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Missouri State Auditor

The Prosecuting Attorneys' and Circuit Attorneys' Retirement System



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CITIZENS SUMMARY

Findings in the audit of the Prosecuting Attorneys' and Circuit Attorneys' Retirement System

Monitoring of Surcharge Contributions

The Prosecuting Attorneys' and Circuit Attorneys' Retirement System (PACARS) Board of Trustees (Board) lacks adequate controls and procedures to ensure all surcharge contributions are received from courts. The Board receives contributions consisting of 1) a monthly fixed dollar amount from individual counties and the City of St. Louis and 2) a \$4 surcharge assessed on each criminal case filed in the state. The PACARS received surcharges of approximately \$893,000 in 2014 and approximately \$916,000 in 2013, representing approximately 60 percent of total contributions each year. The Office of the State Courts Administrator (OSCA) maintains statewide records of surcharges collected by most courts on the Judicial Information System; however the Executive Secretary has not requested this information from all courts or the OSCA.

Board of Trustees

The Board does not always follow Sunshine Law requirements relating to board meeting minutes and notices. The Board did not prepare meeting minutes for the second quarter meetings of 2012, 2013, and 2014; and did not prepare and/or post notices and related agendas for the second quarter meetings, or the first quarter meeting for 2014. In addition, meeting minutes are not prepared and approved timely. The Board did not meet quarterly as required by state law. The Board met 3 times per year during 2012, 2013, and 2014 (through August 2014). The Board lacks policies and procedures to ensure board members represents varied and balanced interests. Board members as of December 2014 included 3 prosecutors, 1 retired prosecutor, and 1 vested former prosecutor.

Executive Secretary

The Board lacks adequate oversight of the Executive Secretary, who administers the plan from her home. The Board does not have a formal written employment contract with the Executive Secretary and has not formally documented her job duties. In addition, the Board does not require that she complete and maintain records of time worked and leave taken. The Executive Secretary indicated she works from 20 to 50 hours a week and the Board Chair indicated that the Board expects the Executive Secretary to work as needed to conduct plan business, but has no other specific expectations regarding her work schedule.

Professional Services
Contracts

The Board has not periodically solicited proposals for any professional service providers. The Board has contracted with the same actuarial consultant, attorney, bank, auditor, legislative consultant, and accountant for up to 20 years. Neither the Executive Secretary nor the Board adequately monitors payments to professional service providers. Invoices from the actuarial consultant and accountant lacked adequate detail and the Executive Secretary had not retained a schedule of the accountant's rates. Auditors determined the attorney slightly overbilled the system.

In the areas audited, the overall performance of this entity was **Good***

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Prosecuting Attorneys' and Circuit Attorneys' Retirement System

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Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
Katrina Farrow, Executive Secretary
Prosecuting Attorneys' and Circuit Attorneys' Retirement System
Jefferson City, Missouri

We have audited certain operations of the Prosecuting Attorneys' and Circuit Attorneys' Retirement System as authorized under Chapter 29, RSMo. The system engaged Graves and Associates, Certified Public Accountants (CPAs), LLC, to audit the system's financial statements for the years ended June 30, 2014, 2013, and 2012. A financial statement audit for the year ended June 30, 2014 had not yet been performed at the time of our audit. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and 2013. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, financial records, contracts, and other pertinent documents; interviewing the Chairman of the PACARS Board of Trustees and the Executive Secretary, as well as certain external parties; testing selected transactions; and analysis of various data obtained from the system and external sources. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the system's management and was not subjected to the procedures applied in our audit of the system.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Prosecuting Attorneys' and Circuit Attorneys' Retirement System.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
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The Prosecuting Attorneys' and Circuit Attorneys' Retirement System Management Advisory Report

State Auditor's Findings

1. Monitoring of Surcharge Contributions

The Prosecuting Attorneys' and Circuit Attorneys' Retirement System (PACARS) Board of Trustees (Board) lacks adequate controls and procedures to ensure all surcharge contributions are received from courts.

As set forth in Section 56.807, RSMo, the Board receives contributions from two sources: 1) a monthly fixed dollar amount from individual counties and the City of St. Louis and 2) a \$4 surcharge assessed on each criminal case filed in the state. The surcharge is collected and submitted by circuit courts located in each county of the state and the City of St. Louis, and by 7 county municipal divisions located in 5 of the larger counties. Prior to August 2014, the surcharge was not collected on cases when defendants paid fines and court costs through the Office of the State Courts Administrator (OSCA) Fine Collection Center; however, state law changed effective August 28, 2014, and the surcharge is now collected on these cases. During fiscal years 2014 and 2013, the PACARS received contributions totaling approximately \$1.5 million annually. These amounts included surcharges of approximately \$893,000 in 2014 and approximately \$916,000 in 2013, representing approximately 60 percent of total contributions each year. A detailed schedule of PACARS' contributions received, by county and court, is located at Appendix C.

Staff from PACARS' accounting firm monitor monthly fixed contributions received from the counties and the City of St. Louis and maintain records of unpaid amounts. However, no similar procedures are performed to ensure surcharges are appropriately collected and received from the courts. Statewide records of surcharges collected by circuit courts and 1 county municipal division are maintained on the Judicial Information System (JIS) maintained by the OSCA. While the Executive Secretary indicated some courts submit copies of JIS reports with their surcharge contributions, she has not requested these reports from all courts or the OSCA. The JIS system is a good source of information that would help the PACARS monitor to ensure the courts are fully and timely remitting surcharge payments to the PACARS.

Because 6 of the 7 county municipal divisions collecting the surcharge do not utilize the JIS system, alternative procedures would be necessary to monitor contributions from these divisions. These municipal divisions are required to report certain distributions, including PACARS surcharges, monthly to the OSCA on a municipal division summary reporting form. However, our discussions with OSCA and court personnel and review of reporting forms determined none of these 6 county municipal divisions separately and accurately report the PACARS surcharges on the reporting form.

Without procedures to monitor the surcharges due and received, the Board has no assurance it received all surcharges, as provided by state law.



Prosecuting Attorneys' and Circuit Attorneys' Retirement System
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Trustees establish procedures to monitor surcharges to ensure all contributions are received.

Auditee's Response

The Board of Trustees provided the following written response:

The Board will increase its efforts to monitor surcharge payments by requesting OSCA to send quarterly reports, sorted by county, (not by circuit) of the surcharge payments. In addition, the Board will request the municipal divisions which handle violations subject to the PACARS surcharge to provide such reports as they are able within the framework of their systems.

2. Board of Trustees

The Board does not always follow Sunshine Law requirements relating to Board meeting minutes and notices, and does not meet quarterly as required by state law. In addition, the Board lacks diverse representation.

The Executive Secretary indicated Board meetings are generally held at a hotel in Jefferson City during the first quarter of each year, via email during the second quarter, and in conjunction with the annual Missouri Office of Prosecuting Attorneys conference during the third quarter. Our review of the minutes and meeting notices prepared for meetings held during the period January 2012 to August 2014 identified several concerns.

2.1 Meeting minutes

The Board did not prepare meeting minutes for the second quarter meetings of 2012, 2013, and 2014. The PACARS' Attorney indicated the Board meets via email during the second quarter each year for the sole purpose of reviewing and approving retiree cost of living increases. In addition, meeting minutes are not prepared and approved timely. The Executive Secretary indicated she prepares the meeting minutes as soon as she has time after each meeting. However, the meeting minutes from the February 2014 Board meeting were not prepared until July or August 2014 and not approved until August 2014.

The Sunshine Law, Chapter 610, RSMo, defines a public meeting as "any meeting of a public governmental body subject to Sections 610.010 to 610.030, RSMo, at which any public business is discussed, decided, or public policy formulated." The Sunshine Law requires minutes of open and closed meetings to be taken and retained by all governmental bodies including, but not limited to, the date, time, place, members present, members absent, and a record of votes taken. Minutes serve as the only official permanent public record of decisions made by the Board. Therefore, it is imperative that the minutes be prepared and retained to document all business conducted and to provide complete transparency and full disclosure to the public. Furthermore, timely preparation and approval not only adds assurance to the authenticity of official minutes, but allows a timely review of the contents to ensure the minutes include all important information regarding the meetings held.



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2.2 Meeting notices

The Board did not prepare and/or post notices and related agendas for the second quarter meetings, or the first quarter meeting for 2014. According to the PACARS' Attorney, the Board did not post notices and agendas for the second quarter meetings because each of those meetings only addressed one issue. According to the Executive Secretary, because the first quarter meeting for 2014 was held via conference call, and the Board has no official office, she posted the notice at her home. The Sunshine Law requires posting of a tentative agenda and a meeting notice at least 24 hours prior to all meetings of a public governmental body. This section provides if the meeting will be conducted by telephone or other electronic means, the notice of the meeting shall identify the mode by which the meeting will be conducted and the designated location where the public may observe and attend the meeting. Because the Board does not have an official office or website, an alternative means of posting meeting notices and agendas is needed.

2.3 Meeting frequency

The Board did not meet quarterly as required by state law. The Board met 3 times per year during 2012, 2013, and 2014 (through August 2014). The Executive Secretary and the PACARS' Attorney could not explain why the Board meets less frequently than required.

Section 56.809.2, RSMo, requires that the PACARS Board of Trustees hold regular board meetings at least once each quarter. The Board makes key decisions during board meetings, including approving retirement and other benefit applications, actuarial assumptions and methods, contracts, and salaries; and making investment decisions. Conducting meetings at least quarterly is necessary for the Board to carry out these fiduciary and oversight responsibilities, and strengthens internal fiscal controls and public accountability.

2.4 Board members

The Board lacks policies and procedures to ensure board members represent varied and balanced interests.

Section 56.809.1, RSMo, requires the Board of Trustees to be comprised of 5 persons, elected by the prosecuting attorneys and circuit attorneys of the state. However, neither the statute nor Board policy specify the entities or individuals that should be represented on the Board. Board members as of December 2014, include 3 prosecutors, 1 retired prosecutor, and 1 vested former prosecutor. Because the Board is selected by and comprised solely of individuals who are members and beneficiaries of the plan, the Board lacks adequate representation of varied and balanced interests, including the interests of sponsoring governments and taxpayers.

A Government Finance Officers Association best practice guide recommends that "defined benefit plan sponsors should pay particular attention to the composition of the Board of Trustees and make efforts to ensure that varied interests are represented and balanced among those of



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employers, employees, retirees, taxpayers and unions, if applicable. Criteria for governing board selection are crucial to ensure a competent board oversees the policy development of all plan activities." Board policies and procedures providing for varied and balanced representation on the Board of Trustees help ensure Board decisions are unbiased and the interests of all parties are considered.

Recommendations

The Board of Trustees:

- 2.1 Ensure meeting minutes are prepared and approved timely and maintained for all meetings in accordance with the Sunshine Law.
- 2.2 Ensure appropriate meeting notices and agendas are posted and retained.
- 2.3 Meet at least quarterly as required by state law.
- 2.4 Establish policies and procedures that provide a varied and balanced representation on the Board of Trustees.

Auditee's Response

The Board of Trustees provided the following written responses:

- 2.1 *The Board will require meeting minutes to be prepared in draft form within 14 days of the meeting and approved at the next regularly scheduled meeting of the Board.*
- 2.2
- &2.3 *The Board will ensure that quarterly meeting notices and agenda are posted in an appropriate location. The Board will establish a default location for meetings and teleconferences.*
- 2.4 *The election of the Board is in compliance with the law establishing the Board. However, the Board has proactively sought representation across the spectrum members, including non-vested members and retired (vested) members on the Board. The Board will consider whether to recommend to the members of the system that a Board position should be designated for a non-member.*

3. Executive Secretary

The Board lacks adequate oversight of its one employee, the Executive Secretary. The Board does not have a formal written employment contract with the Executive Secretary and has not formally documented her job duties. In addition, the Board does not require her to complete and maintain records of time worked and leave taken.

The Board does not have an official office and the Executive Secretary administers the plan from her home. While many plan administrative responsibilities have been contracted to various outside vendors, the Board



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has not formally documented which responsibilities and duties should be performed by the Executive Secretary. The Executive Secretary indicated she does not have a set work schedule or specified vacation or sick leave, and she works from 20 to 50 hours per week. The Board Chair indicated the Board expects the Executive Secretary to work as needed to conduct plan business, but has no other specific expectations regarding her work schedule. However, none of these arrangements have been addressed in an employment contract or other Board action.

While the Board approves the Executive Secretary's employment and salary, formal written employment contracts, job descriptions, and/or other documentation of job duties are necessary to ensure all parties are aware of their duties, responsibilities, and benefits and to prevent misunderstandings. In addition, timesheets and leave records are necessary to document and monitor hours worked and leave taken and to substantiate payroll disbursements.

Recommendation

The Board of Trustees establish and maintain a current formal written employment contract with the Executive Secretary and/or formal documented job duties, and update these documents when changes are approved. In addition, the Board should establish a work schedule and leave requirements and require the Executive Secretary to submit timesheets and maintain records of leave taken.

Auditee's Response

The Board of Trustees provided the following written response:

The Board established the Executive Secretary position as an independent contractor position. It is not an employee position. Therefore, the Board feels that the agreement with the Executive Secretary must not be inconsistent with the independent contractor relationship. However, the Board will consider a contract which specifically sets out goals and objectives which are consistent with the Board's objectives, but not inconsistent with the independent contractor relationship.

4. Professional Services Contracts

The Board has not periodically solicited proposals for professional services and procedures to monitor payments to the service providers need improvement.

During the 2 years ended June 30, 2014, the Board contracted with six professional service providers for various services. Payments to these providers during this period totaled approximately \$284,000.

4.1 Solicitation

The Board has not periodically solicited proposals for any professional service providers. The Board has contracted with the same actuarial consultant since 1994 (current contract is dated in 2004). Current contracts



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with the attorney (general representation), bank (investment management services), and accountant are dated when the Board first contracted with these providers in 1998, 2003, and 2011, respectively. The Board has contracted with the same legislative consultant annually since 2008, and the same auditor every 3 years since 2006. In addition, the Board has separately contracted with the same attorney for specialized legal services and for legal services associated with legislative sessions since 2003.

Without periodically soliciting proposals for professional services, the Board may be missing the opportunity to obtain similar or improved services at a better price, either from existing or new firms.

4.2 Monitoring

Neither the Executive Secretary nor the Board adequately monitors payments to professional service providers.

The Board did not require the actuarial consultant and the accountant submit sufficiently detailed invoices to support amounts billed. While the actuarial consultant fee schedule indicated the Board would be charged at hourly rates ranging from \$50 to \$325 depending on the experience level of the employee who performed the work, the invoices submitted by the consultant did not detail the number of hours or the employees who performed the work. Invoices submitted by the accountant similarly lacked detail of the number of hours and employees. In addition, while the contract with the accountant stated the Board would be charged at standard rates based on time incurred; the Executive Secretary had not retained a schedule of these rates for comparison to the invoices. The Board paid the actuarial consultant approximately \$40,200, and the accountant approximately \$25,100, during the 2 years ended June 30, 2014.

In addition, our review of the invoice supporting the payment to the attorney's firm for general representation provided in October 2013, determined the PACARS overpaid the firm \$54 because the firm billed the attorney's hours at \$15 more than the agreed-upon hourly rate. Upon our inquiry, the attorney researched this discrepancy and informed us a coding error had occurred and the firm overbilled the PACARS \$724 during 2013 and 2014. The attorney indicated the firm planned to provide a credit on subsequent invoices to resolve the overpayment. The Executive Secretary indicated she reviews each service provider invoice by comparing the invoice to previous invoices from the provider; however, she does not compare billed rates to related contracts or price agreements. As a result, these procedures did not detect the billing errors and overpayments identified.

Without adequately monitoring invoices and bills received from professional services providers, including obtaining sufficiently detailed



Prosecuting Attorneys' and Circuit Attorneys' Retirement System Management Advisory Report - State Auditor's Findings

invoices, the Board lacks assurance amounts paid to professional service providers are proper.

Recommendations

The Board of Trustees:

- 4.1 Periodically solicit proposals for all professional services; or review current market pricing levels to ensure fair pricing is obtained, and document these reviews.
- 4.2 Establish procedures to monitor invoices for compliance with contract rates; and require professional service contractors to submit sufficiently detailed invoices of services provided including the number of hours worked, the employees who performed the work, and the hourly rates charged.

Auditee's Response

The Board of Trustees provided the following written responses:

- 4.1 *The Board will establish procedures to periodically review current market pricing levels of its professionals to ensure fair pricing is obtained and document such review at least biannually.*
- 4.2 *The Board will require the Executive Secretary, by contract, to monitor invoices from professionals to assure that the prices charged are as represented in the contract with such professionals.*

Prosecuting Attorneys' and Circuit Attorneys' Retirement System Organization and Statistical Information

The Prosecuting Attorneys' and Circuit Attorneys' Retirement System (PACARS) was created under an act of the General Assembly, commenced actual operations on August 28, 1989, and is governed by Sections 56.800 to 56.840, RSMo.

The PACARS is a multiple-employer, defined benefit retirement system for prosecuting attorneys in all counties and each circuit attorney in a city not within a county. The system provides retirement and death benefits to its members and survivors. Membership is automatic for any elected or appointed prosecuting attorney or circuit attorney who is employed by a county or a city not within a county.

The PACARS receives contributions from two sources: 1) a monthly fixed dollar amount from individual counties and the City of St. Louis and 2) a \$4 surcharge assessed to every criminal case filed in the state. First class counties; all other class counties that elected to make the position of prosecuting attorney full time after August 28, 2001; all other class counties that elected to make the position full time before August 28, 2001 and elected a full-time benefit; and the City of St. Louis; contribute \$646 per month. Second class counties that did not make the above elections contribute \$271 per month; and third and fourth class counties that did not make the above elections contribute \$187 per month. House Bill No. 1231 (2014) provides for adjusted county contribution rates in accordance with a schedule based on the plan's funded ratio (standard rates when funded ratios range between 90 percent and 110 percent, increased rates when less than 90 percent, and reduced rates when more than 110 percent), effective August 2015; and collection of the surcharge on cases paid through the Office of the State Courts Administrator Fine Collection Center, effective August 2014. Plan members are not required to contribute to the plan.

Prosecutors are vested in the plan after serving 12 years in office. Any member who has attained the age of 62 and who has 12 or more years of creditable service may retire with full benefits. A member may elect to retire at age 55 with reduced benefits if the member has 12 or more years of creditable service.

A member who served as a part-time prosecuting attorney for 12 or more years receives a monthly benefit equal to \$105 multiplied by the number of 2-year and partial 2-year periods served. A member who served 20 or more years receives a monthly benefit of \$130 multiplied by the number of 2-year and partial 2-year periods served. A member who served as full-time prosecuting attorney or circuit attorney for 12 or more years receives a monthly benefit equal to 50 percent of the final average compensation, based on the highest 2 consecutive years of compensation.



Prosecuting Attorneys' and Circuit Attorneys' Retirement System Organization and Statistical Information

Members who are also eligible to receive benefits under the Local Government Employees' Retirement System (LAGERS) shall receive benefits reduced by a percentage of the amount received from the LAGERS. Cost of living increases are received annually equal to the increase in the consumer price index, not to exceed 2 percent in any year. A member's total cost of living increases shall not exceed 50 percent of the initial benefit received upon retirement.

As of June 2014 there were 115 active participants, 52 retired participants and 40 terminated vested participants.

Board of Trustees and Executive Secretary

The responsibility for the operation and administration of the retirement system is vested in the 5-member Board of Trustees, elected by a vote of the prosecuting attorneys and circuit attorneys of the state to 4-year terms. The members of the Board as of June 30, 2014, were as follows:

Name and Title	County or City	Term Expires
Robert George, Board Chair	Former Lawrence County Prosecutor (Retired)	December 31, 2016
Bob McCulloch, ¹ Vice Chair	St. Louis County Prosecutor	December 31, 2014
Kevin Barbour ¹	Butler County Prosecutor	December 31, 2014
Amanda Grellner	Osage County Prosecutor	December 31, 2016
Mike Wright ²	Former Warren County Prosecutor (Terminated vested)	December 31, 2014

¹ Reelected to another term ending December 31, 2018.

² Jacob Shellabarger, Audrain County Prosecutor, was elected to a term beginning January 1, 2015, replacing Mike Wright.

The PACARS employs an Executive Secretary, who coordinates the daily operation of the system, executes contracts for some professional services with the approval of the Board, and advises the Board on all matters pertaining to the system. Katrina Farrow has served as Executive Secretary since 1999, and received an annual salary of \$40,170, as of June 30, 2014.

The Board contracts with Central Bank, for investment management and deposit services; John Bardgett & Associates, Inc., for legislative consulting services; Milliman USA, Inc., for actuarial consulting services; Williams Keepers, LLC, for accounting services; Armstrong Teasdale, for attorney services; and Graves and Associates, CPAs, LLC, for auditing services.

Additional information regarding the system's plan provisions and benefits, investments, financial activities, consultants, and actuarial valuations can be obtained by contacting the system directly at (573) 556-7985.

Appendix A

Prosecuting Attorneys' and Circuit Attorneys' Retirement System Comparative Schedule of Actuarial Data¹

Year Ended June 30,	Actuarial Assets	Actuarial Liabilities	Funded Ratio ²	Unfunded Actuarial Accrued Liabilities (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2004	\$ 12,718,714	\$ 15,449,179	82%	\$ 2,730,465	\$ 7,330,659	37%
2005	15,374,924	17,050,896	90	1,675,972	7,931,470	21
2006	17,845,076	18,947,349	94	1,102,273	7,213,675	15
2007	20,665,722	21,925,113	94	1,259,391	7,905,774	16
2008	23,194,630	24,120,658	96	926,028	7,889,670	12
2009	24,753,908	26,243,497	94	1,489,589	7,418,804	20
2010	26,538,275	27,722,105	96	1,183,830	7,312,574	16
2011	28,650,457	29,022,006	99	371,549	7,428,188	5
2012	30,205,389	35,051,464	86	4,846,075	8,478,784	57
2013 ³	32,001,750	37,435,553	85	5,433,803	8,514,040	64

¹Data is presented because PACARS' Consolidated Annual Financial Reports are not readily available to the public. Some or all of this data may significantly change beginning the year ended June 30, 2014, due to Statement No. 67 of the Governmental Accounting Standards Board (GASB): Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, which amends accounting and reporting requirements for pension plans.

²PACARS officials provided the following reasons for the significant change in funded ratio in recent years: Following the passage of Senate Bill No. 5 (2003), which initiated the surcharge, an increasing number of counties changed procedures to adopt the Fine Collection Center as a first step in their collection of traffic violations. This precipitated a marked decline in surcharge contribution revenues and a resulting reduction in the funded ratio (2011-2012). In addition, the migration of third and fourth class counties to full-time prosecutors, in conjunction with the increase in prosecutor's salaries (both of which are entirely outside the Board's control) increased dramatically the expected payout in the form of retirement benefits. The Board sought legislative action which resulted in the enactment of House Bill No. 1231 (2014) which is intended to address these situations.

³Most current year available at the date of this report.

Source: 2013 Consolidated Annual Financial Report

Appendix B

Prosecuting Attorneys' and Circuit Attorneys' Retirement System Comparative Schedule of Contributions, Actual and Required¹

Year Ended June 30,	Annual Required Contributions (ARC)	Actual Contributions ²	Actual Contributions as a Percentage of ARC ²	Annual Covered Payroll	ARC as a Percentage of Payroll ²
2004	\$ 1,230,101	\$ 1,231,292	100%	\$ 7,330,659	17%
2005	951,947	1,586,787	167	7,931,470	12
2006	893,256	1,651,029	185	7,213,675	12
2007	765,601	1,612,627	211	7,905,774	10
2008	1,124,479	1,570,187	140	7,889,670	14
2009	1,068,222	1,580,261	148	7,418,804	14
2010	1,157,504	1,545,692	134	7,312,574	16
2011	998,504	1,550,360	155	7,428,188	13
2012	1,082,571	1,561,553	144	8,478,784	13
2013 ³	1,783,900	1,493,437	84	8,514,040	21

¹Data is presented because PACARS' Consolidated Annual Financial Reports are not readily available to the public. Some or all of this data may significantly change beginning the year ended June 30, 2014, due to Statement No. 67 of the Governmental Accounting Standards Board (GASB): Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, which amends accounting and reporting requirements for pension plans.

²As required by statute, contributions are received from two sources: 1) a monthly fixed dollar amount from individual counties and the City of St. Louis and 2) a \$4 surcharge assessed to every criminal case filed in the state.

³Most current year available at the date of this report.

Source: 2013 Consolidated Annual Financial Report

Appendix C

Prosecuting Attorneys' and Circuit Attorneys' Retirement System
Comparative Schedule of Contributions, County and Court

County/Court	Year Ended June 30,					
	2014			2013		
	County Fixed Contributions ⁷	Court Surcharge Contributions	Total Contributions	County Fixed Contributions ⁷	Court Surcharge Contributions	Total Contributions
Adair	\$ 7,752	2,239	9,991	7,752	2,558	10,310
Andrew	2,244	2,599	4,843	2,244	2,779	5,023
Atchison	2,244	1,875	4,119	2,244	1,971	4,215
Audrain	2,244	3,042	5,286	2,244	3,248	5,492
Barry	7,752	4,557	12,309	7,752	4,144	11,896
Barton	2,244	1,893	4,137	2,244	1,805	4,049
Bates	7,752	4,828	12,580	7,752	3,885	11,637
Benton	7,752	3,566	11,318	7,752	3,896	11,648
Bollinger	2,244	1,007	3,251	2,244	962	3,206
Boone	7,752	14,700	22,452	7,752	19,724	27,476
Buchanan	7,752	8,759	16,511	7,752	8,952	16,704
Butler	7,752	3,597	11,349	7,752	4,125	11,877
Caldwell	2,244	2,193	4,437	2,244	2,325	4,569
Callaway	7,752	7,906	15,658	7,752	8,158	15,910
Camden	7,752	6,370	14,122	7,752	7,533	15,285
Cape Girardeau	7,752	6,265	14,017	7,752	5,526	13,278
Carroll	2,244	1,620	3,864	2,244	1,158	3,402
Carter	2,244	2,012	4,256	2,244	2,085	4,329
Cass	7,752	11,828	19,580	7,752	14,591	22,343
Cedar	7,752	2,053	9,805	7,752	1,880	9,632
Chariton	2,244	1,118	3,362	2,244	1,415	3,659
Christian	7,752	5,475	13,227	7,752	5,061	12,813
Clark	2,244	2,304	4,548	2,244	2,016	4,260
Clay	7,752	20,092	27,844	7,752	18,763	26,515
Clinton	2,244	4,008	6,252	2,244	4,268	6,512
Cole	7,752	7,485	15,237	7,752	7,878	15,630
Cooper	2,244	4,509	6,753	2,244	5,292	7,536
Crawford	7,752	6,762	14,514	7,752	6,975	14,727
Dade	2,244	995	3,239	2,244	974	3,218
Dallas	7,752	5,304	13,056	7,752	5,693	13,445
Daviess	2,244	2,453	4,697	2,244	2,774	5,018
Dekalb	2,244	1,828	4,072	2,244	1,876	4,120
Dent	7,752	2,365	10,117	7,752	2,687	10,439
Douglas	7,752	2,018	9,770	7,752	1,803	9,555
Dunklin	7,752	2,747	10,499	7,752	3,462	11,214
Franklin ¹	7,752	35,770	43,522	7,752	33,351	41,103
Gasconade	2,244	1,818	4,062	2,244	1,794	4,038
Gentry	2,244	780	3,024	2,244	877	3,121
Greene	7,752	23,228	30,980	7,752	16,074	23,826
Grundy	2,244	1,747	3,991	2,244	1,448	3,692
Harrison	2,244	3,535	5,779	2,244	3,236	5,480
Henry	7,752	4,916	12,668	7,752	4,081	11,833
Hickory	2,244	989	3,233	2,244	922	3,166
Holt	\$ 2,244	2,371	4,615	2,244	1,982	4,226

Appendix C

Prosecuting Attorneys' and Circuit Attorneys' Retirement System
Comparative Schedule of Contributions, County and Court

County/Court	Year Ended June 30,					
	2014			2013		
	Court			Court		
	County Fixed Contributions ⁷	Surcharge Contributions	Total Contributions	County Fixed Contributions ⁷	Surcharge Contributions	Total Contributions
Howard	\$ 2,244	1,239	3,483	2,244	1,033	3,277
Howell	2,244	5,459	7,703	2,244	6,766	9,010
Iron	2,244	1,649	3,893	2,244	1,430	3,674
Jackson	7,752	22,944	30,696	7,752	15,869	23,621
Jackson County Municipal Division ²	NA	27,078	27,078	NA	28,236	28,236
Jasper	7,752	10,179	17,931	7,752	10,244	17,996
Jefferson ³	7,752	72,638	80,390	7,752	53,299	61,051
Johnson	7,752	8,416	16,168	7,752	8,771	16,523
Knox	2,244	455	2,699	2,244	490	2,734
Laclede	2,244	8,599	10,843	2,244	9,086	11,330
Lafayette	7,752	10,089	17,841	7,752	11,020	18,772
Lawrence	7,752	4,080	11,832	7,752	4,829	12,581
Lewis	2,244	2,474	4,718	2,244	2,512	4,756
Lincoln	7,752	8,498	16,250	7,752	8,989	16,741
Linn	2,244	2,321	4,565	2,244	2,725	4,969
Livingston	2,244	2,247	4,491	2,244	1,957	4,201
McDonald	7,752	3,789	11,541	7,752	3,668	11,420
Macon	2,244	3,105	5,349	2,244	3,122	5,366
Madison	2,244	2,261	4,505	2,244	2,560	4,804
Maries	2,244	1,074	3,318	2,244	1,524	3,768
Marion	7,752	5,430	13,182	7,752	5,571	13,323
Mercer	2,244	679	2,923	2,244	575	2,819
Miller	7,752	4,564	12,316	7,752	4,574	12,326
Mississippi	7,752	3,653	11,405	7,752	4,015	11,767
Moniteau	7,752	2,003	9,755	7,752	1,733	9,485
Monroe	2,244	1,431	3,675	2,244	1,682	3,926
Montgomery	2,244	4,033	6,277	2,244	4,186	6,430
Morgan	7,752	3,364	11,116	7,752	3,731	11,483
New Madrid	7,752	4,193	11,945	7,752	5,171	12,923
Newton	3,252	6,960	10,212	3,252	8,662	11,914
Nodaway	7,752	2,790	10,542	7,752	3,483	11,235
Oregon	2,244	996	3,240	2,244	1,084	3,328
Osage	2,244	2,397	4,641	2,244	2,696	4,940
Ozark	7,752	1,446	9,198	7,752	1,438	9,190
Pemiscot	7,752	5,282	13,034	7,752	6,449	14,201
Perry	2,244	3,569	5,813	2,244	3,749	5,993
Pettis	2,244	4,640	6,884	2,244	5,266	7,510
Phelps	7,752	6,675	14,427	7,752	8,012	15,764
Pike	7,752	2,930	10,682	7,752	2,992	10,744
Platte	7,752	17,350	25,102	7,752	16,876	24,628
Polk	7,752	6,841	14,593	7,752	6,358	14,110
Pulaski	7,752	7,228	14,980	7,752	7,183	14,935
Putnam	2,244	632	2,876	2,244	964	3,208
Ralls	\$ 2,244	2,214	4,458	2,244	2,234	4,478

Appendix C

Prosecuting Attorneys' and Circuit Attorneys' Retirement System Comparative Schedule of Contributions, County and Court

County/Court	Year Ended June 30,					
	2014			2013		
	County Fixed Contributions ⁷	Court Surcharge Contributions	Total Contributions	County Fixed Contributions ⁷	Court Surcharge Contributions	Total Contributions
Randolph	\$ 7,752	4,833	12,585	7,752	5,475	13,227
Ray	2,244	2,766	5,010	2,244	2,580	4,824
Reynolds	2,244	1,330	3,574	2,244	1,247	3,491
Ripley	2,244	2,204	4,448	2,244	2,124	4,368
St. Charles ⁴	7,752	60,959	68,711	7,752	59,312	67,064
St. Clair	2,244	2,802	5,046	2,244	3,840	6,084
St. Francois	7,752	7,797	15,549	5,502	8,128	13,630
St. Louis City	7,752	9,863	17,615	7,752	13,951	21,703
St. Louis County ⁵	7,752	204,378	212,130	7,752	222,835	230,587
Ste. Genevieve	7,752	6,639	14,391	7,752	7,245	14,997
Saline	3,252	4,136	7,388	3,252	4,336	7,588
Schuyler	2,244	999	3,243	2,244	1,100	3,344
Scotland	2,244	851	3,095	2,244	1,024	3,268
Scott	2,244	4,860	7,104	2,244	5,441	7,685
Shannon	2,244	1,113	3,357	2,244	1,266	3,510
Shelby	2,244	1,314	3,558	2,244	1,448	3,692
Stoddard	2,244	2,365	4,609	2,244	3,108	5,352
Stone	7,752	3,352	11,104	7,752	3,198	10,950
Sullivan	2,244	1,454	3,698	2,244	1,344	3,588
Taney	7,752	4,908	12,660	7,752	4,937	12,689
Texas	7,752	3,109	10,861	7,752	3,591	11,343
Vernon	7,752	2,747	10,499	7,752	2,724	10,476
Warren	7,752	6,488	14,240	7,752	7,094	14,846
Washington	7,752	2,506	10,258	7,752	3,229	10,981
Wayne	2,244	3,640	5,884	2,244	3,927	6,171
Webster	2,244	4,013	6,257	2,244	3,852	6,096
Worth	2,244	242	2,486	2,244	211	2,455
Wright	7,752	3,712	11,464	7,752	3,720	11,472
Unknown ⁶	NA	0	0	NA	11,039	11,039
Annual Total:	\$ 579,540	892,800	1,472,340	577,290	916,147	1,493,437

¹Includes surcharge contributions received from the Franklin County Municipal Division.

²The PACARS separately tracks surcharge contributions received from the Jackson County Municipal Division.

³Includes surcharge contributions received from the Jefferson County Municipal Division.

⁴Includes contributions received from the St. Charles County Ordinance Division.

⁵Includes surcharge contributions received from the St. Louis County North Municipal Division, St. Louis County South Municipal Division, and St. Louis County West Municipal Division.

⁶PACARS personnel were unable to attribute these surcharge payments to a specific court.

⁷Amounts presented are accrual basis, or amounts due, rather than amounts paid. All counties, except Andrew County (\$5,984 balance due as of June 30, 2014) and Randolph County (\$18,256), made payments during the 2 years ended June 30, 2014

Source: 2014 (draft) and 2013 Financial Statements