



Susan Montee, CPA  
Missouri State Auditor

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December 2007

Pemiscot 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 Pemiscot, 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.**

The financial condition of the General Revenue Fund has continued to deteriorate. The balance of the fund has decreased from \$1,442 at December 31, 2003 to a negative \$722,592 at December 31, 2006. In addition, the Special Road and Bridge Fund is also in poor financial condition with a negative balance of \$82,455 at December 31, 2006. While receipts have increased, the county's spending has also increased. Factors contributing to the decline are protested taxes from a major taxpayer, extensive damage from a tornado, and the failure to pass two sales tax initiatives. In addition, the county has failed to adequately reduce the General Revenue Fund property tax levy for sales tax collections.

The county's budgetary practices are in need of improvement. The County Commission does not appear to be adequately monitoring and controlling county disbursements to ensure compliance with state budget laws. Several funds had budgeted deficit fund balances and several funds had actual disbursements exceed budgeted amounts. Budgets were not prepared for several funds and the budget documents contained misclassifications of interest earnings and transfers.

Pemiscot County is required by federal guidelines to prepare a Schedule of Expenditures of Federal Awards (SEFA) each year. The county does not have adequate procedures in place to track federal awards for the preparation of the schedule and the SEFA contained several errors.

The county's procedures for cash management for the Highway Planning and Construction program and for suspension and debarment for the Public Assistance grants were not adequate to ensure compliance with federal requirements. Monies were not paid out on a timely basis and the county did not ensure vendors providing services complied with federal government requirements.

The County Clerk does not maintain an account book with the County Collector and controls over property tax additions are not adequate. In addition, the County Treasurer's bond coverage was insufficient and she did not properly handle old outstanding checks. Published financial statements did not include all funds and were not published in a timely manner. Bonded debt was not included in the financial statement. County officials are not filing monthly reports of fees with the County Commission as required by law.

(over)

YELLOW SHEET

The Assessor did not solicit bids for a new appraisal system or secure a written agreement with the vendor. The county paid the total amount of \$30,000 by May 2006 even though the system had not been installed. Milestones were not established that would have required certain conditions be met before the vendor was paid and there were no penalties for not providing the service on a timely basis. The county also did not enter into written agreements for various legal services.

The County Clerk does not maintain centralized leave records and timesheets for county employees. The county incurred a significant liability of \$16,100 due to a former Road and Bridge employee not being properly compensated for all work performed. The employee requested and was paid for only 32 hours of work each week even though he recorded 40 hours on his timesheet. Upon his retirement, the county paid this and additional benefits to the employee.

Billing reports for the solid waste transfer station are not reconciled to collection reports and the accounts receivable balances. Adequate efforts have not been made to pursue the collection of delinquent accounts.

The Health Center's actual expenditures exceeded budgeted amounts during the years ended December 31, 2006 and 2005. Accounting duties were not adequately segregated and improvements were needed in the handling of receipts. A purchase was made from a company owned by a board member for medical supplies costing \$1,806. Competitive bids were not solicited as required by state law. In addition, the Health Center did not solicit bids or proposals or perform other price comparisons for some other purchases.

In December 2005, the Health Center paid some employees reimbursements for attending a training session in either Scott County or Cape Girardeau County. Twelve employees were reimbursed a total of \$1,050. The Health Center could not provide documentation showing the employees actually attended the training or timesheets for these employees for this time period.

The audit also included recommendations to improve records and procedures for meeting minutes, capital assets, and computer access. Additional concerns regarding controls were noted for the Probate Division, the Sheriff's Office, the Prosecuting Attorney's Office, the Associate Division, the Circuit Clerk's Office, and the Recorder of Deeds' Office.

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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 Pemiscot 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 Pemiscot 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 Pemiscot 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 Pemiscot 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 13, 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 Pemiscot 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 13, 2007

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA  
Audit Manager: Alice M. Fast, CPA  
In-Charge Auditor: Chris Vetter  
Audit Staff: Steven Re', CPA  
Reji D. Jacob  
David M. Rothermich



**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 Pemiscot County, Missouri

We have audited the financial statements of various funds of Pemiscot County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 13, 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 Pemiscot 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.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be a significant deficiency.

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. We consider the deficiency described as finding number 06-2 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency referred to above, finding number 06-2, to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Pemiscot 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 06-1 and 06-2.

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

The responses of Pemiscot County, Missouri, to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the county's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the management of Pemiscot 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 13, 2007

## Financial Statements

Exhibit A-1

PEMISCOT 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	\$ (546,500)	3,142,089	3,318,181	(722,592)
Special Road and Bridge	140,355	1,659,875	1,882,685	(82,455)
Assessment	3,426	263,124	211,970	54,580
Johnson Grass	91,849	82,412	75,946	98,315
Drainage Districts	249,232	120,343	122,241	247,334
E-911	(4,794)	132,525	136,498	(8,767)
Law Enforcement Training	14,568	15,543	17,043	13,068
Firing Range	(4,501)	8,601	8,186	(4,086)
Prosecuting Attorney Training	8,236	2,826	0	11,062
Sheltered Workshop	68,669	165,405	120,000	114,074
Solid Waste Transfer	89,459	1,185,257	1,105,716	169,000
Federal Forfeiture	6,179	8,618	3,801	10,996
Prosecuting Attorney Bad Check	15,135	45,901	26,615	34,421
Recorder	56,651	14,014	10,998	59,667
Bootheel Drug Task Force	26,288	130,451	154,517	2,222
Juvenile Grant Program	(43,893)	125,954	104,731	(22,670)
Capital Improvement Sales Tax	279,119	686,402	574,115	391,406
Law Enforcement Sales Tax	(8,187)	343,533	302,132	33,214
Election Services	12,753	144,291	139,947	17,097
Health Center	926,184	639,096	673,253	892,027
Drug Abuse Resistance Education	12,089	61,722	12,503	61,308
Law Enforcement Restitution	93,766	156,031	79,465	170,332
Sheriff Revolving	16,394	5,098	11,007	10,485
Domestic Violence	20,325	1,728	0	22,053
MoSmart	7,537	47,595	52,221	2,911
Sheriff Civil Fees	0	36,744	2,432	34,312
Tax Maintenance	58,605	28,541	5,793	81,353
Associate Division Interest	14,463	1,794	1,809	14,448
Circuit Division Interest	3,939	333	942	3,330
Law Library	2,915	8,256	5,587	5,584
Associate Division Time Payment Fee	11,111	7,239	0	18,350
Circuit Division Time Payment Fee	292	331	30	593
Total	\$ 1,621,664	9,271,672	9,160,364	1,732,972

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

Exhibit A-2

PEMISCOT 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	\$ (376,563)	2,909,266	3,079,203	(546,500)
Special Road and Bridge	333,242	1,233,591	1,426,478	140,355
Assessment	(50,156)	293,881	240,299	3,426
Johnson Grass	84,712	84,580	77,443	91,849
Drainage Districts	248,599	127,161	126,528	249,232
E-911	1,452	136,868	143,114	(4,794)
Law Enforcement Training	26,344	26,500	38,276	14,568
Firing Range	(9,180)	13,353	8,674	(4,501)
Prosecuting Attorney Training	5,250	2,986	0	8,236
Sheltered Workshop	46,561	168,108	146,000	68,669
Solid Waste Transfer	220,231	918,472	1,049,244	89,459
Federal Forfeiture	6,163	14,384	14,368	6,179
Prosecuting Attorney Bad Check	6,846	32,046	23,757	15,135
Recorder	44,198	12,453	0	56,651
Bootheel Drug Task Force	28,041	193,286	195,039	26,288
Juvenile Grant Program	2,519	56,733	103,145	(43,893)
Capital Improvement Sales Tax	238,610	630,779	590,270	279,119
Law Enforcement Sales Tax	(2)	314,919	323,104	(8,187)
Election Services	2,712	90,188	80,147	12,753
Health Center	897,479	624,176	595,471	926,184
Drug Abuse Resistance Education	10,803	12,360	11,074	12,089
Law Enforcement Restitution	0	124,244	30,478	93,766
Sheriff Revolving	0	17,228	834	16,394
Domestic Violence	19,073	1,252	0	20,325
MoSmart	0	61,880	54,343	7,537
Tax Maintenance	45,990	22,615	10,000	58,605
Associate Division Interest	17,246	1,639	4,422	14,463
Circuit Division Interest	5,611	694	2,366	3,939
Law Library	1,607	8,080	6,772	2,915
Associate Division Time Payment Fee	6,064	6,637	1,590	11,111
Circuit Division Time Payment Fee	20	272	0	292
Total	\$ 1,863,472	8,140,631	8,382,439	1,621,664

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

Exhibit B

PEMISCOT 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)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 8,647,042	9,225,178	578,136	7,892,950	7,883,730	(9,220)
DISBURSEMENTS	8,398,556	9,146,203	(747,647)	7,383,396	8,260,560	(877,164)
RECEIPTS OVER (UNDER) DISBURSEMENTS	248,486	78,975	(169,511)	509,554	(376,830)	(886,384)
CASH, JANUARY 1	1,530,339	1,530,339	0	1,757,058	1,757,058	0
CASH, DECEMBER 31	1,778,825	1,609,314	(169,511)	2,266,612	1,380,228	(886,384)
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	425,000	336,620	(88,380)	350,000	394,457	44,457
Sales taxes	625,000	685,417	60,417	605,000	629,411	24,411
Intergovernmental	1,387,389	1,140,086	(247,303)	1,359,061	1,033,237	(325,824)
Charges for service:	391,227	403,491	12,264	433,439	406,031	(27,408)
Interest	0	0	0	300	0	(300)
Other	81,584	109,085	27,501	371,965	98,970	(272,995)
Transfers in	345,000	467,390	122,390	60,000	347,160	287,160
Total Receipts	3,255,200	3,142,089	(113,111)	3,179,765	2,909,266	(270,499)
DISBURSEMENTS						
County Commissioner	86,300	86,492	(192)	86,300	86,133	167
County Clerk	73,150	69,432	3,718	71,850	73,552	(1,702)
Elections	121,900	185,791	(63,891)	29,200	37,770	(8,570)
Buildings and grounds	259,000	316,130	(57,130)	235,500	248,851	(13,351)
Employee fringe benefit	410,400	442,909	(32,509)	402,900	395,822	7,078
County Treasurer	42,250	41,354	896	42,250	42,014	236
County Collector	91,600	103,224	(11,624)	80,200	92,608	(12,408)
Ex Officio Recorder of Deed	64,500	67,895	(3,395)	64,380	68,800	(4,420)
Circuit Clerk	12,500	6,482	6,018	12,000	7,330	4,670
Associate Circuit Court	13,000	8,030	4,970	11,000	10,963	37
Associate Circuit (Probate)	3,000	826	2,174	2,700	2,314	386
Court administration	4,700	2,540	2,160	6,100	3,625	2,475
Public Administrator	27,800	26,677	1,123	27,750	26,572	1,178
Sheriff	627,065	718,928	(91,863)	611,824	580,650	31,174
Jail	575,000	543,374	31,626	433,307	519,881	(86,574)
Prosecuting Attorney	246,955	259,383	(12,428)	206,620	225,713	(19,093)
Juvenile Offices	40,600	24,413	16,187	45,300	21,584	23,716
County Coroner	32,350	28,585	3,765	30,350	24,388	5,962
Court Reporter	1,050	1,170	(120)	1,050	1,632	(582)
Data processing	67,000	57,963	9,037	59,000	65,459	(6,459)
Federal Inmate Program	69,000	47,965	21,035	0	49,153	(49,153)
Public health and welfare service	4,500	7,515	(3,015)	3,000	4,200	(1,200)
Insurance and bonds	110,000	118,692	(8,692)	95,000	112,367	(17,367)
Tax Anticipation Note	0	0	0	90,000	171,168	(81,168)
Other	36,750	33,961	2,789	40,700	37,656	3,044
Transfers out	84,000	118,450	(34,450)	88,500	168,998	(80,498)
Total Disbursements	3,104,370	3,318,181	(213,811)	2,776,781	3,079,203	(302,422)
RECEIPTS OVER (UNDER) DISBURSEMENTS	150,830	(176,092)	(326,922)	402,984	(169,937)	(572,921)
CASH, JANUARY 1	(546,500)	(546,500)	0	(376,563)	(376,563)	0
CASH, DECEMBER 31	(395,670)	(722,592)	(326,922)	26,421	(546,500)	(572,921)

Exhibit B

PEMISCOT 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)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	500,000	468,273	(31,727)	425,000	484,400	59,400
Intergovernmental	750,400	1,000,730	250,330	750,500	718,419	(32,081)
Interest	2,200	6,325	4,125	5,450	2,253	(3,197)
Demand Note	0	182,250	182,250	0	0	0
Other	13,400	2,297	(11,103)	2,800	28,519	25,719
<b>Total Receipts</b>	<b>1,266,000</b>	<b>1,659,875</b>	<b>393,875</b>	<b>1,183,750</b>	<b>1,233,591</b>	<b>49,841</b>
<b>DISBURSEMENTS</b>						
Salaries	340,000	344,771	(4,771)	340,000	313,082	26,918
Employee fringe benefit	121,000	123,700	(2,700)	114,200	116,071	(1,871)
Supplies	390,000	433,612	(43,612)	175,500	385,939	(210,439)
Insurance	25,000	27,327	(2,327)	25,000	24,810	190
Road and bridge materials	367,500	521,199	(153,699)	306,000	363,173	(57,173)
Equipment repairs	1,500	2,683	(1,183)	135,000	1,212	133,788
Rentals	0	0	0	2,000	0	2,000
Equipment purchases	50,211	251,879	(201,668)	117,567	177,389	(59,822)
Debt service	49,789	49,789	0	37,433	37,433	0
Disaster recovery	0	102,005	(102,005)	0	0	0
Other	7,750	25,720	(17,970)	30,500	7,369	23,131
<b>Total Disbursements</b>	<b>1,352,750</b>	<b>1,882,685</b>	<b>(529,935)</b>	<b>1,283,200</b>	<b>1,426,478</b>	<b>(143,278)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(86,750)</b>	<b>(222,810)</b>	<b>(136,060)</b>	<b>(99,450)</b>	<b>(192,887)</b>	<b>(93,437)</b>
<b>CASH, JANUARY 1</b>	<b>140,355</b>	<b>140,355</b>	<b>0</b>	<b>333,242</b>	<b>333,242</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>53,605</b>	<b>(82,455)</b>	<b>(136,060)</b>	<b>233,792</b>	<b>140,355</b>	<b>(93,437)</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	166,068	185,478	19,410	173,770	168,024	(5,746)
Charges for services	165	1,104	939	0	(0)	0
Interest	435	1,541	1,106	100	431	331
Other	0	0	0	0	164	164
Transfers in	83,824	75,000	(8,824)	100,215	125,262	25,047
<b>Total Receipts</b>	<b>250,493</b>	<b>263,124</b>	<b>12,631</b>	<b>274,085</b>	<b>293,881</b>	<b>19,796</b>
<b>DISBURSEMENTS</b>						
Assessor	249,893	211,970	37,923	222,693	240,299	(17,606)
<b>Total Disbursements</b>	<b>249,893</b>	<b>211,970</b>	<b>37,923</b>	<b>222,693</b>	<b>240,299</b>	<b>(17,606)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>600</b>	<b>51,154</b>	<b>50,554</b>	<b>51,392</b>	<b>53,582</b>	<b>2,190</b>
<b>CASH, JANUARY 1</b>	<b>3,426</b>	<b>3,426</b>	<b>0</b>	<b>(50,156)</b>	<b>(50,156)</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>4,026</b>	<b>54,580</b>	<b>50,554</b>	<b>1,236</b>	<b>3,426</b>	<b>2,190</b>

Exhibit B

PEMISCOT 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)
<b><u>JOHNSON GRASS FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	85,000	79,736	(5,264)	75,000	83,005	8,005
Interest	1,500	2,635	1,135	1,800	1,457	(343)
Other	100	41	(59)	100	118	18
<b>Total Receipts</b>	<b>86,600</b>	<b>82,412</b>	<b>(4,188)</b>	<b>76,900</b>	<b>84,580</b>	<b>7,680</b>
<b>DISBURSEMENTS</b>						
Salaries	44,515	51,962	(7,447)	44,150	43,271	879
Equipment	2,500	1,492	1,008	1,500	0	1,500
Chemicals	32,000	21,372	10,628	12,000	31,391	(19,391)
Fuels & lubricants	4,000	0	4,000	3,000	963	2,037
Other	1,750	1,120	630	1,500	1,818	(318)
<b>Total Disbursements</b>	<b>84,765</b>	<b>75,946</b>	<b>8,819</b>	<b>62,150</b>	<b>77,443</b>	<b>(15,293)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,835</b>	<b>6,466</b>	<b>4,631</b>	<b>14,750</b>	<b>7,137</b>	<b>(7,613)</b>
<b>CASH, JANUARY 1</b>	<b>91,849</b>	<b>91,849</b>	<b>0</b>	<b>84,712</b>	<b>84,712</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>93,684</b>	<b>98,315</b>	<b>4,631</b>	<b>99,462</b>	<b>91,849</b>	<b>(7,613)</b>
<b><u>DRAINAGE DISTRICTS FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	170,685	114,234	(56,451)	95,348	122,226	26,878
Interest	3,575	6,109	2,534	2,065	4,935	2,870
<b>Total Receipts</b>	<b>174,260</b>	<b>120,343</b>	<b>(53,917)</b>	<b>97,413</b>	<b>127,161</b>	<b>29,748</b>
<b>DISBURSEMENTS</b>						
Salaries	105,800	118,158	(12,358)	87,350	99,942	(12,592)
Equipment repairs	31,165	4,083	27,082	20,595	26,586	(5,991)
Other	4,550	0	4,550	4,900	0	4,900
<b>Total Disbursements</b>	<b>141,515</b>	<b>122,241</b>	<b>19,274</b>	<b>112,845</b>	<b>126,528</b>	<b>(13,683)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>32,745</b>	<b>(1,898)</b>	<b>(34,643)</b>	<b>(15,432)</b>	<b>633</b>	<b>16,065</b>
<b>CASH, JANUARY 1</b>	<b>249,232</b>	<b>249,232</b>	<b>0</b>	<b>248,599</b>	<b>248,599</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>281,977</b>	<b>247,334</b>	<b>(34,643)</b>	<b>233,167</b>	<b>249,232</b>	<b>16,065</b>
<b><u>E-911 FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	150,000	132,525	(17,475)	155,000	136,676	(18,324)
Interest	55	0	(55)	0	56	56
Other	135	0	(135)	0	136	136
<b>Total Receipts</b>	<b>150,190</b>	<b>132,525</b>	<b>(17,665)</b>	<b>155,000</b>	<b>136,868</b>	<b>(18,132)</b>
<b>DISBURSEMENTS</b>						
Salaries	139,500	122,925	16,575	118,121	133,496	(15,375)
Equipment	0	513	(513)	0	0	0
Office supplies	0	3,327	(3,327)	0	0	0
Other	9,550	9,733	(183)	10,535	9,618	917
<b>Total Disbursements</b>	<b>149,050</b>	<b>136,498</b>	<b>12,552</b>	<b>128,656</b>	<b>143,114</b>	<b>(14,458)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,140</b>	<b>(3,973)</b>	<b>(5,113)</b>	<b>26,344</b>	<b>(6,246)</b>	<b>(32,590)</b>
<b>CASH, JANUARY 1</b>	<b>(4,794)</b>	<b>(4,794)</b>	<b>0</b>	<b>1,452</b>	<b>1,452</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>(3,654)</b>	<b>(8,767)</b>	<b>(5,113)</b>	<b>27,796</b>	<b>(4,794)</b>	<b>(32,590)</b>

Exhibit B

PEMISCOT 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)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	4,500	5,158	658	5,000	4,442	(558)
Charges for services	14,500	9,789	(4,711)	9,000	21,743	12,743
Interest	200	596	396	300	315	15
Other	0	0	0	8,500	0	(8,500)
<b>Total Receipts</b>	<b>19,200</b>	<b>15,543</b>	<b>(3,657)</b>	<b>22,800</b>	<b>26,500</b>	<b>3,700</b>
<b>DISBURSEMENTS</b>						
Public safety	18,150	17,043	1,107	12,900	18,648	(5,748)
Transfers out	0	0	0	0	19,628	(19,628)
<b>Total Disbursements</b>	<b>18,150</b>	<b>17,043</b>	<b>1,107</b>	<b>12,900</b>	<b>38,276</b>	<b>(25,376)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,050</b>	<b>(1,500)</b>	<b>(2,550)</b>	<b>9,900</b>	<b>(11,776)</b>	<b>(21,676)</b>
CASH, JANUARY 1	14,568	14,568	0	26,344	26,344	0
CASH, DECEMBER 31	15,618	13,068	(2,550)	36,244	14,568	(21,676)
<b><u>FIRING RANGE FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	1,245	1,245	0	0	1,596	1,596
Charges for services	16,055	7,356	(8,699)	30,000	11,757	(18,243)
<b>Total Receipts</b>	<b>17,300</b>	<b>8,601</b>	<b>(8,699)</b>	<b>30,000</b>	<b>13,353</b>	<b>(16,647)</b>
<b>DISBURSEMENTS</b>						
Salaries	9,065	5,148	3,917	8,500	6,001	2,499
Office supplies	4,850	3,038	1,812	6,300	2,673	3,627
<b>Total Disbursements</b>	<b>13,915</b>	<b>8,186</b>	<b>5,729</b>	<b>14,800</b>	<b>8,674</b>	<b>6,126</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>3,385</b>	<b>415</b>	<b>(2,970)</b>	<b>15,200</b>	<b>4,679</b>	<b>(10,521)</b>
CASH, JANUARY 1	(4,501)	(4,501)	0	(9,180)	(9,180)	0
CASH, DECEMBER 31	(1,116)	(4,086)	(2,970)	6,020	(4,501)	(10,521)
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	3,000	2,826	(174)	2,500	2,986	486
<b>Total Receipts</b>	<b>3,000</b>	<b>2,826</b>	<b>(174)</b>	<b>2,500</b>	<b>2,986</b>	<b>486</b>
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	1,200	0	1,200	1,200	0	1,200
<b>Total Disbursements</b>	<b>1,200</b>	<b>0</b>	<b>1,200</b>	<b>1,200</b>	<b>0</b>	<b>1,200</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,800</b>	<b>2,826</b>	<b>1,026</b>	<b>1,300</b>	<b>2,986</b>	<b>1,686</b>
CASH, JANUARY 1	8,236	8,236	0	5,250	5,250	0
CASH, DECEMBER 31	10,036	11,062	1,026	6,550	8,236	1,686

Exhibit B

PEMISCOT 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)
<b><u>SHELTERED WORKSHOP FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	170,000	159,460	(10,540)	151,000	166,040	15,040
Interest	2,100	5,945	3,845	1,650	2,068	418
Total Receipts	172,100	165,405	(6,695)	152,650	168,108	15,458
<b>DISBURSEMENTS</b>						
Payments to Senate Bill 40 Board	120,000	120,000	0	146,000	146,000	0
Total Disbursements	120,000	120,000	0	146,000	146,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	52,100	45,405	(6,695)	6,650	22,108	15,458
CASH, JANUARY 1	68,669	68,669	0	46,561	46,561	0
CASH, DECEMBER 31	120,769	114,074	(6,695)	53,211	68,669	15,458
<b><u>SOLID WASTE TRANSFER FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services:	981,125	1,063,387	82,262	832,800	917,331	84,531
Intergovernmental	0	121,870	121,870	0	0	0
Interest	0	0	0	0	1,141	1,141
Total Receipts	981,125	1,185,257	204,132	832,800	918,472	85,672
<b>DISBURSEMENTS</b>						
Salaries	139,600	178,399	(38,799)	118,450	127,796	(9,346)
Contract services	700,000	726,197	(26,197)	525,000	669,550	(144,550)
Office expenditures:	51,900	42,510	9,390	45,950	40,370	5,580
Equipment	36,500	40,941	(4,441)	20,500	188,918	(168,418)
Disaster expense	0	78,009	(78,009)	0	0	0
Insurance	14,500	15,302	(802)	0	14,362	(14,362)
Other	9,000	24,358	(15,358)	24,000	8,248	15,752
Total Disbursements	951,500	1,105,716	(154,216)	733,900	1,049,244	(315,344)
RECEIPTS OVER (UNDER) DISBURSEMENTS	29,625	79,541	49,916	98,900	(130,772)	(229,672)
CASH, JANUARY 1	89,459	89,459	0	220,231	220,231	0
CASH, DECEMBER 31	119,084	169,000	49,916	319,131	89,459	(229,672)
<b><u>FEDERAL FORFEITURE FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	14,000	8,130	(5,870)	1,000	14,242	13,242
Interest	140	488	348	30	142	112
Total Receipts	14,140	8,618	(5,522)	1,030	14,384	13,354
<b>DISBURSEMENTS</b>						
Equipment	13,500	3,801	9,699	800	14,368	(13,568)
Total Disbursements	13,500	3,801	9,699	800	14,368	(13,568)
RECEIPTS OVER (UNDER) DISBURSEMENTS	640	4,817	4,177	230	16	(214)
CASH, JANUARY 1	6,179	6,179	0	6,163	6,163	0
CASH, DECEMBER 31	6,819	10,996	4,177	6,393	6,179	(214)

Exhibit B

PEMISCOT 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)
<b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	32,000	44,512	12,512	24,000	31,732	7,732
Interest	300	1,389	1,089	150	314	164
Total Receipts	<u>32,300</u>	<u>45,901</u>	<u>13,601</u>	<u>24,150</u>	<u>32,046</u>	<u>7,896</u>
<b>DISBURSEMENTS</b>						
Salaries	22,300	17,089	5,211	20,710	21,598	(888)
Other	1,000	9,526	(8,526)	1,500	2,159	(659)
Total Disbursements	<u>23,300</u>	<u>26,615</u>	<u>(3,315)</u>	<u>22,210</u>	<u>23,757</u>	<u>(1,547)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,000	19,286	10,286	1,940	8,289	6,349
CASH, JANUARY 1	15,135	15,135	0	6,846	6,846	0
CASH, DECEMBER 31	<u>24,135</u>	<u>34,421</u>	<u>10,286</u>	<u>8,786</u>	<u>15,135</u>	<u>6,349</u>
<b><u>RECORDER FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	12,000	11,433	(567)	11,500	12,453	953
Interest	1,500	2,581	1,081	800	0	(800)
Total Receipts	<u>13,500</u>	<u>14,014</u>	<u>514</u>	<u>12,300</u>	<u>12,453</u>	<u>153</u>
<b>DISBURSEMENTS</b>						
Recorder	5,000	10,998	(5,998)	0	0	0
Total Disbursements	<u>5,000</u>	<u>10,998</u>	<u>(5,998)</u>	<u>0</u>	<u>0</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,500	3,016	(5,484)	12,300	12,453	153
CASH, JANUARY 1	56,651	56,651	0	44,198	44,198	0
CASH, DECEMBER 31	<u>65,151</u>	<u>59,667</u>	<u>(5,484)</u>	<u>56,498</u>	<u>56,651</u>	<u>153</u>
<b><u>BOOTHEEL DRUG TASK FORCE FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	190,086	130,451	(59,635)	166,341	192,442	26,101
Interest	800	0	(800)	500	844	344
Total Receipts	<u>190,886</u>	<u>130,451</u>	<u>(60,435)</u>	<u>166,841</u>	<u>193,286</u>	<u>26,445</u>
<b>DISBURSEMENTS</b>						
Salaries	144,096	126,286	17,810	133,119	142,757	(9,638)
Office expenditure:	1,200	665	535	0	1,320	(1,320)
Equipment	26,000	19,270	6,730	10,778	26,116	(15,338)
Mileage & training	4,100	0	4,100	22,184	4,190	17,994
Other	14,690	8,296	6,394	16,640	20,656	(4,016)
Total Disbursements	<u>190,086</u>	<u>154,517</u>	<u>35,569</u>	<u>182,721</u>	<u>195,039</u>	<u>(12,318)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	800	(24,066)	(24,866)	(15,880)	(1,753)	14,127
CASH, JANUARY 1	26,288	26,288	0	28,041	28,041	0
CASH, DECEMBER 31	<u>27,088</u>	<u>2,222</u>	<u>(24,866)</u>	<u>12,161</u>	<u>26,288</u>	<u>14,127</u>

Exhibit B

PEMISCOT 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)
<b><u>JUVENILE GRANT PROGRAM FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	135,000	125,954	(9,046)	100,000	56,733	(43,267)
Interest	0	0	0	200	0	(200)
Total Receipts	135,000	125,954	(9,046)	100,200	56,733	(43,467)
<b>DISBURSEMENTS</b>						
Salaries	94,250	97,726	(3,476)	94,500	95,884	(1,384)
Other	7,500	7,005	495	10,000	7,261	2,739
Total Disbursements	101,750	104,731	(2,981)	104,500	103,145	1,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	33,250	21,223	(12,027)	(4,300)	(46,412)	(42,112)
CASH, JANUARY 1	(43,893)	(43,893)	0	2,519	2,519	0
CASH, DECEMBER 31	(10,643)	(22,670)	(12,027)	(1,781)	(43,893)	(42,112)
<b><u>CAPITAL IMPROVEMENT SALES TAX FUND</u></b>						
<b>RECEIPTS</b>						
Sales tax	605,000	685,294	80,294	605,000	629,359	24,359
Interest	1,300	1,108	(192)	500	1,420	920
Total Receipts	606,300	686,402	80,102	605,500	630,779	25,279
<b>DISBURSEMENTS</b>						
Bond payment	280,000	271,840	8,160	285,000	275,000	10,000
Bond interest paymen	320,000	299,100	20,900	324,000	312,548	11,452
Other	3,000	3,175	(175)	5,500	2,722	2,778
Total Disbursements	603,000	574,115	28,885	614,500	590,270	24,230
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,300	112,287	108,987	(9,000)	40,509	49,509
CASH, JANUARY 1	279,119	279,119	0	238,610	238,610	0
CASH, DECEMBER 31	282,419	391,406	108,987	229,610	279,119	49,509
<b><u>LAW ENFORCEMENT SALES TAX FUND</u></b>						
<b>RECEIPTS</b>						
Sales tax	312,500	342,653	30,153	302,000	314,684	12,684
Interest	0	880	880	100	235	135
Total Receipts	312,500	343,533	31,033	302,100	314,919	12,819
<b>DISBURSEMENTS</b>						
Transfers out	312,500	302,132	10,368	310,000	323,104	(13,104)
Total Disbursements	312,500	302,132	10,368	310,000	323,104	(13,104)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	41,401	41,401	(7,900)	(8,185)	(285)
CASH, JANUARY 1	(8,187)	(8,187)	0	(2)	(2)	0
CASH, DECEMBER 31	(8,187)	33,214	41,401	(7,902)	(8,187)	(285)

Exhibit B

PEMISCOT 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)
<b><u>ELECTION SERVICES FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	100,450	100,450	0	72,464	81,520	9,056
Charges for services:	17,500	118	(17,382)	3,809	3,809	0
Interest	750	106	(644)	65	1,060	995
Other	100	167	67	20	0	(20)
Transfers in	0	43,450	43,450	3,799	3,799	0
<b>Total Receipts</b>	<b>118,800</b>	<b>144,291</b>	<b>25,491</b>	<b>80,157</b>	<b>90,188</b>	<b>10,031</b>
<b>DISBURSEMENTS</b>						
Equipment	100,000	39,497	60,503	70,000	80,147	(10,147)
Transfers out	0	100,450	(100,450)	0	0	0
<b>Total Disbursements</b>	<b>100,000</b>	<b>139,947</b>	<b>(39,947)</b>	<b>70,000</b>	<b>80,147</b>	<b>(10,147)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>18,800</b>	<b>4,344</b>	<b>(14,456)</b>	<b>10,157</b>	<b>10,041</b>	<b>(116)</b>
CASH, JANUARY 1	12,753	12,753	0	2,712	2,712	0
CASH, DECEMBER 31	31,553	17,097	(14,456)	12,869	12,753	(116)
<b><u>HEALTH CENTER FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	166,013	166,013	0	160,000	166,042	6,042
Intergovernmental	398,397	403,673	5,276	362,044	402,512	40,468
Charges for services:	32,418	32,531	113	31,100	31,007	(93)
Interest	34,801	34,879	78	23,835	22,891	(944)
Other	1,959	2,000	41	16,030	1,724	(14,306)
<b>Total Receipts</b>	<b>633,588</b>	<b>639,096</b>	<b>5,508</b>	<b>593,009</b>	<b>624,176</b>	<b>31,167</b>
<b>DISBURSEMENTS</b>						
Salaries and fringe benefit:	494,499	498,569	(4,070)	458,735	465,354	(6,619)
Office expenditures:	93,648	96,087	(2,439)	68,150	70,948	(2,798)
Equipment	18,291	14,143	4,148	11,252	6,447	4,805
Mileage & training	18,372	18,305	67	8,950	9,008	(58)
Other	44,717	46,149	(1,432)	36,453	43,714	(7,261)
<b>Total Disbursements</b>	<b>669,527</b>	<b>673,253</b>	<b>(3,726)</b>	<b>583,540</b>	<b>595,471</b>	<b>(11,931)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(35,939)</b>	<b>(34,157)</b>	<b>1,782</b>	<b>9,469</b>	<b>28,705</b>	<b>19,236</b>
CASH, JANUARY 1	926,184	926,184	0	897,479	897,479	0
CASH, DECEMBER 31	890,245	892,027	1,782	906,948	926,184	19,236

Exhibit B

PEMISCOT 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)
<b><u>DRUG ABUSE RESISTANCE EDUCATION FUND</u></b>						
RECEIPTS						
Interest	0	1,172	1,172			
Sales of calendars	2,000	1,500	(500)			
School contributions	0	35,000	35,000			
Donations	5,000	22,250	17,250			
Other	0	1,800	1,800			
Total Receipts	7,000	61,722	54,722			
DISBURSEMENTS						
Office expenditures:	7,000	6,845	155			
Salaries	0	5,658	(5,658)			
Total Disbursements	7,000	12,503	(5,503)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	49,219	49,219			
CASH, JANUARY 1	12,089	12,089	0			
CASH, DECEMBER 31	12,089	61,308	49,219			
<b><u>LAW ENFORCEMENT RESTITUTION FUND</u></b>						
RECEIPTS						
Charges for services:	100,000	151,760	51,760			
Interest	0	4,271	4,271			
Total Receipts	100,000	156,031	56,031			
DISBURSEMENTS						
Salaries	18,092	0	18,092			
Equipment	5,000	0	5,000			
Office supplies:	0	14,657	(14,657)			
Transfers out	64,808	64,808	0			
Total Disbursements	87,900	79,465	8,435			
RECEIPTS OVER (UNDER) DISBURSEMENTS	12,100	76,566	64,466			
CASH, JANUARY 1	93,766	93,766	0			
CASH, DECEMBER 31	105,866	170,332	64,466			
<b><u>SHERIFF REVOLVING FUND</u></b>						
RECEIPTS						
Charges for services:	650	5,098	4,448			
Interest	25	0	(25)			
Other	400	0	(400)			
Total Receipts	1,075	5,098	4,023			
DISBURSEMENTS						
Supplies	500	9,836	(9,336)			
Equipment	0	1,171	(1,171)			
Total Disbursements	500	11,007	(10,507)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	575	(5,909)	(6,484)			
CASH, JANUARY 1	16,394	16,394	0			
CASH, DECEMBER 31	16,969	10,485	(6,484)			

Exhibit B

PEMISCOT 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)
<b><u>DOMESTIC VIOLENCE FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	650	730	80			
Interest	600	998	398			
Total Receipts	1,250	1,728	478			
<b>DISBURSEMENTS</b>						
Domestic Violence Shelter	0	0	0			
Total Disbursements	0	0	0			
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,250	1,728	478			
CASH, JANUARY 1	20,325	20,325	0			
CASH, DECEMBER 31	21,575	22,053	478			
<b><u>MOSMART FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	36,000	45,444	9,444			
Interest	250	467	217			
Other	28,885	1,684	(27,201)			
Total Receipts	65,135	47,595	(17,540)			
<b>DISBURSEMENTS</b>						
Salaries	42,429	42,711	(282)			
Equipment	9,000	1,113	7,887			
Telephone	1,200	1,709	(509)			
Supplies	0	190	(190)			
Fuel	3,000	6,193	(3,193)			
Truck expenses	6,756	0	6,756			
Other	0	305	(305)			
Total Disbursements	62,385	52,221	10,164			
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,750	(4,626)	(7,376)			
CASH, JANUARY 1	7,537	7,537	0			
CASH, DECEMBER 31	10,287	2,911	(7,376)			
<b><u>SHERIFF CIVIL FEES FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	39,600	35,864	(3,736)			
Interest	500	880	380			
Total Receipts	40,100	36,744	(3,356)			
<b>DISBURSEMENTS</b>						
Sheriff	35,000	2,432	32,568			
Total Disbursements	35,000	2,432	32,568			
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,100	34,312	29,212			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	5,100	34,312	29,212			

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

Notes to the Financial Statements

PEMISCOT 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 Pemiscot 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 Health Center Board. The Sheltered Workshop Fund is for monies held under the control of the County Treasurer. Monies held by the Senate Bill 40 Board are not presented and are audited and separately reported on by other independent auditors. 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>
Drug Abuse Resistance Education Fund	2005
Law Enforcement Restitution Fund	2005
Sheriff Revolving Fund	2005
Domestic Violence Fund	2005
MoSmart Fund	2005

Tax Maintenance Fund	2006 and 2005
Associate Division Interest Fund	2006 and 2005
Circuit Division Interest Fund	2006 and 2005
Law Library Fund	2006 and 2005
Associate Division Time Payment Fee Fund	2006 and 2005
Circuit Division Time Payment Fee Fund	2006 and 2005

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>
General Revenue Fund	2006 and 2005
Special Road and Bridge Fund	2006 and 2005
Assessment Fund	2005
Johnson Grass Fund	2005
Drainage Districts Fund	2005
E-911 Fund	2005
Law Enforcement Training Fund	2005
Solid Waste Transfer Fund	2006 and 2005
Federal Forfeiture Fund	2005
Prosecuting Attorney Bad Check Fund	2006 and 2005
Recorder Fund	2006
Bootheel Drug Task Force Fund	2005
Juvenile Grant Program Fund	2006
Law Enforcement Sales Tax Fund	2005
Election Services Fund	2006 and 2005
Health Center Fund	2006 and 2005
Drug Abuse Resistance Education Fund	2006
Sheriff Revolving Fund	2006

Although Section 50.740, RSMo, requires a balanced budget, deficit balances were budgeted in the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	2006
E-911 Fund	2006
Firing Range Fund	2006
Juvenile Grant Program Fund	2006 and 2005
Law Enforcement Sales Tax Fund	2006 and 2005

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>
Law Enforcement Restitution Fund	2005
Sheriff Revolving Fund	2005
MoSmart Fund	2005
Sheriff Civil Fees Fund	2006
Tax Maintenance Fund	2006 and 2005
Associate Division Interest Fund	2006 and 2005
Circuit Division Interest Fund	2006 and 2005
Law Library Fund	2006 and 2005
Associate Division Time Payment Fee Fund	2006 and 2005
Circuit Division Time Payment Fee Fund	2006 and 2005

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

The county'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 custodial bank in the county's name.

The Health Center Board's deposits at December 31, 2006, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the Board's custodial bank in the Board's name. Of the Health Center Board's bank balance at December 31, 2005, \$1,328 was exposed to custodial credit risk because that amount was uncollateralized.

#### 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. 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.

#### 4. Prior Period Adjustments

The Circuit Division Interest Fund's cash balance at January 1, 2005 as previously stated has been decreased by \$3,261 to agree to the cash balance of the Circuit Division.

The Associate Division Time Payment Fee Fund's cash balance of \$6,064 at January 1, 2005 was not previously reported but has been added.

The Circuit Division Time Payment Fee Fund's cash balance of \$20 at January 1, 2005 was not previously reported but has been added.

Supplementary Schedule

Schedule

PEMISCOT 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	\$ 1,705	1,378
Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-7178 ERS045-6178 ERS045-5178	19,516 99,827 0	0 19,237 103,227
	Program Total		<u>119,343</u>	<u>122,464</u>
10.559	Summer Food Service Program for Children	ERS046-6178I ERS146-5178	1,330 0	0 1,750
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16	Equitable Sharing of Seized and Forfeited Property	N/A	8,130	14,242
Passed through:				
State Department of Public Safety				
16.579	Edward Byrne Memorial Formula Grant Program	2004-NCD2-019	62,883	149,104
16.738	Justice Assistance Grants	2005-JAG-008	64,742	0
Cape Girardeau County -				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	2000-DDVX-0055	36,972	57,946
Missouri Sheriffs' Association -				
16	Domestic Cannabis Eradication/Suppression Program	N/A	992	912
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-078(40) BRO-078(41)	276,627 0	0 99,426
Passed through Delta Regional Authority				
20.600	State and Community Highway Safety	MO-2052	0	105,271

Schedule

PEMISCOT 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
GENERAL SERVICES ADMINISTRATION				
Passed through state				
Office of Secretary of State				
39.011	Election Reform Payment	N/A	0	75,072
ELECTIONS ASSISTANCE COMMISSION				
Passed through state Office of Secretary of State				
90.401	Help America Vote Act Requirements Payment	N/A	104,125	6,447
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services -				
93.268	Immunization Grants	N/A	74,208	77,073
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance Program Total	AOC06380124	8,964 0 <u>8,964</u>	155 3,604 <u>3,759</u>
Department of Social Services -				
93.563	Child Support Enforcement	N/A	42,638	34,567
93.569	Community Services Block Grant	AOC6000234	38,356	49,980
Department of Health and Senior Services -				
93.575	Child Care and Development Block Grant Program Total	AOC06380124 PGA067-5178S	1,685 0 <u>1,685</u>	410 1,495 <u>1,905</u>
Department of Social Services -				
93.667	Social Services Block Grant	N/A	5,215	0
Department of Health and Senior Services				
93.994	Maternal and Child Health Services Block Grant to the States Program Total	AOC06380124 ERS146-5178M	4,501 26,344 <u>30,845</u>	0 28,567 <u>28,567</u>

Schedule

PEMISCOT 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 HOMELAND SECURITY				
Passed through state Department of Public Safety				
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disaster	N/A	221,190	0
	Total Expenditures of Federal Award:		\$ <u>1,099,950</u>	<u>829,863</u>

N/A - Not applicable

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

Notes to the Supplementary Schedule

PEMISCOT 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 Pemiscot County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

Amounts for the Food Donation (CFDA number 10.550) represent the estimated fair market value of food at the time of receipt. Amounts for Immunization Grants (CFDA number 93.268) include 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 Pemiscot County, Missouri

Compliance

We have audited the compliance of Pemiscot 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, Pemiscot 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 instances of noncompliance with those requirements, which are required to be reported in accordance

with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 06-3 through 06-4.

### Internal Control Over Compliance

The management of Pemiscot 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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 deficiencies described as finding numbers 06-3 through 06-5 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies 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. Of the significant deficiencies referred to above, we consider finding numbers 06-3 through 06-5 to be material weaknesses.

The responses of Pemiscot County, Missouri, to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the county's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the management of Pemiscot 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 cursive script that reads "Susan Montee".

Susan Montee, CPA  
State Auditor

September 13, 2007

Schedule

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

Noncompliance material to the financial statements noted?   x   yes        no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major program(s): Unqualified

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

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.579	Byrne Formula Grant Program
20.205	Highway Planning and Construction

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

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

**Section II - Financial Statement Findings**

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

**06-1. Financial Condition**

The poor financial condition of the General Revenue Fund which was noted in the prior report has continued to deteriorate. In addition, the Special Road and Bridge Fund is in poor financial condition.

The following table reflects the ending cash balances of these funds over the last four years and the projected ending cash balance for 2007:

	Ending Cash Balance, Year Ended December 31,				
	2007 Projected	2006 Actual	2005 Actual	2004 Actual	2003 Actual
General Revenue Fund	\$ (385,648)	(722,592)	(546,500)	(376,563)	1,442
Special Road and Bridge Fund	(91,326)	(82,455)	140,355	333,242	152,991

While receipts have generally increased, the county's spending has also increased. Spending has been greater than receipts due in part to purchasing and installing an elevator and new heating and cooling units in the county courthouse, increases in the cost of health insurance, increases in overtime paid to dispatchers in the Sheriff's department, and the addition of employees in the county jail and Prosecuting Attorney's office.

A significant factor contributing to the decline of the financial condition of the Special Road & Bridge Fund has been due to a major taxpayer in the county having protested their property taxes each of the last four years. The case is currently in circuit court and, if decided in the county's favor, the Special Road & Bridge Fund would receive approximately \$118,000. The General Revenue Fund would receive approximately \$81,000.

In April, 2006, Pemiscot County was hit by a major tornado causing extensive damage. The county's share of expenses was \$54,570 for law enforcement, clean up, and repair to county roads. Because of the county's poor financial position, the required three percent of the General Revenue Fund for emergencies was not budgeted. Such an emergency reserve would have covered the county's share of the tornado costs. Section 50.540, RSMo, requires at least three percent of anticipated General Revenue Fund revenues be budgeted for emergency situations.

The county has attempted to pass two ¼ percent sales tax increases, one for the Law Enforcement Sales Tax Fund in November 2006 and one for the General Revenue Fund in April 2007. These proposed sales tax increases, while not approved by the voters, would have generated approximately \$375,000 to \$400,000 of additional revenue per year.

As noted in finding 06-2, the county's budgetary practices are in need of improvement. Disbursements have exceeded the budget in the General Revenue Fund and the Special Road and Bridge Fund for the past two years. Even though the County Commission has been aware of the declining fund balances and has been monitoring the county's financial condition through preparation and review of monthly budget reports, adequate action was not taken to improve the financial condition of the county. The County Commission indicated their current plan will give the General Revenue Fund a positive cash balance within three years by reducing disbursements \$250,000 per year and decreasing all department budgets by 10 percent. The current plan to give the Road and Bridge Fund a positive cash balance within two years is to reduce disbursements for materials by 10 percent.

The county will also have to consider a reduced General Revenue Fund property tax levy. The county did not adequately roll back the General Revenue Fund property tax levy for sales taxes collected, and as a result, excess property tax revenues are projected to increase to approximately \$63,500 for 2007. Section 67.505, RSMo, provides budgeted property taxes are to be reduced by voter-approved percentages of sales tax revenue. This section also provides for actual sales revenue of the preceding year that is over or under that year's estimated sales tax revenue to be adequately reflected in the subsequent year's property tax revenues roll back calculation.

Various restricted special revenue funds administered by elected officials have accumulated balances significantly in excess of historical actual disbursements. Consideration should be given to working with officials to use these monies to help fund respective official's expenses currently funded by the General Revenue Fund, within the restrictions set forth by state law.

It is essential that the County Commission address the situation both in the immediate and long-term future. Discretionary disbursements should be reviewed, contracts closely monitored, and options for maximizing revenues pursued.

**WE RECOMMEND** the County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund and Special Road and Bridge Fund. The County Commission should perform

long term planning and take advantage of opportunities to maximize revenues and offset costs as allowed by state law. In addition, the County Commission should ensure appropriate and accurate adjustments are made to the property tax levy in the future to reflect excess property taxes collected in prior years.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk provided the following response:*

*Significant progress has been made in 2007 at reducing the deficit in the General Revenue Fund; however, the fund will still have a deficit balance at the end of 2007. The deficit is also expected to be greatly reduced in 2008.*

*No progress has been made at reducing the deficit in the Special Road and Bridge Fund due to various necessary purchases that had to be made. They will be able to reduce the deficit beginning in 2008.*

*Excess property taxes will be reduced over a three year period starting in 2008.*

<b>06-2.</b>	<b>Budgetary Practices</b>
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The county's budgetary practices are in need of improvement. The County Commission approved deficit budgeting for several funds and actual disbursements exceeded budgeted amounts for numerous funds with no budget amendments being made. Budgets were not prepared for some county funds and transfers and interest were not correctly presented on the budget documents.

- A. As noted in finding 06-1, the County Commission does not appear to be adequately monitoring and controlling county disbursements to ensure compliance with state budget laws.

The County Commission budgeted a deficit fund balance for the following funds:

<u>Fund</u>	Deficit Amount Budgeted for	
	Year Ended December 31,	
	<u>2006</u>	<u>2005</u>
General Revenue	\$ (395,670)	N/A
E-911	(3,654)	N/A
Firing Range	(1,116)	N/A
Juvenile Grant	(10,643)	(1,781)
Law Enforcement Sales Tax	(8,187)	(7,902)

In addition, actual disbursements exceeded the budgeted amounts in the various funds as follows:

<u>Fund</u>	Year Ended December 31,	
	<u>2006</u>	<u>2005</u>
General Revenue	\$ 213,811	302,422
Special Road & Bridge	529,935	143,278
Assessment	N/A	17,606
Johnson Grass	N/A	15,293
Drainage Districts	N/A	13,683
E-911	N/A	14,458
Law Enforcement Training	N/A	25,376
Solid Waste Transfer	154,216	315,344
Federal Forfeiture	N/A	13,568
Prosecuting Attorney Bad Check	3,315	1,547
Recorder	5,998	N/A
Bootheel Drug Task Force	N/A	12,318
Juvenile Grant Program	2,981	N/A
Law Enforcement Sales Tax	N/A	13,104
Election Services	39,347	10,147
Drug Abuse Resistance Education	5,503	N/A
Sheriff Revolving	10,507	N/A

The County Commission indicated the budget is monitored by reviewing budget to actual amounts monthly; however, no budget amendments were prepared when budgeted amounts were exceeded. The County Clerk indicated that each county official also receives a monthly budget to actual report for their respective office; however, there is no documentation showing that budget meetings are taking place and county officials review their reports. The procedures in place are not sufficient to ensure actual disbursements will not exceed budgeted amounts and to prevent deficit spending.

Counties are not authorized to have deficit fund balances. Sections 50.610 and 50.740, RSMo, require balanced budgets, and Article VI, Section 26(a) of the Missouri Constitution prohibits deficit budgeting.

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo.1122, 273 S.W.2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo, provides that counties may amend the annual budget during any year in which the county receives additional

funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- B. Budgets were not prepared for funds totaling \$123,658 and \$241,436 at December 31, 2006 and 2005, respectively, including the Tax Maintenance Fund, Law Library Fund, Circuit Division Interest Fund, Circuit Division Time Payment Fee Fund, Associate Division Interest Fund, and Associate Division Time Payment Fee Fund for the years ended December 31, 2006 and 2005 and the Drug Abuse Resistance Education Fund, Domestic Violence Fund, MoSmart Fund, Law Enforcement Restitution Fund, and Sheriff Revolving Fund for the year ended December 31, 2005. While some of these funds are not under the direct control of the County Commission, budgets for these funds are needed to comply with statutory provisions. The County Clerk does not perform procedures to ensure budgets are received from the other officials.

Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds and activities, the County Commission can evaluate all county financial resources more effectively.

- C. The county does not have procedures in place to ensure the county's budget documents accurately present financial activities of the county. The county budget documents contained misclassifications of interest earnings and transfers.
1. The General Revenue Fund's actual transfers in were understated by approximately \$165,000 and \$347,000 for 2006 and 2005, respectively. Most transfers in were recorded under Intergovernmental Revenues instead of the Transfers In category.
  2. Interest earned by the Solid Waste Transfer Station Fund in 2006 and 2005 was recorded under Charges for Services and interest earned by the Bootheel Drug Task Force Fund in 2006 was recorded under Intergovernmental Revenues.

Considering the problems noted, the approved budgets did not provide county citizens with reliable information about the county's finances and are a less effective management tool for the county. Adjustments for the transfers have been discussed with the county officials and made to the audited financial statements.

To be of maximum assistance to the county and to adequately inform citizens of the county's operations and financial position, budget documents need to be accurate and include proper classifications of receipts and disbursements. This is also necessary so that the county can prepare useful and accurate financial statements. A thorough

review process needs to be implemented to ensure budget documents are accurate and complete prior to approval.

Conditions similar to Part A were noted in our prior audit report.

**WE RECOMMEND** the County Commission:

- A. Discontinue deficit budgeting and refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's Office.
- B. Ensure budgets are prepared and obtained for all county funds.
- C. Ensure transfers between funds and interest earnings are properly classified in the budget documents.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk provided the following responses:*

- A. *They will discontinue deficit budgeting as soon as possible. Budget amendments have been made in 2007 and filed with the State Auditor's Office.*

*B&C. These will be implemented starting with the 2008 budget.*

*The Circuit Clerk provided the following response:*

- B. *Budgets have been prepared for 2008 for the Circuit Division Interest Fund and Circuit Division Time Payment Fee Fund. They will be filed with the County Clerk by the end of 2007.*

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

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

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Numbers:	BRO-078 (40) and BRO-078 (41)
Award Years:	2006 and 2005
Questioned Costs:	Not Applicable
Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health and Senior Services
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Woman, Infants, and Children
Pass-Through Entity	
Identifying Numbers:	ERS045-5178, ERS045-6178, and ERS045-7178
Award Years:	2006 and 2005
Questioned Costs:	Not Applicable
Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity	
Identifying Number:	Not Applicable
Award Years:	2006
Questioned Costs:	Not Applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	16.579
Program Title:	Byrne Formula Grant Program
Pass-Through Entity	
Identifying Number:	2004-NCD2-019
Award Years:	2006 and 2005
Questioned Costs:	Not Applicable

The county does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained several errors and omissions. Expenditures were understated by \$336,881 and \$278,148 for the years ended December 31, 2006 and 2005, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit*

*Organizations*, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as a part of the annual budget.

Expenditures relating to several federal grants were not included on the schedule. For example, in 2006 the County Clerk failed to include federal monies of \$221,190 for Public Assistance Grants. In 2005, the County Clerk failed to include federal monies of \$75,072 for Election Reform Payments and \$57,946 for Edward Byrne Memorial Grant. In 2006 and 2005, the County Clerk also failed to include federal monies of \$42,638 and \$34,567, respectively, for Child Support Enforcement. In addition, most other grants were recorded at incorrect amounts. The County Clerk also failed to include the required pass-through grantor's number on several of the programs that were reported.

Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The County Commission should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA.

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

**WE RECOMMEND** the County Commission and County Clerk prepare a complete and accurate schedule of expenditures of federal awards. In addition, the County Commission and County Clerk should ensure that the correct contract numbers are included on the schedule.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk provided the following response:*

*This will be implemented to the best of their ability starting with the 2008 budget.*

<b>06-4.</b>	<b>Cash Management</b>
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Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Numbers:	BRO-078 (40) and BRO-078 (41)
Award Years:	2006 and 2005
Questioned Costs:	Not Applicable

The county has not established cash management procedures to ensure minimal time elapses between its receipt of federal project monies and the distribution of such monies to vendors.

Of nine reimbursements reviewed, eight reimbursements totaling \$336,659 were received and held for more than two business days before the related payment was made to the vendor. These reimbursements included \$1,555, \$9,042, \$99,985, \$62,206, and \$8,700 held for 163, 151, 135, 74, and 46 days, respectively. The County Clerk indicated that in some instances he did not receive notification in a timely manner that project reimbursements had been deposited into the county's checking account. The County Clerk also indicated that he only issues checks twice per month with no exceptions. Both situations make it difficult to pay the funds out within two business days.

The county contracts with the Missouri Department of Transportation (MoDOT) for bridge replacement and rehabilitation under the Highway Planning and Construction Program. Section .300(c) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to, “comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs”. Section XII of the MoDOT Local Public Agency Manual provides that local agencies must develop cash management procedures to ensure payment is made to the contractor/consultant within two business days of receipt of funds from MoDOT.

**WE RECOMMEND** the County Commission establish procedures to minimize the time between the receipt of federal monies and disbursement of such funds to comply with MoDOT requirements.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk provided the following response:*

*It is not their intention to hold monies for more than 30 days. Monies will be disbursed within 15 days, which is within the normal accounts payable cycle.*

<b>06-5.</b>	<b>Suspension and Debarment Compliance</b>
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Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity	
Identifying Number:	Not Applicable
Award Years:	2006
Questioned Costs:	Not Applicable

The County Commission did not ensure the vendors providing services complied with grant provisions. Program guidelines and the Common Rule require entities receiving federal awards to determine that vendors receiving amounts equal to or exceeding \$25,000 and their principals are not suspended or debarred. The commission was not aware of this requirement and did not verify the standing of the vendors used. We consulted the General Service

Administration's Excluded Parties List System and determined that no vendors used were suspended or debarred.

**WE RECOMMEND** the County Commission establish procedures for future grants to ensure vendors are not suspended or debarred.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*The County Commission and County Clerk provided the following response:*

*The recommendation will be implemented if this grant is received in the future and vendors are required.*

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

PEMISCOT 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

PEMISCOT 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

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

We have audited the financial statements of various funds of Pemiscot County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 13, 2007. We also have audited the compliance of Pemiscot 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 13, 2007.

Because the Senate Bill 40 Board, Port Authority Board, and County Hospital Board are audited and separately reported on by other independent auditors, the related funds are not presented in the financial statements. However, we reviewed those audit reports 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 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 Pemiscot 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 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*. Pemiscot 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.

<b>1. County Procedures</b>
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The County Clerk does not maintain an account book with the County Collector and controls over property tax additions are not adequate. In addition, the County Treasurer's bond coverage is insufficient to cover school monies received and she is not properly handling old outstanding checks. The county's published financial statements did not include the financial activity for all county funds or the county's bonded debt. Also, the 2005 financial statements were not published in a timely manner. County officials are not filing monthly reports of fees with the County Commission as required by state law. Fees collected have not been disbursed to shelters for victims of domestic violence.

- A. The County Clerk does not maintain an account book with the County Collector. As a result, the County Collector's annual settlements cannot be adequately reviewed and errors could go undetected.

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

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

- B. Controls over property tax additions are not adequate. Additions made to property taxes from August through May are initiated by the County Assessor, who assigns an assessed value and enters it into the property tax computer system. The entry generates a tax statement of the taxes due in the County Collector's office, who collects the tax. At month end, the County Collector prints a report of all property tax additions; however, the County Commission does not approve these additions. The assessment book is certified annually on May 31st. Additions made in June and July have court orders and are approved by the County Commission in July.

However, no independent and subsequent review of the actual changes made to the property tax system as compared to the approved change requests and/or court orders is performed by the County Clerk. As a result, additions, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

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

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

- C. The County Treasurer's bond coverage is insufficient to cover the school monies she receives. The \$670,000 bond secured for the County Treasurer was approximately \$96,000 less than the amount required by state law during January 2007, when she received and distributed most of the school property tax money.

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 her election or appointment.

- D. The County Treasurer is not properly following up on old outstanding checks. At December 31, 2006, the Treasurer had 15 outstanding checks totaling \$757 that were over a year old. The Treasurer will periodically stop payment on these checks and transfer the amounts into the county's Unclaimed Fees Fund. After three years, the Treasurer stated she will transfer the money into the General Revenue Fund as miscellaneous revenue. However, no transfers have been made into the General Revenue Fund for over three years. These old outstanding checks create additional and unnecessary record keeping responsibilities. Procedures should be adopted to routinely follow up on outstanding checks and reissue them if the payees can be located. If the payees cannot be located, the amount should be disbursed to the state's Unclaimed Property Section as required by Sections 447.500 through 447.595, RSMo.
- E. The annual published financial statements of the county did not include the financial activity for the Tax Maintenance Fund, Law Library Fund, Circuit Division Interest Fund, Circuit Division Time Payment Fee Fund, Associate Division Interest Fund, Associate Division Time Payment Fee Fund, MoSmart Fund, Law Enforcement Restitution Fund, and Sheriff Revolving Fund. In addition, the amount of bonded

debt and other related bond information for the Justice Center bonds were not included, and the financial statement for the year ended December 31, 2005 was not published until October 26, 2006.

Section 50.800, RSMo, requires published financial statements to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. In addition, it requires the presentation of bonded debt of the county and other information related to bond activity. The statute also requires that the financial statements be published by the first Monday in March for fiscal years that end the preceding December.

For the published financial statement to adequately inform the citizens of the county's financial activity, all monies received and disbursed by the county and all other required information should be included in the level of detail required by law.

- F. No county officials file monthly reports of fees collected with the County Commission. Section 50.370, RSMo, requires county officials to prepare and file with the County Commission monthly reports of fees collected.
- G. The county has not adequately disbursed the fees collected to shelters for victims of domestic violence. As of December 31, 2006, the Domestic Violence Fund balance was \$22,053. No monies were disbursed from this fund during 2005 or 2006. Section 488.445, RSMo, authorizes the county to impose certain fees on the issuance of marriage licenses and on any civil case filed in circuit court. These fees are to be used to provide financial assistance to shelters for victims of domestic violence.

Conditions similar to A and E were noted in our prior report.

**WE RECOMMEND** the County Commission:

- A. Require the County Clerk maintain an account book with the County Collector in accordance with state law.
- B. Require the County Clerk prepare all additions to the tax books and charge the County Collector with additions at the time additions are prepared. All additions should be approved by the County Commission.
- C. Ensure that all county officials are adequately bonded.
- D. Ensure procedures to routinely follow up and reissue old outstanding checks are adopted. If the payees cannot be located, these monies should be disposed of in accordance with state law.
- E. Ensure all required financial information for all county funds is properly reported in a timely manner in the published financial statements.
- F. Require county officials to prepare monthly reports of fees as required by state law.

- G. Ensure Domestic Violence Fund monies are disbursed to qualifying shelters in a timely manner.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following responses:*

- A. *The Collector's amounts are reconciled annually; however, monthly reconciliations are not and will not be performed.*
- B. *All additions will be approved if the Assessor provides documentation.*
- C. *The Treasurer's bond will be increased when necessary.*
- D&F. *These recommendations will be implemented immediately.*
- E. *The recommendation will be implemented with the next published financial statement.*
- G. *No requests have been received for these funds. Disbursements will be made in a timely manner after a request has been received.*

*The Assessor provided the following response:*

- B. *She will provide the Commission documentation of each addition she receives.*

*The Treasurer provided the following responses:*

- C. *She will inform the Commission of the proper bond amount.*
- D. *The recommendation will be implemented immediately.*

<b>2. Bidding and Contracts</b>
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The Assessor did not solicit bids for a new appraisal system and the system has not been received although the county has already paid approximately \$30,000 for it. The county did not enter into formal written contracts with two attorneys for legal services, one of which is related to a commissioner and the County Treasurer.

- A. The Assessor did not solicit bids for a new appraisal system or secure a written contract with the vendor. The Assessor indicated she did not solicit bids because there are a limited number of vendors in the area that provide the service. The system has not been installed even though the vendor was paid \$30,000 by May 2006, and the county has had to continue using their old system. Without a written contract, milestones were not established that would have required certain conditions

be met before the vendor was paid. In addition, without a contract there are no penalties to the vendor for not providing the system on a timely basis.

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. In addition, a written contract, signed by the parties involved, should specify the services to be rendered and establish milestones that ensure services have been provided before payments are made to the vendor. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

- B. The county did not enter into formal written contracts for various legal services including juvenile office legal services costing \$3,100 and an attorney used to provide legal services related to the county's lawsuit regarding the funding of the Prosecuting Attorney Retirement Fund. While the attorney provided the work pro bono, the attorney is the son of a county commissioner and the County Treasurer.

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. Commission minutes should document approval of all agreements.

Conditions similar to B were noted in our prior report.

**WE RECOMMEND** the County Commission:

- A. Utilize a competitive procurement process for all major purchases and maintain documentation of decisions made. Also, the County Commission should ensure that services are received before payments are made for services.
- B. Enter into written contracts when appropriate and ensure that contracts contain adequate details and protections for the county.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following responses:*

- A. *The recommendation will be implemented from now on.*
- B. *Contracts will be secured when necessary.*

*The Assessor provided the following response:*

- A. *Nine companies were contacted but none of them would provide bids. In the future, she will document that vendors have been contacted. The real estate portion of the new system is now in operation.*

**3.**

**Personnel Issues**

The County Clerk does not maintain centralized leave records for county employees or timesheets for the Sheriff's Department, Road and Bridge Department, or the Solid Waste Transfer Station. In addition, the county incurred a significant liability due to a former employee not being properly compensated for all work performed.

- A. The County Clerk does not maintain centralized records of vacation leave, sick leave or compensatory time earned, taken, or accumulated for county employees. Each individual office is responsible for maintaining these records. The County Clerk also does not receive time sheets from employees of the Sheriff's Department, Road and Bridge Department (see part C), or Solid Waste Transfer Station. The Sheriff's Department sends a report of time worked for all employees while the Road and Bridge Department and the Solid Waste Transfer Station verbally report the hours worked for each employee.

As of July 31, 2007, four Road and Bridge Department employees had annual leave balances in excess of the 120 hour limit established by the county. In addition, the Sheriff's office maintains their employee leave records in a manner that does not allow current leave balances to be easily attainable. When a deputy wants to use leave time, their leave balance is recalculated manually to ensure the deputy's balance is sufficient for the amount of leave being requested.

Centralized records are needed to ensure that employees are meeting expectations of county employment, that policies are being uniformly followed, and that potential leave and/or compensatory time liabilities are being monitored. In addition, such records are needed in the event disputes arise and to demonstrate compliance with the federal Fair Labor Standards Act (FLSA).

- B. The county incurred a significant liability due to a former Road and Bridge Department employee not being properly compensated for all work performed. The employee requested and was paid for only 32 hours of work each week even though he recorded 40 hours worked on his timesheet. According to county officials, this arrangement was originally made so that the employee could continue to receive his pension from a previous job. After a few years under this arrangement, the employee retired and requested to be paid for the additional 8 hours worked each week, totaling 1,744 hours or \$16,100. Instead of paying this in one lump sum, the county paid it over a nine month period as if the employee was on leave and was being paid. During that time, the employee continued to receive full benefits, including the earning of vacation time, health insurance, life insurance, and retirement benefits. The employee received a \$100 per month raise in January 2006 along with other county employees, which was reflected in the final two payments made to him. The county also paid the employee for 180 hours of vacation time, which is more vacation time than allowed by county policy.

The agreement to only pay for 32 hours when 40 hours were worked is not in compliance with the federal FLSA. The county should not allow employees to be compensated for less than what is reported on employee time sheets. Compensation should correspond to the hours worked for each pay period. Additionally, the benefits provided this individual during this time were essentially duplicative of previously earned benefits and totaled \$2,268 for health insurance, \$77 for life insurance, and \$745 in retirement benefits.

Conditions similar to A were noted in our prior report.

**WE RECOMMEND** the County Commission:

- A. Ensure the County Clerk maintains centralized time sheets and leave records with current balances that are easily attainable for all county employees. In addition, leave balances should be periodically monitored to ensure employees do not accumulate or use more leave time than is allowed by county policy.
- B. Ensure that employee compensation is in compliance with the FLSA. The County Commission should pay employees the proper compensation supported by approved timesheets.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following responses:*

*A&B. These recommendations will be implemented immediately.*

<b>4. Commission Minutes and Public Records</b>
-------------------------------------------------

Minutes of closed meetings held by the County Commission are not taken unless the commission votes on a motion. In addition, the commission minutes do not always include sufficient detail of matters discussed or actions taken. Commission minutes are not signed by the County Clerk to attest to their completeness and accuracy. Also, the county does not have a formal policy regarding public access to county records.

- A. The County Commission held numerous closed sessions over the past several years. Open session minutes typically will indicate that the meeting is being closed, but minutes for the closed sessions are not taken unless the commission votes on a motion. Without minutes of closed sessions, there is no record of the discussions held or support for the decisions made, and less assurance to the public that the various statutory provisions are being followed.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made.

- B. The commission minutes do not always include sufficient or correct detail of matters discussed or actions taken. A review of the commission minutes revealed that bid amounts are not always documented and one instance where bid amounts were attributed to the wrong vendors, which created the appearance that the highest bid had been accepted. Also, the minutes do not include the motion passed to accept the bid for the county's current depository bank.

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.

- C. Commission minutes are signed by the Presiding Commissioner, but not the County Clerk. The minutes should be signed by the County Clerk and then by the County Commission to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the commission meetings.
- D. The county does not have a formal policy regarding public access to county records. The County Clerk indicated he charges 10 cents per page for copies of county records. A formal policy regarding access and obtaining copies of county records would establish guidelines for the county to make the records available to the public. This policy should establish a contact person, an address for mailing such requests, and a cost for providing copies of public records.

Section 610.023, RSMo, lists requirements for making county records available to the public. Section 610.026, RSMo, allows the county to charge fees for copying public records, not to exceed the county's actual cost of document search and duplication.

**WE RECOMMEND** the County Commission:

- A. Ensure minutes are taken for all closed sessions.
- B. Ensure complete and accurate minutes of the commission's meetings are maintained.
- C. Ensure the commission minutes are signed by the County Clerk upon preparation and the County Commission upon approval.
- D. Develop a formal policy regarding procedures to obtain public access to, or copies of, public county records.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following responses:*

- A. *The recommendation has already been implemented.*
- B&C *These recommendations will be implemented from this point forward.*
- D. *The recommendation will be implemented.*

<b>5. Capital Assets</b>
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Property records and procedures to account for county property are not adequate. Records and monitoring procedures for county vehicles used by various departments are not sufficient.

- A. Records and procedures 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. The County Clerk does maintain a listing of vehicles and Road and Bridge Department and Solid Waste Transfer Station equipment; however, this listing is primarily for insurance purposes, does not include all personal property costing \$1,000 or more, and does not include all necessary information. County offices are not performing and submitting annual physical inventory reports and tags identifying property items as county property are not being assigned and affixed to items.

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. An explanation of material changes from the previous inventory is to be attached to the department inventory reports.

Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Proper capital asset records should include all pertinent information for each asset, such as tag number, description, cost, acquisition date, location, and subsequent disposition. These records should be updated for any property additions and dispositions as they occur. Physical inventories and proper tagging of county property items are necessary to evaluate the accuracy of the records, and deter and detect theft.

- B. Records and monitoring procedures for county vehicles used by various county departments are not sufficient. As of December 31, 2006, the county owned forty-seven vehicles utilized by the Road and Bridge Department, Solid Waste Transfer Station, and Sheriff's Department. The county spent over \$400,000 on maintenance and fuel in both 2006 and 2005. The county does not require vehicle usage logs to be prepared for the vehicles used by the Road and Bridge Department and the Solid Waste Transfer Station. The Sheriff's Department records the odometer readings of their vehicles only when refueling. The logs do not include information on travel destinations and/or number of miles traveled each day.

County officials indicated they believe the use of the vehicles is proper. However, without adequate usage logs, the county cannot effectively monitor that vehicles are used for official business only, that maintenance and fuel costs for vehicles are reasonable, and that fuel and maintenance billings to the county represent legitimate and appropriate charges. In addition, without details regarding overall mileage and costs incurred for the various county vehicles, the county cannot evaluate when vehicles need to be replaced.

Vehicle usage logs should include trip information (i.e. employee, dates used, beginning and ending odometer readings, destination, and purpose) and operating costs information (fuel and maintenance). These logs should be reviewed by a supervisor to ensure vehicles are used only for county business and evaluate operating costs. In addition, information on the logs should be reconciled to fuel and maintenance billings received by the county.

Conditions similar to A were noted in our prior report.

**WE RECOMMEND** the County Commission:

- A. 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, and any other concerns associated with county property. Also, inventories and inspections should be performed by each county official and the County Clerk. In addition, property controls tags should be affixed to capital assets.
- B. Require the preparation of usage logs for all county vehicles, and ensure proper reviews and reconciliations are performed.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following responses:*

- A. *They will request the cooperation of other county officials to ensure the recommendation is implemented.*
- B. *The recommendation will be implemented immediately.*

<b>6. Computer Controls</b>
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Computer systems and data are vulnerable to unauthorized use, modification or destruction because passwords are not periodically changed to reduce the risk of compromised passwords.

The security of a password system is dependent upon keeping passwords confidential. However, passwords are not periodically changed to help ensure they remain known only to the assigned user and to reduce the risk of compromised passwords. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential, changed periodically to reduce the risk of unauthorized use, and used to restrict individuals' access to only those computer systems and data files they need to accomplish their jobs.

A similar condition was noted in our prior report.

**WE RECOMMEND** the County Commission require passwords for all employees which are confidential and periodically changed to prevent unauthorized access to the county's computer systems and data.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following response:*

*The recommendation will be implemented as soon as possible.*

<b>7. Solid Waste Transfer Station</b>
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The county operates a solid waste transfer station, which allows individuals and various entities to dispose of trash at a landfill. Trash is received and processed at the transfer station, and then shipped to a landfill for disposal. The individuals and various entities that utilize the transfer station are billed each month, with rates based on the amount of trash each customer delivers to the transfer station.

Billing reports are not reconciled to collection reports and the accounts receivable balance, giving the county no assurance that the accounts receivable balance is accurate. In addition, adequate efforts have not been made to pursue the collection of delinquent accounts. When accounts have overdue charges, transfer station employees attempt to contact the customers to request further payment and submit bills each month to the customers until the balance is paid. Customers with accounts that have been overdue longer than one month are not allowed to use the transfer station. However, other than billing the customers each month, nothing else is done to attempt to collect on the delinquent accounts. At our request, the county prepared an accounts receivable report and as of July 31, 2007, transfer station receivables totaled over \$349,000, with over \$118,600 (34 percent) being delinquent over 90 days.

Monthly reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected on a timely basis. The county should put more effort into collecting on delinquent accounts. This should include establishing formal procedures for collecting on delinquent accounts such as turning delinquent accounts over to the Prosecuting Attorney and utilizing collection agencies.

**WE RECOMMEND** the County Commission establish formal procedures for reconciling the amounts billed to amounts collected and the accounts receivable balance and for collecting on delinquent accounts, which should include turning delinquent accounts over to the Prosecuting Attorney and utilizing collection agencies.

**AUDITEE'S RESPONSE**

*The County Commission and County Clerk provided the following response:*

*They have begun reconciling billings to collections and have established payment schedules for delinquent accounts. Over \$100,000 in delinquent accounts have been collected in 2007.*

**8.****Health Center's Accounting Controls and Procedures**

Actual expenditures exceeded budgeted amounts during the years ended December 31, 2006 and 2005. Accounting duties within the Health Center are not adequately segregated. The method of payment is not reconciled between receipt slips, the receipts ledger, and the deposits. Receipts are not always deposited intact and in a timely manner. In addition, bids were not solicited for some purchases, including a purchase made from a vendor owned by a board member. Invoices are not usually marked to note goods or services have been received or the invoices have been paid. Employees were reimbursed for attending a training session without submitting proper documentation. Also, physical inventories of assets are not conducted annually.

The Health Center processed approximately \$639,100 and \$624,200 in 2006 and 2005, respectively, for property taxes, vaccination fees, donations, birth and death certificates, and various grants.

- A. Actual expenditures exceeded budgeted amounts during the years ended December 31, 2006 and 2005 by \$3,725 and \$11,931, respectively. Even though budget to actual reports are received monthly, the budget is not adequately monitored to prevent expenditures from exceeding budgeted amounts.

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

- B. The duties of receiving, recording, and depositing receipts are not adequately segregated. The office manager collects monies, records transactions, and prepares deposits. There are no documented reviews of the office manager's work by the Health Center administrator.

Internal controls would be improved by segregating the duties of receiving, recording and depositing monies. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the office manager's work should be performed and documented.

- C. The method of payment is not reconciled between receipt slips, the receipts ledger, and the deposits. A review of the Health Center's receipt slips revealed the following concerns:

- Receipt slips are not issued for some monies received. Receipt slips are primarily only issued for payments received in person. Receipt slips are issued for payments received through the mail only if requested by the payor.
- The numerical sequence of receipt slips is not accounted for properly. Generic, prenumbered receipt slips are issued for most monies received; however, the books are not purchased or issued in numerical order. In addition, from May 1, 2006 to June 22, 2006, the receipt slips used were not prenumbered and receipt slips issued from January 1, 2005 to April 27, 2005 and from November 28, 2006 to December 31, 2006 could not be located.

After receipt slips are issued, the amount and reason for payment are recorded in a receipts ledger; however, the receipt slip numbers are not recorded in the ledger and the method of payment does not always agree between the receipt slip and the corresponding ledger entry. While the amount of each deposit is reconciled with the receipts ledger, the Health Center cannot ensure all receipts are being recorded in the receipts ledger and deposited and the composition of the deposit agrees to the composition of the receipts ledger and monies actually received.

To ensure all receipts are deposited, the Health Center should issue prenumbered receipt slips for all monies received and ensure receipt slip numbers and the method of payment are recorded in the receipts ledger and the composition of receipts recorded in the receipts ledger agrees to the composition of the deposits.

- D Monies received are not always deposited intact on a timely basis. Receipt ledgers for December 1, 2005 and December 2, 2005 show that \$149 and \$113, respectively, were collected; however, the receipts were not deposited until December 23, 2005 and December 28, 2005, respectively. Monies received for the week beginning December 5, 2005 were deposited on December 8, 2005. In addition, a cash count performed on July 9, 2007 showed that \$935 had been receipted on that day; however, a deposit was not made until three days later. Also, checks and money orders are not restrictively endorsed immediately upon receipt.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact on a timely basis. Deposits should be more frequent if significant amounts of cash are collected. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.

- E. The Health Center made a \$1,806 purchase for medical equipment from a business owned by a board member. Competitive bids were not solicited for the equipment. In addition, the board minutes do not indicate the board member abstained from approving disbursements to his business.

Section 105.454, RSMo, prohibits financial transactions between a political subdivision and an officer serving in an executive or administrative capacity of the political subdivision that involves \$500 per transaction or more than \$5,000 per year unless the transaction is made by competitive bidding and the lowest bid is accepted.

- F. The Health Center did not solicit bids or proposals or perform other price comparison procedures for some purchases. In addition, neither the Health Center minutes nor the disbursement records contained adequate documentation of the Health Center's efforts to compare prices (i.e., phone contacts, inquiries).

The Health Center did not advertise for vaccine purchases. The Health Center purchased \$9,630 in vaccines in both 2006 and 2005. Rather, Health Center employees indicated they call vendors that handle vaccines each time a purchase is made; however, documentation of these calls and the prices obtained are not retained. Also, the Health Center disbursed \$5,000 to a vendor for writing a grant. Proposals were not solicited for the grant writing services, instead the vendor was selected because the Health Center had used the vendor in the past.

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 Health Center has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in Health Center business. Documentation of the various proposals received, and the Health Center's selection process and criteria should be retained to demonstrate compliance with the law and support decisions made.

- G. Invoices are not always marked paid or otherwise canceled upon payment and typically do not indicate the goods or services were received. Canceling invoices and all other supporting documentation reduces the likelihood of duplicate payments and requiring acknowledgement of receipt of goods and/or services prior to payment will ensure the Health Center actually received all items paid for.
- H. In December 2005, the Health Center had over \$1,000 in unspent funds from a Pandemic Flu grant. The former administrator allowed employees to be reimbursed either \$50 or \$100, for expenses related to attending a training session. Employees were given \$50 for attending a training session in Scott County and \$100 for attending a training session in Cape Girardeau County. Twelve employees were reimbursed a total of \$1,050 for expenses. However, the Health Center could not provide documentation showing that employees actually attended the sessions. In addition, the Health Center could not provide the timesheets for these employees for this time period. Also, employees that attended the training session in Scott County received \$43 for mileage and \$7 for lunch while employees that attended the training

session in Cape Girardeau County received \$75 for mileage and \$25 for lunch. While the mileage amounts are reasonable, the Health Center could not provide an explanation regarding why there was a large discrepancy between the amounts allocated for meals at each location. The lack of adequate documentation in support of training attendance and meal allowance makes it difficult for the Health Center to ensure the propriety of the payments made as reimbursement of expenses related to attending the training sessions.

- I. Physical inventories of assets are not conducted annually. Although the Health Center maintains a list of property, there was no documentation of when the last physical inventory had been conducted. Annual physical inventories of Health Center assets are necessary to ensure capital asset records are accurate, identify any unrecorded additions and deletions, deter theft of assets, and identify obsolete assets.

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

**WE RECOMMEND** the Health Center:

- A. Refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's Office.
- B. Segregate the duties of receiving, recording, and depositing receipts. If segregation of duties is not possible, at a minimum, a supervisory review of the bookkeeper's work should be performed and documented.
- C. Issue prenumbered receipt slips for all monies received, record the receipt slip numbers and correct method of payment in the receipts ledger, and reconcile the composition of receipts to amounts deposited.
- D. Deposit all monies intact on a timely basis and restrictively endorse checks and money orders immediately upon receipt.
- E. Refrain from paying officials for goods and/or services provided to the Health Center unless such transactions are properly bid in accordance with state law.
- F. Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- G. Ensure invoices and other supporting documentation are marked paid and receipt of goods and/or services is indicated.
- H. Require employees to submit appropriate documentation of attendance of training and meal and travel expenses and maintain documentation explaining variances in amounts allowed for meal reimbursements.

- I. Perform annual physical inventories of assets to ensure the capital asset records are accurate.

**AUDITEE'S RESPONSE**

*The Health Center Board and Administrator provided the following response:*

- A. *The Health Center Board will be informed when amendments are necessary.*
- B,C,  
&D. *These recommendations have already been implemented.*
- E. *They were not aware that this purchase needed to be bid because it was less than \$4,500. In the future, bids will be solicited for these types of purchases.*
- F,G,  
&H. *These recommendations will be implemented immediately.*
- I. *They are currently in the process of conducting an inventory.*

<b>9. Probate Division's Accounting Controls and Procedures</b>
-----------------------------------------------------------------

Receipts are not posted to the accounting records or deposited on a timely basis and checks are not restrictively endorsed immediately upon receipt. Receipts are posted to the accounting records when a deposit is made, which is usually only one or two times per month. For example, six deposits averaging \$486 were made from September through November 2006. Only one deposit, totaling \$370, was made in October 2006. Receipts that were received between October 4, 2006 and November 3, 2006 were posted when the deposit was prepared on November 3, 2006. The Probate Division collected court filing fees and court costs in 2006 and 2005 of approximately \$14,300 and \$12,300, respectively.

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, receipts should be posted daily or when received into the accounting records to ensure all receipts are posted and these receipts should be deposited daily or when accumulated receipts exceed \$100.

In addition, checks received are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied when the checks are deposited. To reduce the risk of loss or misuse of funds, checks should be restrictively endorsed immediately upon receipt.

**WE RECOMMEND** the Probate Division Judge ensure all receipts are posted to the accounting system in a timely manner and deposited daily or when receipts exceed \$100. Checks and money orders should be restrictively endorsed immediately upon receipt.

## **AUDITEE'S RESPONSE**

*The Probate Division Judge provided the following response:*

*The recommendation has already been implemented. Deposits are now being made more frequently and checks are being restrictively endorsed immediately upon receipt.*

<b>10. Sheriff's Accounting Controls and Procedures</b>
---------------------------------------------------------

Prenumbered receipt slips were not issued for some monies received and monies received from the Social Security Administration were not paid to the county treasury as required by state law. Also, the monthly listing of open items is not reconciled to the cash balance for the inmate checking account and no procedures have been established to follow up on old outstanding checks written from the inmate checking account.

- A. Prenumbered receipt slips were not issued for donations totaling \$750 in 2006 and 2005. Without issuing prenumbered receipt slips for all monies collected, the Sheriff cannot ensure all monies collected are ultimately recorded and deposited.
- B. The Sheriff receives monies from the Social Security Administration for housing qualified prisoners. These monies were deposited into the Sheriff's general checking account and spent on office supplies. For the two years ended December 31, 2006, the Sheriff received \$11,000 from the Social Security Administration and spent \$2,025 on office supplies. All remaining Social Security monies were eventually transmitted to the County Treasurer in December 2006. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such money to the county treasury.
- C. The Sheriff maintains a separate inmate checking account which is used to handle personal inmate monies and operate a commissary for inmates. For the years ended December 31, 2006 and 2005, receipts of this account totaled approximately \$134,000 and \$115,000, respectively.

The Sheriff's office uses a specialized computer program to maintain the records for this account. Inmates order various personal items from the commissary and the money is deducted from their account. Any remaining personal monies are paid to the inmate upon release. The amounts of monies received, commissary purchases made, and the available cash balance for each inmate are recorded on the computer system.

- 1) Monthly listings of open items (liabilities) are not reconciled to cash balances. Sheriff's office employees do not generate or utilize computer system reports to perform needed reconciliations. At our request, a report of inmate balances was generated from the commissary computer system as of

May 28, 2007, which identified liabilities of \$4,316. However, the reconciled bank balance was \$8,403 for an overage of \$4,087.

Discrepancies between liabilities and the cash balance may also occur due to prior inmates whose balances have been removed from the open items list but whose monies were not disbursed from the inmate checking account.

Monthly reconciliations of liabilities and individual prisoner accounts to the reconciled bank balance are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis.

- 2) The Sheriff has not established procedures to routinely follow up on outstanding checks. At December 31, 2006, 71 checks totaling \$958 were over one year old and 23 of these checks were written for less than \$1.

These old outstanding checks create additional and unnecessary recordkeeping responsibilities. Procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can readily be located. If the payees cannot be located, the amount should be disbursed to the State's Unclaimed Property Section as required by Sections 447.500 through 447.595, RSMo.

Conditions similar to C1 were noted in our prior report.

**WE RECOMMEND** the Sheriff:

- A. Require prenumbered receipt slips be issued for all monies received.
- B. Discontinue the practice of maintaining Social Security monies outside the county treasury. The monies should be turned over to the county treasury on a periodic basis.
- C.1. Prepare and reconcile a listing of liabilities, including individual inmate balances, to the reconciled bank balance on a monthly basis. In addition, the Sheriff should establish procedures to ensure released inmates receive the balance of their commissary account and establish routine procedures to investigate inmate balances unclaimed for a considerable time.
2. Attempt to contact the payees of old outstanding checks. If the payees cannot be located, the balance should be distributed in accordance with applicable statutory provisions.

## **AUDITEE'S RESPONSE**

*The Sheriff provided the following responses:*

- A. *The recommendation has already been implemented. Receipt slips are now issued for donations.*
- B. *The recommendation has already been implemented.*
- C. *Old accounts with balances will be turned over to the state's Unclaimed Property Section by January 1, 2008. Accounts will now be monitored on a periodic basis.*

<b>11. Prosecuting Attorney's Accounting Controls and Procedures</b>
----------------------------------------------------------------------

Accounting duties are not adequately segregated and monies are not transmitted to the County Treasurer or victims in a timely manner. Also, the numerical sequence of receipt slips is not accounted for properly. The Prosecuting Attorney's office collected court-ordered restitution and bad check related restitution and fees in 2006 and 2005 of approximately \$179,000 and \$162,000, respectively.

- A. Accounting duties are not adequately segregated. Any of the three clerks may perform all of the duties of receiving, recording, and transmitting monies. The Prosecuting Attorney indicated he does not perform periodic reviews of the records.

Internal controls would be improved by segregating the duties of receiving and transmitting 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. Monies for bad check fees are not transmitted to the County Treasurer in a timely manner. In addition, restitution payments are not transmitted to victims in a timely manner. Monies are normally collected each business day, but transmittals are normally made only one to four times per month. A cash count performed on July 10, 2007, showed collections dating back to June 1, 2007 and totaling approximately \$15,350 in money orders, with most of these monies being held for some time.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipts should be transmitted daily or when accumulated receipts exceed \$100.

- C. The numerical sequence of receipt slips is not accounted for properly. A computer program generates a prenumbered receipt slip each time a payment is entered; however, no review is performed to account for the numerical sequence of the receipt slips issued. Without accounting for prenumbered receipts slips for all monies

collected, the Prosecuting Attorney cannot ensure all monies collected are ultimately recorded and transmitted.

Conditions similar to Parts A , B, and C were noted in our prior report.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- B. Transmit all monies daily or when accumulated receipts exceed \$100.
- C. Ensure the numerical sequence of receipt slips is accounted for properly.

**AUDITEE'S RESPONSE**

*The Prosecuting Attorney provided the following responses:*

- A. *Someone independent of the receipting process will periodically review transmittals.*
- B. *They will attempt to transmit receipts to the Treasurer weekly.*
- C. *They will talk to their computer programmer to determine if receipt slip numbers can be added to their turnover reports, which would allow for the numerical sequence to be accounted for.*

<b>12. Associate Division's Accounting Controls and Procedures</b>
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Old outstanding checks are not disposed of properly. Checks that are outstanding more than six months are voided and the amounts transferred from the Associate Division's checking account into an Associate Division Interest Fund certificate of deposit. Since 2003, \$4,779 in old outstanding checks has been transferred into the certificate of deposit. Procedures should be adopted to routinely follow up on outstanding checks and reissue them if the payees can be located. If they payees cannot be located, these monies should be disposed of in accordance with state law.

**WE RECOMMEND** the Associate Circuit Judge ensure procedures to routinely follow up and reissue old outstanding checks are adopted. If the payees cannot be located, these monies should be disposed of in accordance with state law.

**AUDITEE'S RESPONSE**

*The Associate Division Judge provided the following response:*

*Old outstanding checks have already been sent to the state's Unclaimed Property Section. Procedures have been adopted for future outstanding checks.*

**13. Circuit Clerk's Accounting Controls and Procedures**

The Circuit Clerk is holding monies in her bank account on cases that have been closed for several years. For example, one case closed in 2001 totaling \$2,200 and another closed in 2003 totaling \$1,250 were still held by the Circuit Clerk on December 31, 2006. The Circuit Clerk indicated that the payees of the monies cannot be located. If disbursement is possible but proper payees cannot be located, the monies should be disposed of in accordance with state law.

**WE RECOMMEND** the Circuit Clerk attempt to locate the payees of monies being held in open items after the cases have been closed. If the payee cannot be located, the monies should be disposed of in accordance with state law.

**AUDITEE'S RESPONSE**

*The Circuit Clerk provided the following response:*

*Regarding the funds from 2001 totaling \$2,200, after a more diligent search through the court file, an attorney was located for the party the funds were intended for. Contact was made with the individual, and the funds have been paid out. The \$1,250 from 2003 is currently being investigated and it is anticipated that the amount will be paid to the state's Unclaimed Property Section after all means to locate the party or their heirs have been exhausted.*

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

No written contracts exist between the Recorder of Deeds and three local abstract companies. In addition, the rates charged to the abstract companies for copies have not been evaluated to ensure they cover the related costs of providing services. The Recorder of Deeds indicated that verbal agreements have been in place for approximately five years whereby copies are provided to two abstract companies for \$100 per month and to another abstract company for \$50 per month. The Recorder of Deeds does not keep track of the number of copies provided to the abstract companies each month. The monthly rates have not been evaluated by the Recorder of Deeds and may not be sufficient for the county to cover its related costs of providing services.

Prior to entering into written agreements with the abstract companies, the Recorder of Deeds should review the reasonableness of the contractual rates and ensure the county receives fair consideration in exchange for its services. Further, Section 432.070, RSMo, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents.

**WE RECOMMEND** the Recorder of Deeds review the propriety of the rate charged to abstract companies for copies and obtain written agreements with the abstract companies.

**AUDITEE'S RESPONSE**

*The Recorder of Deeds provided the following response:*

*She will work with the title searchers on a contract that will give them the privilege of making copies in the Recorder's office.*

## Follow-Up on Prior Audit Findings

PEMISCOT 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 Pemiscot 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. Financial Condition

Pemiscot County's General Revenue and Law Enforcement Sales Tax funds were in weak financial condition.

Recommendation:

The County Commission consider various alternatives of increasing receipts and/or reducing disbursements to improve the financial condition of the General Revenue and Law Enforcement Sales Tax funds. In addition, the county should budget specific disbursements from the Law Enforcement Sales Tax Fund versus transferring the monies to the General Revenue Fund.

Status:

Not implemented. See finding number 06-1.

2. Officials' Salaries

- A. Based on a Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling \$14,800 for the two years ended December 31, 2000, should be repaid.
- B. The County Treasurer's salary was increased \$10,400 annually, effective with the start of a new term of office on January 1, 2003. A salary commission meeting held in September 2002 approved this increase. Without a documented legal opinion, it is unclear whether the salary increase provided to the County Treasurer was in accordance with state law.
- C. The Prosecuting Attorney was apparently underpaid \$365 for the year ended December 31, 2000.

Recommendations:

The County Commission:

- A. Review the impact of the decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Consult with legal counsel and review the situation to ensure the actions taken were in accordance with state law.
- C. Review the apparent underpayment of \$365 to the Prosecuting Attorney.

Status:

- A&B. Not implemented. Although not repeated in the current MAR, our recommendations remain as stated above.
- C. Implemented. The county paid the Prosecuting Attorney an additional \$365 in 2003.

3. Budgetary Practices and Financial Statements

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 2002 and 2001.
- B. The county's annual published financial statements did not include the financial activity of some funds as required.

Recommendations:

The County Commission:

- A. Ensure budgets for all county funds are obtained or prepared.
- B. Ensure financial information for all county funds is properly reported in the annual published financial statements.

Status:

- A. Not implemented. See finding number 06-2.
- B. Not implemented. See MAR finding number 1.

4. County Procedures

- A. The county had not established adequate procedures to monitor collateral securities and commercial insurance provided through surety bonds pledged by its depository bank, and as a result, funds were undercollateralized at various times during the audit period.
- B. Not all departments were submitting time sheets and leave information to the County Clerk.
- C. The County Clerk did not maintain the general fixed asset records on an up to date basis. The County Clerk did not periodically reconcile equipment purchases with additions to the fixed asset records. Property tags were not placed on all general fixed asset items.
- D. The County Clerk did not maintain an account book with the County Collector.

Recommendations:

The County Commission:

- A. Establish monitoring procedures to ensure the depository bank pledges adequate collateral securities at all times.
- B. Require all departments to file time sheets and leave information with the County Clerk. The County Clerk should then maintain a balance of leave accumulated and taken for each employee.
- C. Require complete and accurate general fixed asset records be maintained and annual inventories of fixed assets be performed. In addition, the County Commission should require property tags be affixed on all county property.
- D. Require the County Clerk to maintain an account book with the County Collector in accordance with statute.

Status:

- A. Implemented.
- B. Not implemented. See MAR finding number 3.
- C. Not implemented. See MAR finding number 5.
- D. Not implemented. See MAR finding number 1.

5. County Expenditure Procedures and Practices

- A. The county did not enter into formal written agreements with three of their contract laborers. In addition, the county did not require the contract laborers to submit adequate documentation of work performed prior to payment.
- B. The county did not obtain a professional appraisal prior to a \$5,040 purchase of land in May 2001 for the Pemiscot County Rescue Squad. In addition, the county had not obtained a written agreement with the Pemiscot County Rescue Squad stating the duties and responsibilities of both the county and the squad.
- C. County employees were paid per diems of \$30 per day to cover food and other incidental travel expenses. The county employees were not required to submit receipts or other documentation to support the spending of these per diem payments nor did the county include these payments on their W-2 forms.
- D. The County Commission obtained a bank loan in 2001 for \$160,189 to purchase three road graders. The loan was payable over a five-year period and contained no cancellation clause or other language relating the debt to the annual appropriation process. As such, this loan may have constituted long-term debt and the County Commission had no legal authority to enter into such agreements. Further, there was no evidence the county obtained a legal opinion in support of their action.

Recommendations:

The County Commission:

- A. Ensure that contracts are obtained and entered into for services received. In addition, the County Commission should require adequate supporting documentation be submitted by the contract laborers and consult legal counsel regarding the appropriate employment status of the laborers.
- B. Obtain professional appraisals on land it considers purchasing. In addition, the County Commission should determine the relationship between itself and the Pemiscot County Rescue Squad and establish an agreement stating the duties and responsibilities of each entity.
- C. Adopt a travel policy to ensure only actual and necessary travel expenses are incurred. If the county continues to make per diem payments, the county should require receipts or other documentation to support the spending of per diems or include these payments as income on applicable W-2 forms.
- D. Ensure monies are borrowed in accordance with the provisions of state law.

Status:

- A. Partially implemented. The County Commission now requires adequate supporting documentation be submitted by contract laborers; however, contracts are not always obtained and entered into for services received. See MAR finding number 2.
- B. Partially implemented. The County Clerk indicated the county has not considered purchasing any land since May 2001, but would obtain professional appraisals if the county considers purchasing land in the future. The county has not established a written contract with the Pemiscot County Rescue Squad. Although not repeated in the current MAR, our recommendation regarding the establishment of an agreement with the rescue squad remains as stated above.

C&D. Implemented.

6. Computer Controls

- A. Passwords were not changed on a periodic basis to ensure confidentiality.
- B. Backup disks of county data were not stored at an off-site location.

Recommendations:

The County Commission:

- A. Ensure passwords are periodically changed and remain confidential.
- B. Ensure backup disks are stored in a secure, off-site location.

Status:

- A. Not implemented. See MAR finding number 6.
- B. Implemented.

7. Probate Division's Accounting Controls and Procedures

Accounting and bookkeeping duties were not adequately segregated. The Division Clerk performed all of the duties of receiving, recording, depositing, and disbursing monies.

Recommendation:

The Probate Division Judge segregate accounting and bookkeeping duties to the extent possible. At a minimum, there should be documented supervisory reviews of the accounting records.

Status:

Implemented.

8. Prosecuting Attorney's Accounting Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B. Receipt slips were not issued for some monies received. In addition, no sequential summary record (cash control) of restitution receipts and disbursements was maintained.
- C. Bad check fees were not transmitted to the County Treasurer on a timely basis. In addition, money orders were not restrictively endorsed immediately upon receipt as endorsements were applied at the time of transmittal to the County Treasurer.

Recommendations:

The Prosecuting Attorney:

- A. Adequately segregate accounting duties or ensure periodic supervisory reviews are performed and documented.
- B. Issue prenumbered receipt slips for all monies received and account for the numerical sequence of receipt slips. In addition, establish a cash control record for restitution transactions and reconcile it periodically to the case files.
- C. Transmit fees to the County Treasurer daily or when accumulated receipts exceed \$100. In addition, restrictively endorse money orders received immediately upon receipt.

Status:

A&C. Not implemented. See MAR finding number 11.

- B. Partially implemented. Prenumbered receipt slips are issued for all monies received and a cash control record is maintained and reconciled to case files; however, the numerical sequence of receipt slips issued is not accounted for. See MAR finding number 11.

9. Public Administrator's Accounting Controls and Procedures

- A. Annual settlements filed by the Public Administrator were not always complete.

- B. One estate's account had four checks totaling \$235, which had been outstanding since May 2001.
- C. Fees charged to the estates were incorrectly calculated by the Public Administrator. During 2002, excessive fees totaling \$1,449 were paid to the General Revenue Fund.

Recommendations:

The Public Administrator:

- A. File complete and accurate annual settlements.
- B. Determine the proper disposition of the old outstanding checks.
- C. Ensure fees are accurately calculated and review prior years calculations to refund excessive fees charges to the estates. In addition, the County Commission should authorize the payment of \$1,449 from the General Revenue Fund to the various estates for excessive fee charges for 2002.

Status:

- A-C. Implemented. The various estates that were charged excessive fees in 2002 were repaid from the General Revenue Fund in October 2003.

10. Sheriff's Accounting Controls and Procedures

- A. Civil receipts were not deposited on a timely basis. Deposits were made only once per week.
- B. Bank reconciliations were not performed for the commissary (inmate) account. In addition, the account balance was not reconciled to the individual inmate account balances (open items listing).

Recommendation:

The Sheriff:

- A. Deposit civil receipts daily or when accumulated receipts exceed \$100.
- B. Prepare bank reconciliations for the commissary (inmate) account and reconcile the cash balance to the open items listing on a monthly basis.

Status:

- A. Implemented.
- B. Partially implemented. Bank reconciliations for the commissary account are

prepared monthly; however, no open items listing is prepared or reconciled for this account. See MAR finding number 10.

11. Health Center's Accounting Controls and Procedures

- A. Receipt slips were not issued unless requested by the payor.
- B. The bank reconciliation for December 31, 2002 included fifteen checks totaling \$2,650 that had been outstanding for over a year.
- C. Monthly bank reconciliations were not prepared for the petty cash bank account.

Recommendations:

The Health Center:

- A. Issue prenumbered receipt slips for all monies received, record the method of payment on receipt slips, and reconcile the composition of receipts to the composition of bank deposits.
- B. Attempt to resolve the old outstanding checks and establish routine procedures to investigate checks outstanding for a considerable time.
- C. Prepare bank reconciliations for all accounts on a monthly basis.

Status:

- A. Not implemented. See MAR finding number 8.
- B. Not implemented. As of December 31, 2006, the Health Center had eight checks totaling \$538 that had been outstanding for more than one year and has not established routine procedures to investigate the checks. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Implemented.

12. Senate Bill 40 Board

- A. In August 2002, the board approved the purchase of a mobile home costing approximately \$25,000 to be placed on a lot next to the NFP. The board did not obtain or require bids for this purchase as required by state law. In addition, it was unclear as to the benefits realized by the board and the county from this purchase.

- B. The board approved the purchase of a parcel of land in March 2001 costing \$22,500 without obtaining an independent appraisal of the property.

Recommendation:

The Senate Bill 40 Board:

- A. Carefully consider the benefits to county residents for future expenditures of this type. In addition, the board should obtain or require bids for all major purchases.
- B. Ensure independent appraisals are obtained for purchases of real estate and document the selection process and/or price negotiations.

Status:

- A. Implemented.
- B. The Senate Bill 40 Board has not purchased any land since this recommendation was made.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

PEMISCOT COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1851, the county of Pemiscot was named after Pemiscot, its principal bayou. Pemiscot County is a county-organized, third-class county and is part of the 34th Judicial Circuit. The county seat is Caruthersville, Missouri.

Pemiscot 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 635 miles of county roads and 81 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 24,987 in 1980 and 20,047 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	\$	91.2	92.5	88.3	88.7	67.8	42.5
Personal property		38.3	37.5	32.9	34.1	6.8	8.1
Railroad and utilities		31.0	31.1	29.6	25.9	14.1	14.5
Total	\$	160.5	161.1	150.8	148.7	88.7	65.1

\* First year of statewide reassessment.

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

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

		Year Ended December 31,			
		2006	2005	2004	2003
General Revenue Fund	\$	.1935	.2074	.1912	.2150
Road and Bridge Fund		.2946	.2925	.2925	.2925
Health Center Fund		.1000	.1000	.1000	.1000
Senate Bill 40 Board Fund		.1000	.1000	.1000	.1000
Hospital Maintenance Fund		.3789	.3761	.3761	.3761
Johnson Grass Fund		.0500	.0500	.0500	.0500

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

	Year Ended February 28 (29),			
	2007	2006	2005	2004
State of Missouri	\$ 48,883	53,271	45,365	45,362
General Revenue Fund	349,785	475,403	308,447	337,917
Special Road and Bridge Fund	474,597	511,920	437,446	437,872
Assessment Fund	89,595	98,092	79,882	82,623
Health Center Fund	160,785	175,253	149,272	149,615
Senate Bill 40 Board Fund	160,785	175,253	149,272	149,615
Johnson Grass Fund	80,439	87,671	74,681	74,851
Drainage Districts Fund	117,942	116,181	121,381	116,639
School districts	5,258,567	5,776,963	4,676,435	4,675,253
Hospital Maintenance Fund	604,401	651,785	557,407	557,801
Special drainage district	356,852	354,752	354,532	351,988
Tax Maintenance Fund	28,156	23,362	21,640	22,321
Special School	816,641	854,034	707,896	722,602
Cities	102,761	105,743	95,192	91,605
County Employees' Retirement	70,247	65,212	61,481	60,114
Commissions and fees:				
General Revenue Fund	147,831	152,967	130,306	144,704
Total	\$ 8,868,265	9,677,860	7,970,634	8,020,883

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2007	2006	2005	2004	
Real estate	88.9	87.6	86.7	87.2	%
Personal property	80.4	84.0	82.0	79.3	
Railroad and utilities	100	100	100	100	

Pemiscot 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	none	None	
Law Enforcement	.0025	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:	\$				
Charles Moss, Presiding Commissioner		28,400	28,400	28,400	28,400
David Wilkerson Jr., Associate Commissioner		26,400	26,400	26,400	26,400
Wendell Hoskins, Associate Commissioner		26,400	26,400		
Mike Avis, Associate Commissioner				26,400	26,400
Larry Ray, County Clerk		40,000	40,000	40,000	40,000
Pam Strawbridge, Recorder of Deeds		40,000	40,000	40,000	40,000
Michael B. Hazel, Prosecuting Attorney (1)		96,000	96,000	96,000	96,365
Thomas D. Greenwell, Sheriff		44,000	44,000	44,000	44,000
Pat Hoskins, County Treasurer (2)		41,159	42,895	41,226	40,911
James H. Brimhall, County Coroner		12,000	12,000	12,000	12,000
Carol DeRousse Miller, Public Administrator		25,000	25,000	25,000	25,000
Keith Jean, County Collector, year ended February 28 (29),	40,000	40,000	40,000	40,000	
Donna Champion Snider, County Assessor, year ended August 31,		40,000	40,000	40,000	40,000

(1) Includes \$365 in compensation in 2003 due to being underpaid by same amount in 2000.

(2) Includes fees of \$1,159, \$2,895, \$1,226, and \$911, respectively, for county drainage distributions. Commissions were higher in 2005 due to the settlement of protested taxes involving the local casino.

State-Paid Officials:

Kelly Cagle Maners, Circuit Clerk	49,470	48,500	47,850	47,935
Byron D. Luber, Associate Circuit Judge	96,000	96,000	96,000	96,000
William Currie, Associate Circuit Judge	96,000	96,000	96,000	92,000
Sidney Chaffin, Associate Circuit Judge				4,000