | 40,738 | 16,179 | 0 | 56,917 |
| Sheriff's Forfeiture | 1,217 | 42 | 0 | 1,259 |
| Tax Maintenance | 76,963 | 48,049 | 47,132 | 77,880 |
| Sheriff's Revolving | 4,473 | 1,993 | 0 | 6,466 |
| County Clerk HAVA | 0 | 101,581 | 98,605 | 2,976 |
| Federal Grant | 0 | 16,097 | 16,096 | 1 |
| Law Library | 21,491 | 16,319 | 13,833 | 23,977 |
| Time Payment Fee | 1,277 | 2,174 | 0 | 3,451 |
| DARE | 7,407 | 983 | 1,000 | 7,390 |
| Senate Bill 40 Board | 187,680 | 611,635 | 529,705 | 269,610 |
| Circuit Clerk Interest | 45,530 | 4,388 | 6,072 | 43,846 |
| Domestic Violence | 2,627 | 2,964 | 2,627 | 2,964 |
| Drug Court | 1,325 | 1,844 | 1,341 | 1,828 |
| Associate Circuit Division Interest | 17,378 | 6,611 | 840 | 23,149 |
| Juvenile Assessment | 0 | 3,183 | 0 | 3,183 |
| Division II Computer | 1,811 | 0 | 100 | 1,711 |
| Total | \$ 7,262,121 | 10,184,897 | 8,388,118 | 9,058,900 |

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

Exhibit B

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

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|------------|--|-------------|------------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| TOTALS - VARIOUS FUNDS | | | | | | |
| RECEIPTS | \$ 11,848,141 | 11,286,496 | (561,645) | 10,631,441 | 10,181,714 | (449,727) |
| DISBURSEMENTS | 16,618,351 | 10,180,039 | 6,438,312 | 11,911,538 | 8,388,018 | 3,523,520 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (4,770,210) | 1,106,457 | 5,876,667 | (1,280,097) | 1,793,696 | 3,073,793 |
| CASH, JANUARY 1 | 8,935,662 | 9,030,857 | 95,195 | 7,260,395 | 7,260,310 | (85) |
| CASH, DECEMBER 31 | 4,165,452 | 10,137,314 | 5,971,862 | 5,980,298 | 9,054,006 | 3,073,708 |
| GENERAL REVENUE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 444,500 | 428,996 | (15,504) | 349,750 | 372,221 | 22,471 |
| Sales taxes | 1,395,000 | 1,333,904 | (61,096) | 1,225,000 | 1,312,275 | 87,275 |
| Intergovernmental | 178,140 | 177,789 | (351) | 237,830 | 219,055 | (18,775) |
| Charges for service: | 946,300 | 926,048 | (20,252) | 910,600 | 913,671 | 3,071 |
| Interest | 80,000 | 127,037 | 47,037 | 26,000 | 69,155 | 43,155 |
| Other | 174,300 | 106,257 | (68,043) | 146,200 | 133,666 | (12,534) |
| Total Receipts | 3,218,240 | 3,100,031 | (118,209) | 2,895,380 | 3,020,043 | 124,663 |
| DISBURSEMENTS | | | | | | |
| County Commissior | 120,271 | 112,778 | 7,493 | 119,948 | 113,628 | 6,320 |
| County Clerk | 164,210 | 156,293 | 7,917 | 160,507 | 149,119 | 11,388 |
| Elections | 144,420 | 79,748 | 64,672 | 87,160 | 49,004 | 38,156 |
| Buildings and grounds | 635,190 | 342,033 | 293,157 | 538,000 | 416,286 | 121,714 |
| County Treasurer | 42,148 | 41,539 | 609 | 41,977 | 41,515 | 462 |
| County Collector | 237,338 | 202,265 | 35,073 | 200,437 | 188,914 | 11,523 |
| Ex Officio Recorder of Deed | 105,420 | 96,768 | 8,652 | 101,992 | 96,375 | 5,617 |
| Circuit Clerk | 51,609 | 43,768 | 7,841 | 27,045 | 22,957 | 4,088 |
| Associate Circuit (Probate) | 3,100 | 3,394 | (294) | 27,773 | 20,405 | 7,368 |
| Court administration | 65,000 | 11,610 | 53,390 | 65,000 | 8,211 | 56,789 |
| Public Administrator | 28,851 | 23,306 | 5,545 | 28,740 | 23,680 | 5,060 |
| Prosecuting Attorney | 363,460 | 349,208 | 14,252 | 355,618 | 338,038 | 17,580 |
| Juvenile Officee | 124,964 | 117,885 | 7,079 | 124,964 | 91,439 | 33,525 |
| County Coroner | 25,397 | 22,949 | 2,448 | 24,732 | 23,510 | 1,222 |
| Surveyor | 5,680 | 5,555 | 125 | 5,549 | 4,401 | 1,148 |
| Sanitation Officee | 72,620 | 67,959 | 4,661 | 70,625 | 65,879 | 4,746 |
| Emergency Manager | 72,982 | 44,215 | 28,767 | 132,535 | 104,775 | 27,760 |
| Court Reporter | 5,300 | 2,514 | 2,786 | 5,500 | 1,108 | 4,392 |
| Circuit Judge | 29,450 | 8,147 | 21,303 | 30,530 | 16,874 | 13,656 |
| Planning and Zoning | 110,750 | 66,575 | 44,175 | 105,764 | 63,881 | 41,883 |
| Child Support Enforcemen | 38,462 | 36,839 | 1,623 | 35,967 | 31,391 | 4,576 |
| Victim Advocate | 38,082 | 34,572 | 3,510 | 37,058 | 32,799 | 4,259 |
| Public health and welfare service | 185,185 | 176,712 | 8,473 | 179,487 | 162,060 | 17,427 |
| Administration | 537,559 | 397,195 | 140,364 | 558,068 | 354,294 | 203,774 |
| Transfers out | 470,691 | 433,691 | 37,000 | 529,000 | 419,000 | 110,000 |
| Emergency Fund | 200,000 | 0 | 200,000 | 200,000 | 0 | 200,000 |
| Total Disbursements | 3,878,139 | 2,877,518 | 1,000,621 | 3,793,976 | 2,839,543 | 954,433 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (659,899) | 222,513 | 882,412 | (898,596) | 180,500 | 1,079,096 |
| CASH, JANUARY 1 | 2,131,752 | 2,131,752 | 0 | 1,951,252 | 1,951,252 | 0 |
| CASH, DECEMBER 31 | 1,471,853 | 2,354,265 | 882,412 | 1,052,656 | 2,131,752 | 1,079,096 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|------------------|--|------------------|------------------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SPECIAL ROAD AND BRIDGE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 735,300 | 765,579 | 30,279 | 704,600 | 700,319 | (4,281) |
| Intergovernmental | 1,365,849 | 1,274,200 | (91,649) | 1,363,641 | 780,073 | (583,568) |
| Interest | 40,000 | 62,811 | 22,811 | 5,000 | 39,743 | 34,743 |
| Other | 145,000 | 150,198 | 5,198 | 24,000 | 25,109 | 1,109 |
| Total Receipts | 2,286,149 | 2,252,788 | (33,361) | 2,097,241 | 1,545,244 | (551,997) |
| DISBURSEMENTS | | | | | | |
| Salaries and employee fringe benefit | 393,540 | 359,789 | 33,751 | 393,540 | 344,405 | 49,135 |
| Supplies | 10,000 | 7,025 | 2,975 | 10,000 | 8,271 | 1,729 |
| Insurance | 35,000 | 28,718 | 6,282 | 30,000 | 26,992 | 3,008 |
| Road and bridge materials | 341,000 | 355,121 | (14,121) | 410,500 | 331,517 | 78,983 |
| Equipment repairs | 47,000 | 50,344 | (3,344) | 45,000 | 45,884 | (884) |
| Non reimbursed construction | 65,000 | 15,710 | 49,290 | 0 | 3,000 | (3,000) |
| Equipment purchases | 300,000 | 291,144 | 8,856 | 125,000 | 12,124 | 112,876 |
| Hired machinery | 15,000 | 558 | 14,442 | 15,000 | 8,304 | 6,696 |
| Road oil and asphalt maintenance | 145,000 | 81,311 | 63,689 | 100,000 | 101,436 | (1,436) |
| Gravel | 325,000 | 322,460 | 2,540 | 285,000 | 284,620 | 380 |
| New bridges | 600,000 | 490,992 | 109,008 | 600,000 | 12,219 | 587,781 |
| Dust abatement | 25,000 | 22,975 | 2,025 | 16,000 | 24,770 | (8,770) |
| Gasoline and oil | 100,000 | 94,974 | 5,026 | 19,600 | 72,670 | (53,070) |
| Real estate purchases | 20,000 | 0 | 20,000 | 60,000 | 0 | 60,000 |
| Workers compensation | 25,000 | 26,628 | (1,628) | 20,000 | 18,306 | 1,694 |
| Other | 20,500 | 19,578 | 922 | 21,000 | 17,942 | 3,058 |
| Transfer out | 100,000 | 100,000 | 0 | 100,000 | 100,000 | 0 |
| Total Disbursements | 2,567,040 | 2,267,327 | 299,713 | 2,250,640 | 1,412,460 | 838,180 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (280,891) | (14,539) | 266,352 | (153,399) | 132,784 | 286,183 |
| CASH, JANUARY 1 | 953,572 | 953,572 | 0 | 820,788 | 820,788 | 0 |
| CASH, DECEMBER 31 | 672,681 | 939,033 | 266,352 | 667,389 | 953,572 | 286,183 |
| <u>ASSESSMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 407,606 | 443,357 | 35,751 | 385,266 | 403,213 | 17,947 |
| Interest | 4,800 | 11,259 | 6,459 | 1,100 | 5,405 | 4,305 |
| Other | 9,500 | 8,755 | (745) | 10,000 | 9,988 | (12) |
| Transfers in | 37,000 | 0 | (37,000) | 0 | 0 | 0 |
| Total Receipts | 458,906 | 463,371 | 4,465 | 396,366 | 418,606 | 22,240 |
| DISBURSEMENTS | | | | | | |
| Assessor | 583,208 | 464,308 | 118,900 | 409,175 | 360,572 | 48,603 |
| Total Disbursements | 583,208 | 464,308 | 118,900 | 409,175 | 360,572 | 48,603 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (124,302) | (937) | 123,365 | (12,809) | 58,034 | 70,843 |
| CASH, JANUARY 1 | 125,109 | 125,109 | 0 | 67,075 | 67,075 | 0 |
| CASH, DECEMBER 31 | 807 | 124,172 | 123,365 | 54,266 | 125,109 | 70,843 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|-----------|--|-----------|-----------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>LAW ENFORCEMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,395,000 | 1,333,917 | (61,083) | 1,225,000 | 1,312,271 | 87,271 |
| Intergovernmental | 319,768 | 344,638 | 24,870 | 303,537 | 356,398 | 52,861 |
| Charges for service: | 651,175 | 474,955 | (176,220) | 476,375 | 538,871 | 62,496 |
| Interest | 3,000 | 10,026 | 7,026 | 1,000 | 3,420 | 2,420 |
| Other | 48,000 | 95,900 | 47,900 | 76,150 | 64,591 | (11,559) |
| Transfers in | 419,000 | 419,000 | 0 | 529,000 | 419,000 | (110,000) |
| Total Receipts | 2,835,943 | 2,678,436 | (157,507) | 2,611,062 | 2,694,551 | 83,489 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 1,761,748 | 1,638,043 | 123,705 | 1,518,587 | 1,444,254 | 74,333 |
| Jail | 1,187,890 | 1,079,524 | 108,366 | 1,134,179 | 1,182,541 | (48,362) |
| Total Disbursements | 2,949,638 | 2,717,567 | 232,071 | 2,652,766 | 2,626,795 | 25,971 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (113,695) | (39,131) | 74,564 | (41,704) | 67,756 | 109,460 |
| CASH, JANUARY 1 | 114,426 | 114,426 | 0 | 46,670 | 46,670 | 0 |
| CASH, DECEMBER 31 | 731 | 75,295 | 74,564 | 4,966 | 114,426 | 109,460 |
| <u>OFFICER'S TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 13,690 | 16,626 | 2,936 | 14,611 | 15,583 | 972 |
| Interest | 100 | 247 | 147 | 60 | 156 | 96 |
| Other | 500 | 3,174 | 2,674 | 0 | 1,239 | 1,239 |
| Total Receipts | 14,290 | 20,047 | 5,757 | 14,671 | 16,978 | 2,307 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 19,000 | 16,451 | 2,549 | 17,000 | 14,660 | 2,340 |
| Total Disbursements | 19,000 | 16,451 | 2,549 | 17,000 | 14,660 | 2,340 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (4,710) | 3,596 | 8,306 | (2,329) | 2,318 | 4,647 |
| CASH, JANUARY 1 | 4,711 | 4,711 | 0 | 2,393 | 2,393 | 0 |
| CASH, DECEMBER 31 | 1 | 8,307 | 8,306 | 64 | 4,711 | 4,647 |
| <u>PROSECUTING ATTORNEY TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 3,200 | 2,349 | (851) | 2,300 | 2,674 | 374 |
| Interest | 675 | 1,195 | 520 | 200 | 670 | 470 |
| Other | 0 | 0 | 0 | 0 | 650 | 650 |
| Total Receipts | 3,875 | 3,544 | (331) | 2,500 | 3,994 | 1,494 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 7,500 | 0 | 7,500 | 7,500 | 0 | 7,500 |
| Total Disbursements | 7,500 | 0 | 7,500 | 7,500 | 0 | 7,500 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (3,625) | 3,544 | 7,169 | (5,000) | 3,994 | 8,994 |
| CASH, JANUARY 1 | 23,141 | 23,141 | 0 | 19,147 | 19,147 | 0 |
| CASH, DECEMBER 31 | 19,516 | 26,685 | 7,169 | 14,147 | 23,141 | 8,994 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|-----------|--|-----------|-----------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>CAPITAL IMPROVEMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 1,395,000 | 1,333,904 | (61,096) | 1,225,000 | 1,312,274 | 87,274 |
| Interest | 100,000 | 226,161 | 126,161 | 40,000 | 123,831 | 83,831 |
| Total Receipts | 1,495,000 | 1,560,065 | 65,065 | 1,265,000 | 1,436,105 | 171,105 |
| DISBURSEMENTS | | | | | | |
| Equipment | 50,000 | 0 | 50,000 | 50,000 | 0 | 50,000 |
| Bond principal and interest payment | 4,282,600 | 807,430 | 3,475,170 | 778,890 | 261,552 | 517,338 |
| Capital construction | 25,000 | 0 | 25,000 | 25,000 | 0 | 25,000 |
| Total Disbursements | 4,357,600 | 807,430 | 3,550,170 | 853,890 | 261,552 | 592,338 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,862,600) | 752,635 | 3,615,235 | 411,110 | 1,174,553 | 763,443 |
| CASH, JANUARY 1 | 4,447,825 | 4,447,825 | 0 | 3,273,272 | 3,273,272 | 0 |
| CASH, DECEMBER 31 | 1,585,225 | 5,200,460 | 3,615,235 | 3,684,382 | 4,447,825 | 763,443 |
| <u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 3,600 | 13,110 | 9,510 | 3,000 | 3,614 | 614 |
| Interest | 325 | 757 | 432 | 150 | 325 | 175 |
| Total Receipts | 3,925 | 13,867 | 9,942 | 3,150 | 3,939 | 789 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 8,500 | 6,623 | 1,877 | 8,500 | 4,380 | 4,120 |
| Total Disbursements | 8,500 | 6,623 | 1,877 | 8,500 | 4,380 | 4,120 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (4,575) | 7,244 | 11,819 | (5,350) | (441) | 4,909 |
| CASH, JANUARY 1 | 10,048 | 10,048 | 0 | 10,489 | 10,489 | 0 |
| CASH, DECEMBER 31 | 5,473 | 17,292 | 11,819 | 5,139 | 10,048 | 4,909 |
| <u>PROSECUTING ATTORNEY BAD CHECK FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 19,000 | 18,414 | (586) | 19,000 | 17,786 | (1,214) |
| Interest | 1,500 | 1,850 | 350 | 530 | 1,509 | 979 |
| Total Receipts | 20,500 | 20,264 | (236) | 19,530 | 19,295 | (235) |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 41,382 | 30,101 | 11,281 | 40,947 | 20,995 | 19,952 |
| Total Disbursements | 41,382 | 30,101 | 11,281 | 40,947 | 20,995 | 19,952 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (20,882) | (9,837) | 11,045 | (21,417) | (1,700) | 19,717 |
| CASH, JANUARY 1 | 46,514 | 46,514 | 0 | 48,214 | 48,214 | 0 |
| CASH, DECEMBER 31 | 25,632 | 36,677 | 11,045 | 26,797 | 46,514 | 19,717 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|----------|--|-----------|---------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>RECORDER'S USER FEES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 28,000 | 26,653 | (1,347) | 25,000 | 27,274 | 2,274 |
| Interest | 2,500 | 3,898 | 1,398 | 1,150 | 2,864 | 1,714 |
| Other | 0 | 138 | 138 | 0 | 0 | 0 |
| Total Receipts | 30,500 | 30,689 | 189 | 26,150 | 30,138 | 3,988 |
| DISBURSEMENTS | | | | | | |
| Ex Officio Recorder of Deed | 125,000 | 72,876 | 52,124 | 120,000 | 37,267 | 82,733 |
| Total Disbursements | 125,000 | 72,876 | 52,124 | 120,000 | 37,267 | 82,733 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (94,500) | (42,187) | 52,313 | (93,850) | (7,129) | 86,721 |
| CASH, JANUARY 1 | 102,031 | 102,031 | 0 | 109,160 | 109,160 | 0 |
| CASH, DECEMBER 31 | 7,531 | 59,844 | 52,313 | 15,310 | 102,031 | 86,721 |
| <u>SHERIFF'S CIVIL FEES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 40,343 | 35,921 | (4,422) | 37,510 | 43,008 | 5,498 |
| Interest | 100 | 865 | 765 | 100 | 650 | 550 |
| Other | 0 | 0 | 0 | 0 | 206 | 206 |
| Total Receipts | 40,443 | 36,786 | (3,657) | 37,610 | 43,864 | 6,254 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 62,000 | 51,513 | 10,487 | 40,000 | 36,653 | 3,347 |
| Total Disbursements | 62,000 | 51,513 | 10,487 | 40,000 | 36,653 | 3,347 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (21,557) | (14,727) | 6,830 | (2,390) | 7,211 | 9,601 |
| CASH, JANUARY 1 | 21,558 | 21,558 | 0 | 14,347 | 14,347 | 0 |
| CASH, DECEMBER 31 | 1 | 6,831 | 6,830 | 11,957 | 21,558 | 9,601 |
| <u>ROAD AND BRIDGE CAPITAL FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 20,400 | 26,476 | 6,076 | 6,300 | 13,781 | 7,481 |
| Transfers in | 100,000 | 100,000 | 0 | 100,000 | 100,000 | 0 |
| Total Receipts | 120,400 | 126,476 | 6,076 | 106,300 | 113,781 | 7,481 |
| DISBURSEMENTS | | | | | | |
| Real estate purchases | 200,000 | 6,475 | 193,525 | 200,000 | 0 | 200,000 |
| Capital construction | 425,000 | 4,607 | 420,393 | 265,000 | 52,035 | 212,965 |
| Total Disbursements | 625,000 | 11,082 | 613,918 | 465,000 | 52,035 | 412,965 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (504,600) | 115,394 | 619,994 | (358,700) | 61,746 | 420,446 |
| CASH, JANUARY 1 | 530,224 | 530,224 | 0 | 468,478 | 468,478 | 0 |
| CASH, DECEMBER 31 | 25,624 | 645,618 | 619,994 | 109,778 | 530,224 | 420,446 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|----------|--|----------|---------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>PROSECUTING ATTORNEY FORFEITURE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 1,000 | 0 | (1,000) | 1,000 | 0 | (1,000) |
| Interest | 225 | 312 | 87 | 80 | 227 | 147 |
| Total Receipts | 1,225 | 312 | (913) | 1,080 | 227 | (853) |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 3,500 | 788 | 2,712 | 5,000 | 1,800 | 3,200 |
| Total Disbursements | 3,500 | 788 | 2,712 | 5,000 | 1,800 | 3,200 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,275) | (476) | 1,799 | (3,920) | (1,573) | 2,347 |
| CASH, JANUARY 1 | 6,484 | 6,484 | 0 | 8,057 | 8,057 | 0 |
| CASH, DECEMBER 31 | 4,209 | 6,008 | 1,799 | 4,137 | 6,484 | 2,347 |
| <u>ELECTION SERVICES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 2,000 | 1,917 | (83) | 1,400 | 3,608 | 2,208 |
| Interest | 470 | 705 | 235 | 160 | 482 | 322 |
| Total Receipts | 2,470 | 2,622 | 152 | 1,560 | 4,090 | 2,530 |
| DISBURSEMENTS | | | | | | |
| Office supplies: | 4,000 | 164 | 3,836 | 3,000 | 0 | 3,000 |
| Equipment | 4,000 | 2,230 | 1,770 | 4,000 | 2,019 | 1,981 |
| Other | 4,000 | 125 | 3,875 | 3,000 | 36 | 2,964 |
| Total Disbursements | 12,000 | 2,519 | 9,481 | 10,000 | 2,055 | 7,945 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (9,530) | 103 | 9,633 | (8,440) | 2,035 | 10,475 |
| CASH, JANUARY 1 | 14,897 | 14,897 | 0 | 12,862 | 12,862 | 0 |
| CASH, DECEMBER 31 | 5,367 | 15,000 | 9,633 | 4,422 | 14,897 | 10,475 |
| <u>RECORDER TECHNOLOGY FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 14,500 | 13,689 | (811) | 14,000 | 14,599 | 599 |
| Interest | 1,400 | 1,996 | 596 | 350 | 1,580 | 1,230 |
| Total Receipts | 15,900 | 15,685 | (215) | 14,350 | 16,179 | 1,829 |
| DISBURSEMENTS | | | | | | |
| Ex Officio Recorder of Deed | 70,000 | 64,371 | 5,629 | 50,000 | 0 | 50,000 |
| Total Disbursements | 70,000 | 64,371 | 5,629 | 50,000 | 0 | 50,000 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (54,100) | (48,686) | 5,414 | (35,650) | 16,179 | 51,829 |
| CASH, JANUARY 1 | 56,917 | 56,917 | 0 | 40,738 | 40,738 | 0 |
| CASH, DECEMBER 31 | 2,817 | 8,231 | 5,414 | 5,088 | 56,917 | 51,829 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------|--|----------|--------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SHERIFF'S FORFEITURE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 8,720 | 0 | (8,720) | 9,000 | 0 | (9,000) |
| Interest | 25 | 62 | 37 | 22 | 42 | 20 |
| Total Receipts | 8,745 | 62 | (8,683) | 9,022 | 42 | (8,980) |
| DISBURSEMENTS | | | | | | |
| Equipment | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| Total Disbursements | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,255) | 62 | 1,317 | (978) | 42 | 1,020 |
| CASH, JANUARY 1 | 1,259 | 1,259 | 0 | 1,217 | 1,217 | 0 |
| CASH, DECEMBER 31 | 4 | 1,321 | 1,317 | 239 | 1,259 | 1,020 |
| <u>TAX MAINTENANCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 46,000 | 50,511 | 4,511 | 50,000 | 45,067 | (4,933) |
| Interest | 2,000 | 5,311 | 3,311 | 700 | 2,982 | 2,282 |
| Total Receipts | 48,000 | 55,822 | 7,822 | 50,700 | 48,049 | (2,651) |
| DISBURSEMENTS | | | | | | |
| County Collector | 114,000 | 6,436 | 107,564 | 90,000 | 47,132 | 42,868 |
| Total Disbursements | 114,000 | 6,436 | 107,564 | 90,000 | 47,132 | 42,868 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (66,000) | 49,386 | 115,386 | (39,300) | 917 | 40,217 |
| CASH, JANUARY 1 | 77,880 | 77,880 | 0 | 76,963 | 76,963 | 0 |
| CASH, DECEMBER 31 | 11,880 | 127,266 | 115,386 | 37,663 | 77,880 | 40,217 |
| <u>SHERIFF'S REVOLVING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 1,475 | 3,361 | 1,886 | 1,980 | 1,810 | (170) |
| Interest | 25 | 267 | 242 | 20 | 183 | 163 |
| Total Receipts | 1,500 | 3,628 | 2,128 | 2,000 | 1,993 | (7) |
| DISBURSEMENTS | | | | | | |
| Sheriff | 7,942 | 8,997 | (1,055) | 6,472 | 0 | 6,472 |
| Total Disbursements | 7,942 | 8,997 | (1,055) | 6,472 | 0 | 6,472 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (6,442) | (5,369) | 1,073 | (4,472) | 1,993 | 6,465 |
| CASH, JANUARY 1 | 6,466 | 6,466 | 0 | 4,473 | 4,473 | 0 |
| CASH, DECEMBER 31 | 24 | 1,097 | 1,073 | 1 | 6,466 | 6,465 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|---------|--|---------|---------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| COUNTY CLERK HAVA FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 123,134 | 120,950 | (2,184) | 104,224 | 99,697 | (4,527) |
| Interest | 150 | 3,232 | 3,082 | 1,320 | 1,884 | 564 |
| Total Receipts | 123,284 | 124,182 | 898 | 105,544 | 101,581 | (3,963) |
| DISBURSEMENTS | | | | | | |
| Office supplies | 300 | 0 | 300 | 660 | 0 | 660 |
| Equipment | 123,134 | 105,323 | 17,811 | 104,224 | 98,235 | 5,989 |
| Other | 300 | 1,766 | (1,466) | 660 | 370 | 290 |
| Total Disbursements | 123,734 | 107,089 | 16,645 | 105,544 | 98,605 | 6,939 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (450) | 17,093 | 17,543 | 0 | 2,976 | 2,976 |
| CASH, JANUARY 1 | 2,976 | 2,976 | 0 | 0 | 0 | 0 |
| CASH, DECEMBER 31 | 2,526 | 20,069 | 17,543 | 0 | 2,976 | 2,976 |
| FEDERAL GRANT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 363,904 | 5,364 | (358,540) | 380,000 | 16,097 | (363,903) |
| Total Receipts | 363,904 | 5,364 | (358,540) | 380,000 | 16,097 | (363,903) |
| DISBURSEMENTS | | | | | | |
| Construction | 335,000 | 0 | 335,000 | 335,000 | 0 | 335,000 |
| Professional services | 13,400 | 3,400 | 10,000 | 25,000 | 11,600 | 13,400 |
| Other | 15,504 | 1,964 | 13,540 | 20,000 | 4,496 | 15,504 |
| Total Disbursements | 363,904 | 5,364 | 358,540 | 380,000 | 16,096 | 363,904 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 0 | 0 | 0 | 1 | 1 |
| CASH, JANUARY 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| CASH, DECEMBER 31 | 1 | 1 | 0 | 0 | 1 | 1 |
| LAW LIBRARY FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 16,000 | 16,376 | 376 | 15,000 | 15,617 | 617 |
| Interest | 0 | 1,218 | 1,218 | 0 | 702 | 702 |
| Total Receipts | 16,000 | 17,594 | 1,594 | 15,000 | 16,319 | 1,319 |
| DISBURSEMENTS | | | | | | |
| Law Library | 18,000 | 14,032 | 3,968 | 18,000 | 13,833 | 4,167 |
| Total Disbursements | 18,000 | 14,032 | 3,968 | 18,000 | 13,833 | 4,167 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,000) | 3,562 | 5,562 | (3,000) | 2,486 | 5,486 |
| CASH, JANUARY 1 | 23,895 | 23,977 | 82 | 21,491 | 21,491 | 0 |
| CASH, DECEMBER 31 | 21,895 | 27,539 | 5,644 | 18,491 | 23,977 | 5,486 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------|--|----------|---------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>TIME PAYMENT FEE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 2,000 | 2,704 | 704 | 1,200 | 2,105 | 905 |
| Interest | 0 | 231 | 231 | 0 | 69 | 69 |
| Total Receipts | 2,000 | 2,935 | 935 | 1,200 | 2,174 | 974 |
| DISBURSEMENTS | | | | | | |
| Circuit Clerk | 4,000 | 0 | 4,000 | 0 | 0 | 0 |
| Total Disbursements | 4,000 | 0 | 4,000 | 0 | 0 | 0 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,000) | 2,935 | 4,935 | 1,200 | 2,174 | 974 |
| CASH, JANUARY 1 | 3,301 | 3,451 | 150 | 1,275 | 1,277 | 2 |
| CASH, DECEMBER 31 | 1,301 | 6,386 | 5,085 | 2,475 | 3,451 | 976 |
| <u>DARE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Donations | 8,000 | 0 | (8,000) | 1,000 | 100 | (900) |
| Interest | 0 | 1,020 | 1,020 | 0 | 883 | 883 |
| Total Receipts | 8,000 | 1,020 | (6,980) | 1,000 | 983 | (17) |
| DISBURSEMENTS | | | | | | |
| Scholarships | 8,000 | 1,000 | 7,000 | 2,000 | 1,000 | 1,000 |
| Total Disbursements | 8,000 | 1,000 | 7,000 | 2,000 | 1,000 | 1,000 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 20 | 20 | (1,000) | (17) | 983 |
| CASH, JANUARY 1 | 0 | 7,390 | 7,390 | 7,407 | 7,407 | 0 |
| CASH, DECEMBER 31 | 0 | 7,410 | 7,410 | 6,407 | 7,390 | 983 |
| <u>SENATE BILL 40 BOARD FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 682,542 | 682,284 | (258) | 566,525 | 609,529 | 43,004 |
| Interest | 1,600 | 4,223 | 2,623 | 1,000 | 2,106 | 1,106 |
| Total Receipts | 684,142 | 686,507 | 2,365 | 567,525 | 611,635 | 44,110 |
| DISBURSEMENTS | | | | | | |
| Programs | 621,500 | 623,255 | (1,755) | 539,725 | 529,705 | 10,020 |
| Total Disbursements | 621,500 | 623,255 | (1,755) | 539,725 | 529,705 | 10,020 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 62,642 | 63,252 | 610 | 27,800 | 81,930 | 54,130 |
| CASH, JANUARY 1 | 183,168 | 269,610 | 86,442 | 187,891 | 187,680 | (211) |
| CASH, DECEMBER 31 | 245,810 | 332,862 | 87,052 | 215,691 | 269,610 | 53,919 |
| <u>CIRCUIT CLERK INTEREST FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 22,100 | 20,085 | (2,015) | 1,500 | 4,388 | 2,888 |
| Transfers in | 0 | 23,149 | 23,149 | 0 | 0 | 0 |
| Total Receipts | 22,100 | 43,234 | 21,134 | 1,500 | 4,388 | 2,888 |
| DISBURSEMENTS | | | | | | |
| Circuit Clerk | 30,000 | 15,492 | 14,508 | 25,000 | 6,072 | 18,928 |
| Total Disbursements | 30,000 | 15,492 | 14,508 | 25,000 | 6,072 | 18,928 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (7,900) | 27,742 | 35,642 | (23,500) | (1,684) | 21,816 |
| CASH, JANUARY 1 | 43,432 | 43,846 | 414 | 45,455 | 45,530 | 75 |
| CASH, DECEMBER 31 | 35,532 | 71,588 | 36,056 | 21,955 | 43,846 | 21,891 |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|---|-------------------------|--------|--|---------|--------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>DOMESTIC VIOLENCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 3,200 | 3,485 | 285 | 2,500 | 2,964 | 464 |
| Total Receipts | 3,200 | 3,485 | 285 | 2,500 | 2,964 | 464 |
| DISBURSEMENTS | | | | | | |
| Health and welfare | 2,964 | 2,964 | 0 | 2,627 | 2,627 | 0 |
| Total Disbursements | 2,964 | 2,964 | 0 | 2,627 | 2,627 | 0 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 236 | 521 | 285 | (127) | 337 | 464 |
| CASH, JANUARY 1 | 2,964 | 2,964 | 0 | 2,627 | 2,627 | 0 |
| CASH, DECEMBER 31 | 3,200 | 3,485 | 285 | 2,500 | 2,964 | 464 |
| <u>DRUG COURT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services: | 1,300 | 2,010 | 710 | 2,500 | 1,844 | (656) |
| Total Receipts | 1,300 | 2,010 | 710 | 2,500 | 1,844 | (656) |
| DISBURSEMENTS | | | | | | |
| Incentives | 0 | 0 | 0 | 1,000 | 1,341 | (341) |
| Other | 0 | 2,422 | (2,422) | 2,776 | 0 | 2,776 |
| Total Disbursements | 0 | 2,422 | (2,422) | 3,776 | 1,341 | 2,435 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,300 | (412) | (1,712) | (1,276) | 503 | 1,779 |
| CASH, JANUARY 1 | 1,111 | 1,828 | 717 | 1,276 | 1,325 | 49 |
| CASH, DECEMBER 31 | 2,411 | 1,416 | (995) | 0 | 1,828 | 1,828 |
| <u>LOCAL EMERGENCY PREPAREDNESS COMMITTEE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 4,200 | 0 | (4,200) | | | |
| Interest | 0 | 542 | 542 | | | |
| Transfers in | 13,500 | 14,691 | 1,191 | | | |
| Total Receipts | 17,700 | 15,233 | (2,467) | | | |
| DISBURSEMENTS | | | | | | |
| Office supplies | 400 | 113 | 287 | | | |
| Equipment | 700 | 915 | (215) | | | |
| Training and mileage | 2,500 | 829 | 1,671 | | | |
| Other | 700 | 620 | 80 | | | |
| Total Disbursements | 4,300 | 2,477 | 1,823 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 13,400 | 12,756 | (644) | | | |
| CASH, JANUARY 1 | 0 | 0 | 0 | | | |
| CASH, DECEMBER 31 | 13,400 | 12,756 | (644) | | | |

Exhibit B

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

| | Year Ended December 31, | | | | | |
|--|-------------------------|--------|--|---------|--------|--|
| | 2006 | | | 2005 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>VENDING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 0 | 8 | 8 | | | |
| Other | 500 | 429 | (71) | | | |
| Total Receipts | 500 | 437 | (63) | | | |
| DISBURSEMENTS | | | | | | |
| Other | 500 | 37 | 463 | | | |
| Total Disbursements | 500 | 37 | 463 | | | |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0 | 400 | 400 | | | |
| CASH, JANUARY 1 | 0 | 0 | 0 | | | |
| CASH, DECEMBER 31 | 0 | 400 | 400 | | | |
| <u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | | | | 1,000 | 6,611 | 5,611 |
| Total Receipts | | | | 1,000 | 6,611 | 5,611 |
| DISBURSEMENTS | | | | | | |
| Associate Circuit Judge | | | | 4,000 | 840 | 3,160 |
| Total Disbursements | | | | 4,000 | 840 | 3,160 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | | | | (3,000) | 5,771 | 8,771 |
| CASH, JANUARY 1 | | | | 17,378 | 17,378 | 0 |
| CASH, DECEMBER 31 | | | | 14,378 | 23,149 | 8,771 |

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

Notes to the Financial Statements

WARREN 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 Warren 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, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from 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 following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--|---------------------------------|
| Juvenile Assessment Fund | 2006 and 2005 |
| Division II Computer Fund | 2006 and 2005 |
| Associate Circuit Division Interest Fund | 2006 |

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> |
|-----------------------------------|---------------------------------|
| Sheriff's Revolving Fund | 2006 |
| Senate Bill 40 Board Fund | 2006 |
| Drug Court Fund | 2006 |
| 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 did not include the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|---------------------------|---------------------------------|
| Domestic Violence Fund | 2006 and 2005 |
| Juvenile Assessment Fund | 2006 and 2005 |
| Division II Computer Fund | 2006 and 2005 |
| Senate Bill 40 Board Fund | 2006 |
| Law Library Fund | 2005 |
| DARE Fund | 2005 |
| Drug Court Fund | 2005 |

In addition, the county's published financial statements for the years ended December 31, 2006 and 2005, did not disclose disbursement detail by vendor for the Circuit Clerk Interest Fund and the Associate Circuit Division Interest Fund, and for the year ended December 31, 2006, did not disclose disbursement detail by vendor for the Law Library Fund and the Drug Court Fund.

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, Warren County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The county's and the Senate Bill 40 Board's deposits at December 31, 2006 and 2005, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the county's or the board's custodial bank in the county's or the board's name or by an irrevocable standby letter of credit issued by a Federal Home Loan Bank.

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, 2006 and 2005, the county had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

3. Prior Period Adjustments

The Sheriff's Forfeiture Fund's and the Federal Grant Fund's cash balances at January 1, 2005, as previously stated have been decreased by \$5,668 and \$8,881, respectively, to reflect the cash balances shown in the county's records.

The following funds' cash balances at January 1, 2005, were not previously reported but have been added:

| <u>Fund</u> | <u>Balance</u> |
|---------------------------|----------------|
| Time Payment Fee Fund | \$ 1,277 |
| Division II Computer Fund | 1,811 |

As of January 1, 2005, the Turning Point CDBG Fund is known as the Federal Grant Fund.

Supplementary Schedule

Schedule

WARREN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures Year Ended December 31, | |
|---|---|--|---|----------------------|
| | | | 2006 | 2005 |
| U. S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through state | | | | |
| Department of Social Services - | | | | |
| 10.550 | Food Donation | N/A | \$ 0 | 564 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| Passed through state | | | | |
| Department of Economic Development - | | | | |
| 14.228 | Community Development Block Grants/State' Program | 2004PF33 99ME01 | 3,400 1,964 | 16,096 17,040 |
| | Program Total | | <u>5,364</u> | <u>33,136</u> |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Passed through: | | | | |
| State Department of Public Safety | | | | |
| 16.575 | Crime Victim Assistance | 2003-VOCA-0080 2004-VOCA-0080 2005-VOCA-0082 | 0 23,610 4,448 | 21,899 4,315 0 |
| | Program Total | | <u>28,058</u> | <u>26,214</u> |
| 16.738 | Edward Byrne Memorial Justice Assistance Grant Program | 2005-LBGJ-099 | 8,968 | 0 |
| Cape Girardeau County - | | | | |
| 16.580 | Edward Byrne Memorial State and Local Law Enforcemer Assistance Discretionary Grants Program | 2000DDVX0055 | 0 | 42,705 |
| Missouri Sheriffs' Association - | | | | |
| 16 | Domestic Cannabis Eradication/Suppression Program | SD2003-16 | 0 | 1,034 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through state | | | | |
| Highway and Transportation Commission | | | | |
| 20.205 | Highway Planning and Constructior | BRO-109(10) BRO-109(11) BRO-109(12) | 209,332 168,162 15,300 | 6,519 3,256 0 |
| | Program Total | | <u>392,794</u> | <u>9,775</u> |

Schedule

WARREN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures Year Ended December 31, | |
|---------------------------|--|---|---|----------------|
| | | | 2006 | 2005 |
| | Department of Public Safety | | | |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grant | HMEP2005 | 1,240 | 1,240 |
| | GENERAL SERVICES ADMINISTRATION | | | |
| | Passed through state | | | |
| | Office of Administration | | | |
| 39.003 | Donation of Federal Surplus Personal Property | N/A | 68 | 0 |
| | Office of Secretary of State | | | |
| 39.011 | Election Reform Payment | HAVA2002FED | 108,498 | 110,865 |
| | ELECTIONS ASSISTANCE COMMISSION | | | |
| | Passed through state Office of Secretary of State | | | |
| 90.401 | Help America Vote Act Requirements Payment | HAVA2002FED | 1,823 | 6,622 |
| | U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| | Passed through state | | | |
| | Department of Health and Senior Services - | | | |
| 93.268 | Immunization Grants | 219001 | 21,370 | 20,457 |
| 93.283 | Centers for Disease Control and Prevention Investigations and Technical Assistance | 43600395804 | 8,987 | 3,733 |
| | Department of Social Services - | | | |
| 93.563 | Child Support Enforcement | N/A | 27,271 | 35,574 |
| | U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| | Passed through state Department of Public Safety | | | |
| 97.004 | State Domestic Preparedness Equipment Support Program | ODP 2004 CTY/CNTY | 0 | 59,976 |
| 97.042 | Emergency Management Performance Grant | EMPG2006 | 18,070 | 18,422 |
| | Total Expenditures of Federal Award: | | \$ <u>622,511</u> | <u>370,317</u> |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

WARREN COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

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

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

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for Food Donation (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2006 and 2005.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



SUSAN MONTEE, CPA
Missouri State Auditor

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

To the County Commission
and
Officeholders of Warren County, Missouri

Compliance

We have audited the compliance of Warren County, Missouri, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2006 and 2005. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Warren County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2006 and 2005. However, the results of our auditing procedures disclosed an

instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 06-1.

Internal Control Over Compliance

The management of Warren County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the county's internal control. We consider the deficiency described as finding number 06-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over compliance.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the county's internal control. We consider the significant deficiency referred to above, finding number 06-1, to be a material weakness.

The response of Warren County, Missouri, to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the county's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the management of Warren County, Missouri; federal awarding agencies and pass-through entities; 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.

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

Susan Montee, CPA
State Auditor

September 6, 2007

Schedule

WARREN COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2006 AND 2005

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to the financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? yes no

Identification of major programs:

| <u>CFDA or Other Identifying Number</u> | <u>Program Title</u> |
|---|-----------------------------------|
| 20.205 | Highway Planning and Construction |
| 39.011 | Election Reform Payments |

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

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

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

| | |
|--------------|---------------------------------------|
| 06-1. | Election Reform Payments Grant |
|--------------|---------------------------------------|

| | |
|-----------------------|---------------------------------|
| Federal Grantor: | General Services Administration |
| Pass-Through Grantor: | Office of Secretary of State |
| Federal CFDA Numbers: | 39.011 |
| Program Title: | Election Reform Payments |
| Pass-Through Entity | |
| Identifying Number: | HAVA2002FED |
| Award Years: | 2006 and 2005 |
| Questioned Costs: | Not applicable |

Monies received were not always disbursed within 30 days as agreed upon in the grant application submitted to the Secretary of State’s office. Monies totaling \$15,000, \$78,336, and \$120,950 were received on December 28, 2004, January 24, 2005, and March 8, 2006, respectively, with \$131,250 and \$103,500 being disbursed on February 14, 2005 and August 31, 2006, respectively. County funds paid for the additional costs between what was received from the Secretary of State’s office and what was disbursed. In addition, approximately \$3,300 in interest was earned due to not disbursing monies timely.

The County Clerk should comply with the requirements of the Secretary of State’s office regarding disbursing monies within 30 days after being received in order to minimize the time elapsing between the transfer of funds from the state to the county and the disbursement of those funds from the county to the vendors.

WE RECOMMEND the County Commission ensure monies are disbursed within 30 days after being received.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated:

The monies were received from the Secretary of State's office. However, we had not received all of the equipment yet. Thus, we waited to make the disbursement until all of the equipment was received.

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

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

The prior audit report issued for the two years ended December 31, 2004, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

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

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

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

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

The prior audit report issued for the two years ended December 31, 2004, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

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

We have audited the financial statements of various funds of Warren County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 6, 2007. We also have audited the compliance of Warren County, Missouri, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 6, 2007.

Because the Emergency Services Board is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed that audit report and other applicable information.

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 and the county board referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned

Costs. These MAR findings resulted from our audit of the financial statements of Warren County or of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Warren County's responses to the findings also are presented in this MAR. We did not audit the county's responses and, accordingly, we express no opinion on them.

| | |
|-----------|----------------------------|
| 1. | Budgetary Practices |
|-----------|----------------------------|

Budgets prepared for some county funds contained unreasonable estimates, budgets filed by the Circuit Clerk were incomplete, budgets were not prepared for some funds, and some funds were not included in the published financial statements.

- A. Budgets prepared for some county funds contained unreasonable estimates. The approved budget documents for the General Revenue Fund, Special Road and Bridge Fund, Assessment Fund, Law Enforcement Fund, Capital Improvement Fund and the Road and Bridge Capital Fund did not adequately project the anticipated financial position for the years ended December 31, 2006 and 2005. The following are estimated cash balances as compared to actual ending cash balances of the six funds at December 31, 2006 and 2005:

| | Cash Balance – December 31, 2006 | |
|------------------------------|----------------------------------|-------------|
| | Estimated | |
| | Per Budget | Actual |
| General Revenue Fund | \$1,471,853 | \$2,354,265 |
| Special Road and Bridge Fund | 672,681 | 939,033 |
| Assessment Fund | 807 | 124,172 |
| Law Enforcement Fund | 731 | 75,295 |
| Capital Improvement Fund | 1,585,225 | 5,200,460 |
| Road and Bridge Capital Fund | 25,624 | 645,618 |

| | Cash Balance – December 31, 2005 | |
|------------------------------|----------------------------------|-------------|
| | Estimated | |
| | Per Budget | Actual |
| General Revenue Fund | \$1,052,656 | \$2,131,752 |
| Special Road and Bridge Fund | 667,389 | 953,572 |
| Assessment Fund | 54,266 | 125,109 |
| Law Enforcement Fund | 4,966 | 114,426 |
| Capital Improvement Fund | 3,684,382 | 4,447,825 |
| Road and Bridge Capital Fund | 109,778 | 530,224 |

These significant differences resulted mainly from overestimating disbursements. For the Road & Bridge Capital Fund, approximately \$200,000 for real estate purchases and \$425,000 and \$265,000 for capital construction for the years ending December 31, 2006 and 2005, respectively were budgeted. However, only minimal disbursements were made from this fund and there was no evidence historical information was used in preparing the budget estimates. In the Capital Improvement Fund for the year ending December 31, 2006, the county budgeted to pay off the bond principal and interest payments but subsequently decided to wait another year. The county has budgeted significantly more for some of the General Revenue Fund categories than has historically been spent, in an attempt to allow for possible, but not specifically identified, contingencies. The Special Road and Bridge Fund is due to a combination of overestimating equipment purchases and bridge construction expenses, which were due to not receiving federal grants as budgeted. The Assessment Fund is due to overestimating employee salaries, mapping and maintenance, and underestimating state reimbursements. The Law Enforcement Fund is due to a combination of overestimating fees to house prisoners and underestimating employee salaries, expenses for housing prisoners, transfers in, and sales taxes.

Prudent fiscal management of county funds should include setting aside reasonable, but not excessive, amounts of operating reserves to be used in future years or to be available for emergencies. While it appears the County Commission's intent is to keep sufficient reserves in these funds; the current budgets do not effectively inform county residents of this intent. Such intent would be more properly communicated to county residents through a formal reserve of the fund balance.

The practice of overestimating expenditures results in an inaccurate statement of the County's financial position. The practice of routinely budgeting to spend significantly more resources than truly intended decreases the effectiveness of the budget as a management planning tool and as a control over expenditures.

- B. The budgets filed by the Circuit Clerk for 2007, 2006, and 2005 were incomplete as the Circuit Clerk Interest Fund, Law Library Fund, and the Time Payment Fee Fund did not include the actual or budgeted amounts for the previous two years. In addition, budgets were not prepared for the Division II Computer Fund and the Juvenile Assessment Fund and financial information for these funds were not presented to the County Clerk for inclusion in the county's budget or in the county's published financial statements. The County Clerk does not have procedures in place to ensure that budgets are received and to ensure financial information is received for publishing in the financial statements for all funds.

Chapter 50, RSMo, requires preparation of an annual budget for all funds to present a complete financial plan for the ensuing year. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area. A complete budget should include appropriate revenue and expenditure estimates by classification, and include

the beginning available resources and reasonable estimates of the ending available resources for all funds. The budget should also include a budget message.

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

WE RECOMMEND the County Commission:

- A. Prepare reasonable estimates of disbursements so that projected reserves are more properly presented in the annual budgets. If the County Commission desires to build up reserves for future specific need, this information should be communicated through the budget message.
- B. And the Circuit Clerk prepare budgets as required by state law by including actual and budgeted amounts for the two previous years and ensure financial information is included in the published financial statements.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *We will budget more reasonably. For a couple of funds, we did budget for some expenditures that ended up not happening but at the time of preparing the budget, that is what we planned to do. For any reserves that are being built up, the reserves will be explained in the budget message. We do tend to be conservative on receipts and may be high on disbursements but we will try to do a better job.*
- B. *We will try to ensure all funds are budgeted and budgeted completely, and ensure all funds are included in the published financial statements.*

The Circuit Clerk indicated:

- B. *Actual and budgeted amounts will be presented for previous years on the budgets. We will work on getting a budget for the Juvenile Assessment Fund and will also provide financial information to the County Clerk for inclusion in the published financial statements. A budget or published financial statement does not appear necessary for the Division II Computer Fund as it is no longer active.*

| |
|------------------------|
| 2. Expenditures |
|------------------------|

Procedures regarding the procurement of major purchases need improvement, and contracts were not entered into for some services.

- A. While a review of County Commission minutes and bid files indicated numerous items are bid, bids were not always solicited, or bid documentation was not always retained for various purchases as discussed below. In addition, neither the County

Commission minutes nor the expenditure records contained adequate documentation of the county's efforts to compare prices (i.e., phone contacts, inquiries) or reasons to support sole source purchase determinations.

Concerns related to the following purchases were noted:

| <u>Item or Service</u> | <u>Cost</u> |
|--------------------------------|-------------|
| Sheriff's radios and equipment | \$ 35,031 |
| Copier/Plotter | 11,697 |
| Inmate uniforms | 6,838 |
| Sheriff's uniforms | 4,959 |
| Elevator maintenance | 4,636 |

The county indicated the Sheriff's radios and equipment, inmate uniforms, Sheriff's uniforms, and elevator maintenance were only available through one source, but this was not documented. Additionally, based on the sheriff equipment purchased, a search of the internet identified other potential vendors.

Section 50.660, RSMo, requires the advertisement for bids on all purchases of \$4,500 or more from any one person, firm or corporation during any period of ninety days.

Routine use of a competitive procurement process (advertisement for bids, phone solicitations, written requests for proposals, etc.) for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with the law and support decisions made.

- B. Contracts were not entered into for some services when appropriate. For example, during 2006 and 2005, payments were made for a commercial real estate appraiser costing \$27,750 and cleaning services costing \$29,803 without benefit of written agreements.

Section 432.070, RSMo, requires contracts of political subdivisions to be in writing. Written contracts, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

WE RECOMMEND the County Commission:

- A. Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- B. Enter into contracts when appropriate and ensure that contracts contain adequate details and protections for the county.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *We will do a better job of bidding purchases and documenting when bidding was not done due to a sole source provider, and we will also maintain documentation of decisions made.*
- B. *We now have a contract with our current cleaning services vendor and will look into getting a contract for the real estate appraiser, and we will try to ensure contracts are obtained when applicable.*

| |
|--------------------------|
| 3. Capital Assets |
|--------------------------|

Procedures and records to account for county property are not adequate. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections. Although the County Clerk does maintain capital asset listings for each office, they are not complete and procedures have not been established to ensure their accuracy. Each official is supposed to do an annual physical inventory of their assets, and submit the listing to the County Clerk for updating of the master listing. Our review of the capital asset records indicated the following areas where improvements are needed:

- Physical inventories are not conducted annually. The last county-wide physical inventory was apparently conducted in 2005. However, the County Clerk did not receive the results of the physical inventory from the Sheriff's department as the last physical inventory conducted by the Sheriff's department was in 1990.
- The County Clerk's master capital asset listing does not always include all information applicable to the item. Information such as serial numbers, acquisition/disposition dates, and purchase price or value is not always recorded.
- Physical inventory reports received were not accurate or complete. We noted that the Assessor's Office purchased a copier/plotter for \$11,697 and the Health Department purchased two computers costing \$1,170 each that were not included on the physical inventory report.

Adequate capital asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. 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. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk. Property control tags should also be affixed to all capital asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.

Similar conditions were noted in our prior report.

WE AGAIN RECOMMEND the County Commission establish a written policy related to the handling and accounting for capital assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. Also, inventories and inspections should be performed by each county official and the County Clerk, and capital asset purchases should be periodically reconciled to capital asset additions.

AUDITEE'S RESPONSE

The County Commission indicated:

We will give this our best shot to try to ensure all capital assets are properly accounted for. We will consider establishing a written policy. We will continue to stress to the other officials the importance of this information and may consider requiring this as part of the budget process.

| |
|---|
| 4. County Commission Meeting Minutes |
|---|

Meeting minutes did not always include sufficient detail of matters discussed or the reasons behind actions taken in both open and closed sessions, and decisions made in closed sessions are not disclosed in open session.

- A. Meeting minutes did not always include sufficient detail of matters discussed or the reasons behind actions taken in both open and closed sessions. For example, the minutes of November 21, 2005 recorded that a motion passed to accept a bid for custodial services that was not the lowest bid. A record of votes was taken for this action; however, the minutes did not include information such as the bid specifications or the reason why the lowest bid was not accepted. In addition, there was a discussion during a closed meeting that indicated information from a previous

meeting, however, such earlier information was not documented in those prior closed minutes.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and specifies details that must be recorded. Minutes are required to include, but not limited to, the date, time, place, members present, members absent, and a record of votes taken. In addition, the minutes should provide details regarding discussions that take place during meetings. Complete and accurate minutes are necessary to retain a record of the business conducted and actions taken by the commission.

- B. Decisions made and votes taken in closed sessions are not subsequently disclosed in open sessions as required. Decisions regarding various contracts are not disclosed in open sessions as required by the Sunshine Law, Chapter 610, RSMo.

WE RECOMMEND the County Commission:

- A. Ensure complete and accurate minutes of the commission's meetings are maintained; including, but not limited to, a record of any votes taken, and other information required by state law.
- B. Ensure decisions made in closed session are properly reported in the open minutes when required.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *The minutes are fairly detailed but we can still improve by documenting information in the minutes better.*
- B. *We will discuss with our attorney about what needs to be reported in open sessions of discussions held or decisions made in closed sessions. We will try to do what is required by state law.*

| |
|---|
| 5. County Treasurer's Accounting Controls and Procedures |
|---|

Procedures related to voiding receipt slips are in need of improvement, and the County Treasurer's bond was insufficient to cover school monies received.

- A. Procedures related to voiding receipts slips are in need of improvement. Computer generated receipts slips are issued for monies received. The County Treasurer can void a receipt slip, make changes to that receipt slip (for example, change the amount received), and then reissue that receipt slip. Original copies of voided receipts slips

or a list of changes made to receipt slips are not retained. Thus, there is no documentation to know which receipt slips have been changed and what was changed and no documentation to know how often this occurs although the Treasurer indicated at least monthly.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, controls need to be in place so receipt slips could only be issued once and copies of voided receipt slips should be properly defaced and maintained. Safeguards should be put in place that will not allow a receipt slip to be reissued after being voided.

- B. The County Treasurer's bond coverage was insufficient to cover school monies received. The County Treasurer calculated the amount of the bond needed at approximately \$3,350,000. However, only a \$2,500,000 bond was obtained which was approximately \$850,000 less than the amount required by state law during January 2007.

Section 54.160, RSMo, requires the County Treasurer to give additional bond for school monies sufficient to secure the monies which come into the County Treasurer's hands, not to exceed one-fourth of the amount collected during the same month of the year immediately preceding his election or appointment.

WE RECOMMEND the County Treasurer:

- A. Discontinue the practice of reissuing receipt slips after the receipt slips have been voided and copies of voided receipt slips should be retained. In addition, safeguards should be put in place that will not allow a receipt slip to be reissued after being voided.
- B. And the County Commission ensure that the County Treasurer is adequately bonded.

AUDITEE'S RESPONSE

The County Treasurer indicated:

- A. *I will keep copies of any voided receipt slips so that documentation of any voided and corrected receipt slips is maintained for receipt slips that have already been given to the payor. For receipt slips that are corrected before they leave my office and have not yet been given to the payor, I do not believe it is necessary to keep those copies.*
- B. *This has been reviewed and bond coverage has been increased to \$4,000,000 and this bond should be adequate.*

The County Commission indicated:

- B. *The bond was reviewed and an increase in the bond has been obtained so that the County Treasurer is properly bonded.*

| |
|---|
| 6. County Accounting Controls and Procedures |
|---|

Receipts for the Planning and Zoning Board and the Health Department are not always transmitted to the County Treasurer on a timely basis.

- Receipts for the Planning and Zoning Board are not always transmitted to the County Treasurer on a timely basis. For example, for the months of December 2006 and 2005, transmittals were made once a week and averaged approximately \$2,500 and \$2,900, respectively. In addition, receipts received are not posted to the accounting records until the transmittal is prepared. Receipts are received for zoning permits, septic inspections, food services permits, sewage permits, etc. and totaled approximately \$96,500 and \$114,100 for the years ended December 31, 2006 and 2005, respectively. Of these amounts, cash received was estimated to be approximately 30 percent.
- Receipts for the Health Department are not always transmitted to the County Treasurer on a timely basis. For example, for the month of December 2006, transmittals were made once a week and averaged approximately \$1,100. Receipts are received for vital records, immunizations, state programs, and donations, etc. and totaled approximately \$107,100 and \$112,300 for the years ended December 31, 2006 and 2005, respectively. Of these amounts, cash received was estimated to be approximately 10 percent.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all receipts should be posted to the accounting records and transmitted on a timely basis.

WE RECOMMEND the County Commission ensures the Planning and Zoning Board require receipts be posted to the accounting records when received and also ensure monies received by the Planning and Zoning Board and the Health Department are transmitted to the County Treasurer on a timely basis.

AUDITEE'S RESPONSE

The County Commission indicated:

We will discuss this with the Planning and Zoning Board and the Health Department so that monies are transmitted more frequently.

Accounting and bookkeeping duties have not been adequately segregated. Prenumbered receipt slips are not issued for some monies received on the Civil Account, and the method of payment is not always indicated for the General Account receipts. Monthly listings of open items are not reconciled to cash balances for the Inmate Account, and bank reconciliations were not documented for the General and Civil bank accounts.

The Sheriff's department receives monies for civil and criminal process fees, gun permits, board bills, phone commissions, bonds, and other miscellaneous receipts. The Sheriff's department also maintains a separate bank account and software system to handle personal inmate monies and operates a commissary for inmates. The Sheriff's department handled receipts of approximately \$807,400 and \$511,200 during the years ending December 31, 2006 and 2005 respectively.

- A. Accounting and bookkeeping duties have not been adequately segregated. One clerk collects monies, records transactions, prepares deposits, prepares checks, and prepares bank reconciliations. The Sheriff indicated he reviews the monthly receipt and disbursement reports and documents this review with his signature stamp. However, the clerk also indicated she has access to the signature stamp.

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.

- B. Prenumbered receipt slips are not issued for some monies received on the Civil Account as receipts slips are generally only written when cash is received. In addition, the method of payment (cash, checks, or money orders) was not always indicated for the General Account receipts. Without issuing and accounting for prenumbered receipt slips for all monies collected, including the method of payment, the Sheriff cannot ensure all monies collected are ultimately recorded and deposited.

To adequately account for collections and reduce the risk of loss or misuse of funds, prenumbered receipt slips should be issued for all monies received immediately upon receipt. The receipt slips should indicate the method of payment, the receipt slip numbers should be accounted for, and the composition should be reconciled to the bank deposits.

- C. Monthly listings of open items (liabilities) are not reconciled to cash balances for the Inmate Account. During a comparison of open items and cash balances, cash exceeded the open items listing by \$3,008 at December 31, 2006.

Monthly reconciliations of liabilities and cash balances are necessary to ensure sufficient cash is available for the payment of all liabilities, the bank account is in agreement with the accounting records, and errors are detected and corrected on a timely basis. Any unidentified differences should be investigated and resolved.

- D. Bank reconciliations were not documented for the General and Civil bank accounts for the two years ending December 31, 2006. Timely completion and documentation of bank reconciliations is necessary to ensure all monies are accounted for properly, accounting records are correct, and to identify errors on a timely basis. Both of these accounts had more than \$2,300 in the bank.

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

WE RECOMMEND the Sheriff:

- A. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- B. Require prenumbered receipt slips be issued for all monies received. In addition, ensure the method of payment is recorded on the receipt slips and the composition of receipt slips is reconciled to deposits.
- C. Reconcile open items to the reconciled cash balance on a monthly basis. Differences should be investigated and resolved.
- D. Ensure bank reconciliations are performed monthly.

AUDITEE'S RESPONSE

The Sheriff indicated:

- A. *Cross training is conducted for all financial accounts (General, Civil, and Inmate) designated. As suggested this task has been implemented as of August 2007. All financial accounts are periodically reviewed by me. In addition, we are considering having the bank reconciliations performed by someone other than the person responsible for that account.*
- B. *Prenumbered receipt slips are currently utilized by the Inmate and General accounts. As suggested, this task for issuing prenumbered receipt slips for the Civil account has been re-enforced as of November 19, 2007. The General account receipt slips will be reviewed to ensure the method of payment is marked.*
- C. *The Inmate account is reconciled on a monthly basis. The program for the Inmate account is designed to keep track of monies received, billings, and negative balances on fees that are owed by inmates when they are booked. We will attempt to perform this reconciliation.*

- D. *The General and Civil accounts have been reconciled on a monthly basis. As suggested, this task has been implemented as of August 2007, as the documentation of the reconciliation is being printed and attached to the bank statement.*

| |
|---|
| 8. Prosecuting Attorney's Accounting Controls and Procedures |
|---|

The composition (cash, money orders, and cashiers checks) of receipts is not reconciled to the composition of deposits and adequate supporting documentation is not maintained for cash refunds. Payments are accepted for bad checks and court-ordered restitution and recorded in the computer system. Occasionally refunds are made in cash for overpayments however, documentation is not maintained to support these refunds. For example, a deposit reviewed indicated the composition did not agree by \$140. A receipt indicated \$65 was received, however, the deposit slip indicated a \$205 money order was deposited. Additional information received from the bank verified that a \$205 money order was deposited. Per the Prosecuting Attorney's office, \$140 in cash was refunded, however, there was no documentation to support the refund.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all receipts should be deposited intact daily and all disbursements should be made in the form of a check. Cash refunds should not be made and refunds by check should have adequate supporting documentation. In addition, the composition of receipts should be reconciled to the composition of deposits to ensure all monies received are properly recorded and deposited.

WE RECOMMEND the Prosecuting Attorney should discontinue the practice of making cash refunds for overpayments and reconcile the composition of receipts to the composition of deposits. In addition, documentation should be retained of any investigations of differences noted.

AUDITEE'S RESPONSE

The Prosecuting Attorney indicated:

This was a one-time instance. Also, the computer program will now allow us to issue refunds by check should this situation arise again. However, we do not expect this to happen again.

| |
|---|
| 9. Senate Bill 40 Board's Accounting Controls and Procedures |
|---|

Receipts are not always deposited and posted to accounting records in a timely manner, and actual financial activity presented in the budgets was inaccurate and inconsistent with amounts recorded in the cash receipts journal.

- A. Receipts are not always deposited and posted to accounting records in a timely manner. Receipts are normally deposited once or twice a month. For example, two receipts from December 16, 2005, totaling \$77,034 were not deposited until January 3, 2006. Another instance was noted where a \$7,786 receipt from December 29, 2005 was not deposited until January 30, 2006. In addition, receipts are not posted to the accounting records until the deposit is prepared. Failure to deposit timely results in lost interest income. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all receipts should be posted to accounting records and deposited intact in a timely manner.
- B. Actual financial activity presented in the budgets for the years ending December 31, 2006 and 2005 was inaccurate and inconsistent with amounts recorded in the cash receipts journal. Actual receipts were overstated by \$86,177 and understated by \$9,208 because payments received were not posted timely in the accounting records as indicated in part A above for the years ending December 31, 2006 and 2005, respectively.

To be of maximum assistance to the Senate Bill 40 Board and to adequately inform the public, the budget should accurately reflect the financial activity of the Senate Bill 40 Board. In addition, accurate information is essential to provide reasonable estimates of anticipated receipts and disbursements so that the board may utilize the budget as a management planning tool and as a control over expenditures. Further, Chapter 50, RSMo, requires the preparation of annual budgets to present a complete financial plan for the ensuing year.

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

WE RECOMMEND the Senate Bill 40 Board:

- A. Require receipts be posted to the accounting records when received and ensure monies are deposited in a timely manner.
- B. Ensure the budget document presents accurate and complete financial information.

AUDITEE'S RESPONSE

The Senate Bill 40 Administrator indicated:

- A. *We will deposit and record receipts on a more timely basis.*
- B. *Budgets will be accurate and complete. We realize what we were doing that caused the misstatements and this will be corrected so that budgets are accurate.*

Follow-Up on Prior Audit Findings

WARREN 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 Warren County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2002. 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. County Controls and Procedures

Some federal grants received on behalf of the county were not maintained in a bank account controlled by the County Treasurer. In addition, a budget was not prepared for these funds and they were not included in the county's published financial statement.

Recommendation:

The County Commission ensure all county funds are held in the custody of the County Treasurer and disbursed through the county's expenditure system, complete and accurate budgets are prepared or obtained for all county funds, and financial information for all county funds is properly reported in the annual published financial statements.

Status:

Partially implemented. The County Treasurer opened an account to deposit federal grants into and now has control of these monies. The county did not prepare complete and accurate budgets for all county funds and financial statements are not published for all county funds. See MAR finding number 1.

2. Budgetary Practices

The approved budget documents for the General Revenue Fund, Capital Improvement Fund and the Road and Bridge Capital Fund did not adequately project the anticipated financial position.

Recommendation:

The County Commission prepare reasonable estimates of disbursements so that projected reserves are more properly presented in the annual budgets. If the County Commission desires to build up reserves for future specific need, this information should be communicated through the budget message.

Status:

Not implemented. See MAR finding number 1.

3. General Fixed Assets and Procedures

The county had not established a written policy related to handling and accounting for general fixed assets. In addition, physical inventories were not conducted annually, a summary of changes in general fixed assets reconciling beginning balance, additions, and deletions was not prepared, and the master fixed asset listing did not always include all information applicable to the item.

Recommendation:

The County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

Status:

Not implemented. See MAR finding number 3.

4. Associate Circuit Division's Accounting Controls and Procedures

- A. Receipts were not posted to accounting records or deposited on a timely basis. In addition, checks and money orders received were not restrictively endorsed immediately upon receipt.
- B. Accounting duties were not specifically defined to an individual thus, duties were not adequately segregated.

Recommendations:

The Associate Division:

- A. Ensure all receipts are posted to the accounting records in a timely manner and deposited daily or when receipts exceed \$100. In addition, ensure all checks and money orders are restrictively endorsed immediately upon receipt.
- B. Adequately segregate accounting duties by defining the duties of employees or ensure periodic supervisory reviews are performed and documented.

Status:

No longer applicable as on January 1, 2006 the Associate Circuit Division was combined with the Circuit Clerk's office.

5. Circuit Clerk's Accounting Controls and Procedures

Formal procedures had not been established to ensure all accrued costs were adequately identified and pursued. In addition, summary records were not maintained of accrued cost balances and total accrued costs were not periodically determined.

Recommendation:

The Circuit Clerk maintain a complete listing of accrued costs and establish procedures to routinely follow-up and pursue timely collection.

Status:

Implemented.

6. Sheriff's Controls and Procedures

- A. The county did not have written agreements with political subdivisions for housing prisoners.
- B. Monies received were not receipted in a timely manner. In addition, checks and money orders were not restrictively endorsed immediately upon receipt.
- C. Monthly bank reconciliations were not performed and the monthly listing of prisoner account balances (open items) was not being reconciled to the book balance.

Recommendations:

The Sheriff:

- A. And the County Commission enter into written agreements for the boarding of prisoners.
- B. Ensure monies are receipted and checks and money orders are restrictively endorsed immediately upon receipt.
- C. Ensure bank reconciliations are prepared on a monthly basis. In addition, the book balance should be reconciled to the open items listing.

Status:

- A. Partially implemented. An agreement was entered into with the federal government regarding boarding of prisoners and the majority of monies received are from the federal government. Agreements have not been entered into with other political subdivisions for housing prisoners. Although not repeated in the current report, our recommendation remains as stated above.

- B. Partially implemented. Checks and money orders are restrictively endorsed. However, all monies received are not receipted. See MAR finding number 7.
- C. Partially implemented. Bank reconciliations are prepared monthly for the Inmate account; however, the book balance is not reconciled to the open items. Bank reconciliations are not documented for the General and Civil accounts. See MAR finding number 7.

7. Senate Bill 40 Board's Controls and Procedures

- A. Collateral securities were not pledged by the Senate Bill 40 Board's depository bank for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) coverage.
- B. Regular board meeting minutes did not document specific reasons for closing the meeting and some matters discussed did not appear to be in compliance with state law.
- C. Annual budgets were not complete and accurate.

Recommendations:

The Senate Bill 40 Board of Directors:

- A. Ensure collateral securities are pledged for all deposits in excess of FDIC coverage.
- B. Ensure closed meetings are conducted in accordance with state law. In addition, the Board should ensure all final disposition of applicable matters discussed in closed session are recorded in the open meeting minutes.
- C. Prepare a complete and accurate budget document.

Status:

- A. Implemented.
- B. There was no evidence that any closed meetings were held during the audit period.
- C. Not implemented. See MAR finding number 9.

STATISTICAL SECTION

History, Organization, and
Statistical Information

WARREN COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1833, the county of Warren was named after Joseph Warren, a Revolutionary War Patriot. Warren County is a county-organized, third-class county and is part of the 12th Judicial Circuit. The county seat is Warrenton.

Warren 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 300 miles of county roads and 77 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 important to the county's citizens.

The county's population was 14,900 in 1980 and 24,525 in 2000. The following chart shows the county's change in assessed valuation since 1980:

| | | Year Ended December 31, | | | | | |
|------------------------|----|-------------------------|-------|-------|-------|-------|--------|
| | | 2006 | 2005 | 2004 | 2003 | 1985* | 1980** |
| | | (in millions) | | | | | |
| Real estate | \$ | 341.6 | 317.0 | 271.8 | 260.3 | 97.6 | 34.8 |
| Personal property | | 84.8 | 80.6 | 73.4 | 74.9 | 14.2 | 8.4 |
| Railroad and utilities | | 29.3 | 29.2 | 28.0 | 28.4 | 21.6 | 7.0 |
| Total | \$ | 455.7 | 426.8 | 373.2 | 363.6 | 133.4 | 50.2 |

* First year of statewide reassessment.

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

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

| | | Year Ended December 31, | | | |
|------------------------------|----|-------------------------|--------|--------|--------|
| | | 2006 | 2005 | 2004 | 2003 |
| General Revenue Fund | \$ | 0.0754 | 0.0936 | 0.0873 | 0.1035 |
| Special Road and Bridge Fund | | 0.1715 | 0.1715 | 0.1784 | 0.1776 |
| Senate Bill 40 Board Fund | | 0.1600 | 0.1600 | 0.1600 | 0.1600 |

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), | | | |
|------------------------------|------------------------------|------------|------------|------------|
| | 2007 | 2006 | 2005 | 2004 |
| State of Missouri | \$ 139,998 | 131,763 | 118,608 | 109,493 |
| General Revenue Fund | 390,638 | 449,238 | 374,313 | 395,439 |
| Special Road and Bridge Fund | 805,063 | 760,750 | 709,881 | 653,456 |
| Assessment Fund | 300,271 | 283,250 | 258,480 | 189,306 |
| Senate Bill 40 Board Fund | 719,971 | 675,874 | 603,777 | 553,035 |
| School districts | 17,734,594 | 16,456,054 | 14,655,399 | 13,007,155 |
| Library district | 481,309 | 454,321 | 423,611 | 390,429 |
| Ambulance district | 1,487,778 | 1,403,115 | 1,305,879 | 1,199,760 |
| Fire protection district | 1,865,528 | 1,753,108 | 1,627,587 | 1,487,969 |
| Levee districts | 41,576 | 64,878 | 64,039 | 52,858 |
| Hospital | 31,414 | 31,292 | 29,206 | 30,577 |
| Junior College | 260,707 | 248,980 | 219,110 | 225,870 |
| Cities | 933,697 | 806,328 | 419,367 | 383,356 |
| County Clerk | 364 | 414 | 446 | 403 |
| County Employees' Retirement | 141,482 | 135,646 | 131,378 | 107,926 |
| Tax Maintenance Fund | 50,936 | 48,818 | 49,165 | 38,805 |
| Other | 3,364 | 5,648 | 4,367 | 2,338 |
| Commissions and fees: | | | | |
| General Revenue Fund | 413,877 | 386,437 | 345,019 | 306,036 |
| Total | \$ 25,802,567 | 24,095,914 | 21,339,632 | 19,134,211 |

Percentages of current taxes collected were as follows:

| | Year Ended February 28 (29), | | | |
|------------------------|------------------------------|------|-------|--------|
| | 2007 | 2006 | 2005 | 2004 |
| Real estate | 94.4 | 94.3 | 94.3 | 92.2 % |
| Personal property | 88.8 | 90.6 | 91.9 | 86.2 |
| Railroad and utilities | 100.0 | 98.7 | 100.0 | 99.3 |

Warren 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 | % |
| Capital improvements | .0050 | 2009 | None | |
| Emergency services | .0050 | None | None | |
| Law enforcement services | .0050 | None | None | |

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

| Officeholder | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|--------|--------|--------|--------|--------|
| County-Paid Officials: | \$ | | | | |
| Fred G. Vahle, Presiding Commissioner | | 31,700 | 31,700 | 31,700 | 31,700 |
| Arden Engelage, Associate Commissioner | | 29,700 | 29,700 | 29,700 | 29,700 |
| Jim Logan, Associate Commissioner | | 29,700 | 29,700 | | |
| Ken McLaughlin, Associate Commissioner | | | | 29,700 | 29,700 |
| Barbara Daly, County Clerk | | 45,000 | 45,000 | 45,000 | 45,000 |
| Michael S. Wright, Prosecuting Attorney | | 96,000 | 96,000 | 96,000 | 96,000 |
| Kevin Harrison, Sheriff | | 50,000 | 51,452 | | |
| Michael Baker, Sheriff | | | | 50,600 | 50,600 |
| Gene Cornell, County Treasurer | | 33,300 | 33,300 | 33,300 | 33,300 |
| Roger R. Mauzy Sr., County Coroner | | 16,000 | 16,000 | 16,000 | 16,000 |
| Floyd Owenby, Public Administrator | | 20,000 | 20,000 | 20,000 | 20,000 |
| Linda K. Stude, County Collector, year ended February 28 (29), | 45,000 | 45,000 | 45,000 | 45,000 | |
| Wendy Nordwald, County Assessor (1), year ended August 31, | | 41,610 | | | |
| Alan Dreyer, County Assessor (2), year ended August 31, | | 3,955 | 45,441 | 45,642 | 26,610 |
| Michael Sutherland, County Assessor, year ended August 31, | | | | | 15,740 |
| Robert L. Lewis, County Surveyor (3) | | 20,404 | 17,004 | 16,138 | 7,466 |

(1) Includes \$688 compensation received from the state.

(2) Includes \$688, \$765, and \$866 annual compensation received from the state in 2005, 2004, and 2003, respectively.

(3) Compensation on a fee basis.

State-Paid Officials:

| | | | | |
|---|--------|--------|--------|--------|
| Jerri Jordan, Circuit Clerk and Ex Officio Recorder of Deeds | 49,470 | 48,500 | 47,850 | 47,300 |
| Wesley C. Dalton, Associate Circuit Judge | 96,000 | 96,000 | 96,000 | 96,000 |

The County entered into a lease agreement with the Warren County Missouri Public Facilities Authority, a not-for-profit corporation on January 1, 1995. The terms of the agreement called for the corporation to issue bonds to be used to construct the Warren County Justice Center and for the bank to lease the justice center back to the county for payments totaling the principal and interest due on the outstanding bonds. Payments are made from the Capital Improvements Fund from sales tax revenue. The term bonds portion of the original issue was refinanced in December 1998. The bonds are scheduled to be paid off in 2010. The remaining principal and interest due on the bonds at December 31, 2006, was \$3,871,659.