



# Scott Fitzpatrick

---

## Missouri State Auditor

### Cedar County

Report No. 2025-027

May 2025

[auditor.mo.gov](https://auditor.mo.gov)



**Scott Fitzpatrick**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Cedar County

Sales Tax Rollback	The County Clerk did not accurately calculate property tax levy reduction amounts to offset 50 percent of sales tax money received, and levied approximately \$1.2 million in excess property taxes for 2020 through 2023.
County Collector and Property Tax System	<p>Neither the County Clerk nor the County Commission adequately review the financial activities of the County Collector. The account book maintained by the County Clerk was not complete, did not track all taxes charged to the County Collector, and did not agree to the annual settlement submitted by the County Collector. The County Collector's annual settlement for the year ended February 29, 2024, was not accurate. The County Collector reported total distributions that exceeded total collections by about \$400,000. After this was brought to the County Collector's attention, she determined she had misreported approximately \$357,000 in utility collections as delinquent taxes, resulting in an overstatement of total delinquent taxes, understatement of collections, and a discrepancy between total collections and total distributions.</p> <p>The County Clerk did not prepare the back tax, land and personal tax, or railroad and utility tax aggregate abstracts for 2020 through 2023, as required. County Collector's office personnel do not prepare monthly lists of liabilities for the General and Partial Payment bank accounts, and consequently, they do not agree liabilities to the reconciled bank balances. The County Collector incorrectly withheld 2 percent on railroad and utility property taxes collected rather than the allowed 1 percent. As a result, the various political subdivisions did not receive the full amount owed to them and the county deposited the excess commissions into the General Revenue Fund. In total, the County Collector incorrectly withheld approximately \$2,900 from railroad and utility property taxes that she should have disbursed to the political subdivisions.</p>
Public Administrator's Annual Settlements	The Public Administrator did not always file annual settlements timely. The audit work noted for the 3 wards selected that required an annual settlement in 2023, the Public Administrator filed each untimely.
Sheriff's Outstanding Checks	The Sheriff's office has not established procedures to follow up on outstanding checks in the Inmate Trust bank account. As of December 31, 2023, 56 checks, totaling \$1,288, were outstanding for more than 3 years with issue dates ranging from 2014 to 2021.
Sheriff's Compensation	The County Commission authorized mid-term salary increases totaling \$11,719 to the Sheriff in violation of constitutional provisions.
Electronic Communication Policy	The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

---

## Additional Comments

Because counties are managed by several separately elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was <b>Fair</b> .*
---

\*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.

---

# Cedar County

## Table of Contents

---

State Auditor's Report	2
------------------------	---

---

Management Advisory Report - State Auditor's Findings	1. Sales Tax Rollback.....4 2. County Collector and Property Tax System.....4 3. Public Administrator's Annual Settlements.....8 4. Sheriff's Outstanding Checks .....8 5. Sheriff's Compensation.....9 6. Electronic Communication Policy.....10
---	--

---

Organization and Statistical Information	12
---	----



**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

County Commission  
and  
Officeholders of Cedar County

We have audited certain operations of Cedar County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2023. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. 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 applicable 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 instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

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

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 Cedar County.

A handwritten signature in black ink, reading "S. Fitzpatrick". The signature is stylized with a large, looped "S" and a cursive "Fitzpatrick".

Scott Fitzpatrick  
State Auditor

---

# Cedar County Management Advisory Report State Auditor's Findings

---

## 1. Sales Tax Rollback

The County Clerk did not accurately calculate property tax levy reduction amounts to offset 50 percent of sales tax money received, and levied approximately \$1.2 million in excess property taxes for 2020 through 2023.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Cedar County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the reduction requirement, including an adjustment for the difference between actual and estimated sales tax collections for the preceding year.

In 2020, the county did not reduce the property tax rate for sales taxes collected, although a sales tax reduction was required. In each of the years 2021 through 2023, the county's reductions to the property tax rates were significantly less than required. For those years, the County Clerk's worksheets used to calculate the sales tax reduction contained various errors that caused the incorrect rate calculations. After we brought this to the County Clerk's attention, she acknowledged she made errors when calculating the sales tax reduction rates, and she did not detect the errors.

Accurate property tax rate levy reductions that are reviewed are necessary to ensure property tax levies are properly set.

## Recommendation

The County Commission and the County Clerk properly calculate and review property tax rate reductions based on sales tax collections and develop a plan to correct the accumulation of prior over collections of property taxes.

## Auditee's Response

*The County Clerk acknowledges that the calculations for 2020 through 2023 were incorrect and was not aware of the errors until the State Auditor's Office identified the errors. Cedar County plans to implement a rollback beginning in tax year 2025 to correct the accumulation of prior over collections of property taxes. The County anticipates rollbacks for 5 years or less. The County has sought legal advice to ensure the process is correct.*

---

## 2. County Collector and Property Tax System

Controls and procedures over the county's property tax system and in the County Collector's office need improvement. The County Collector's office collected approximately \$11.5 million in property taxes and other receipts during the year ended February 29, 2024.

### 2.1 Review of activity

Neither the County Clerk nor the County Commission adequately review the financial activities of the County Collector. The account book maintained by the County Clerk was not complete, did not track all taxes charged to the County Collector, and did not agree to the annual settlement submitted by the County Collector. In addition, the County Clerk and the County Commission



## Cedar County Management Advisory Report - State Auditor's Findings

did not adequately review and approve the County Collector's annual settlement for the year ended February 29, 2024, and the County Clerk did not file the settlement with the state until after we brought this to her attention. As noted in section 2.2, the Collector's annual settlement for the year ended February 29, 2024, contained various errors.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with money payable into the county treasury. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector, and the County Clerk to certify the amounts to the state. Maintaining an account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate, and the County Clerk and the County Commission could use the account book to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

The County Clerk indicated she tracks monthly collections reported by the County Collector and ensures the amounts are received and distributed by the County Treasurer, but does not use the amounts to verify collections reported on the annual settlement or verify the charge and delinquent amounts on the annual settlement. The County Clerk indicated she did not understand the importance of maintaining an account book to verify the annual settlement and did not realize the annual settlements were required to be filed with the state.

A similar condition was noted in our prior report.

### 2.2 Accuracy of annual settlements

The County Collector's annual settlement for the year ended February 29, 2024, was not accurate. The County Collector reported total distributions that exceeded total collections by about \$400,000. After we brought this to the County Collector's attention, she determined she had misreported approximately \$357,000 in utility collections as delinquent taxes, resulting in an overstatement of total delinquent taxes, understatement of collections, and a discrepancy between total collections and total distributions. She also made various other small misstatements in the annual settlement. She subsequently prepared an amended settlement with corrections for the errors. The County Collector indicated she made errors in preparing the initial settlement that she did not detect before finalizing the settlement.

Incomplete and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all money the County Collector is charged with collecting.





## Cedar County Management Advisory Report - State Auditor's Findings

### 2.3 Aggregate abstracts

The County Clerk did not prepare the back tax, land and personal tax, or railroad and utility tax aggregate abstracts for 2020 through 2023, as required. She indicated she was not aware she was responsible for completing the aggregate abstracts.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue and State Tax Commission upon completion of the current and delinquent tax books.

### 2.4 Liabilities

County Collector's office personnel do not prepare monthly lists of liabilities for the General and Partial Payment bank accounts, and consequently, they do not agree liabilities to the reconciled bank balances. After we brought this to her attention, the County Collector prepared a list of liabilities as of January 31, 2024, for the accounts. The list of liabilities for the General account totaled \$1,416,266, which consisted of January collections of taxes and fees and undistributed interest, while the reconciled bank balance totaled \$1,418,333, resulting in an unidentified balance of \$2,067. The County Collector indicated she was unaware of the need to prepare monthly lists of liabilities on all accounts.

Monthly lists of liabilities that are agreed to the reconciled bank balances are necessary to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities. Prompt follow up on discrepancies is necessary to resolve errors and ensure money is properly disbursed. Various statutory provisions provide for the disposition of unidentified money.

### 2.5 Commissions

The County Collector incorrectly withheld 2 percent on railroad and utility property taxes collected rather than the allowed 1 percent. As a result, the various political subdivisions did not receive the full amount owed to them and the county deposited the excess commissions into the General Revenue Fund. We reviewed the County Collector's worksheets for December 2023 and January 2024 and noted the County Collector incorrectly withheld approximately \$2,900 from railroad and utility property taxes that she should have disbursed to the political subdivisions. The County Collector indicated she has used the same withholding percentage since she took office in 2019, which she believed was the same rate used by the former County Collector, and did not realize the rate was incorrect.

Section 151.180, RSMo, requires the County Collector to collect all railroad taxes and Section 151.280, RSMo, requires the County Collector to withhold and pay a 1 percent commission on these taxes to the county's General Revenue Fund. Section 153.030, RSMo, requires utility taxes to be levied and collected in the same manner as railroad taxes.

## Recommendations

- 2.1 The County Clerk maintain a complete account book with the County Collector. In addition, the County Clerk and the County Commission



Cedar County  
Management Advisory Report - State Auditor's Findings

should use the account book to review the accuracy and completeness of the County Collector's annual settlements, and the County Clerk should timely file the settlements with the state.

- 2.2 The County Collector prepare accurate annual settlements.
- 2.3 The County Clerk prepare the back tax, land and personal tax, and railroad and utility tax aggregate abstracts and timely file them with the Department of Revenue and State Tax Commission.
- 2.4 The County Collector prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences should be promptly investigated and resolved, and any unidentified money should be disposed of in accordance with state law.
- 2.5 The County Collector recalculate tax commissions withheld from railroad and utility property taxes and correct distributions to the various political subdivisions and the General Revenue Fund. The County Collector should also ensure future commission calculations are accurate.

## Auditee's Response

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

- 2.1 *The County Clerk will maintain a complete account book with the County Collector. In addition, the County Clerk and County Commission will use the account book to review the accuracy and completeness of the County Collector's annual settlements. The County Clerk will timely file the settlements with the state.*

*The County Clerk provided the following response:*

- 2.3 *The County Clerk will prepare the back tax, land and personal tax, and railroad and utility tax aggregate abstracts and timely file them with the Department of Revenue and State Tax Commission.*

*The County Collector provided the following responses:*

- 2.2 *I have amended the annual settlement for the year ended February 29, 2024. For future settlements I will review the settlement more closely for errors before finalizing the settlements.*
- 2.4 *After the auditors pointed out the importance of the open items listings, I adopted a new procedure to identify liabilities every month. I have recently consulted with the County Treasurer about the proper disposition of the unidentified balance in the General Account.*



Cedar County  
Management Advisory Report - State Auditor's Findings

2.5 *I have recalculated the collector commissions overwithheld from the railroad and utilities taxes from 2019 through 2023 and have consulted with the County Treasurer about the best method for correcting for the past errors. I will ensure future commissions are calculated properly.*

### 3. Public Administrator's Annual Settlements

The Public Administrator did not always file annual settlements timely. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 80 wards and estates as of December 31, 2023.

From a listing of the wards assigned to the Public Administrator as of December 31, 2023, we judgmentally selected 8 of the wards for review and noted for the 3 wards that required an annual settlement in 2023, the Public Administrator filed each untimely. Settlements for these 3 cases were filed 43 to 55 days after the due date. The Public Administrator indicated the completion of various legal matters and documentation on the cases slowed the completion of the settlements.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely filing of annual settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

#### Recommendation

The Public Administrator file annual settlements timely.

#### Auditee's Response

*I have instituted a system to provide reminders to me of the settlement due dates, and I will ensure future settlements are filed timely.*

### 4. Sheriff's Outstanding Checks

The Sheriff's office has not established procedures to follow up on outstanding checks in the Inmate Trust bank account. As of December 31, 2023, 56 checks, totaling \$1,288, were outstanding for more than 3 years with issue dates ranging from 2014 to 2021. The Office Manager indicated that the office was not sure how to properly handle old outstanding checks.

Procedures to routinely follow up on and reissue outstanding checks, as appropriate, are necessary to prevent the accumulation of money in the account and to ensure funds are disbursed to the appropriate payees or as otherwise provided by state law. Section 447.532, RSMo, provides that any funds held by a political subdivision that remain unclaimed for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.



---

Cedar County  
Management Advisory Report - State Auditor's Findings

---

After we brought this to their attention, personnel in the Sheriff's office reviewed the matter and remitted the funds for the old outstanding checks to the State Treasurer's Unclaimed Property Division in June 2024 and November 2024.

## Recommendation

The Sheriff establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the funds should be disposed of in accordance with state law.

## Auditee's Response

*We have remitted the funds for the old outstanding checks to the State Treasurer's office, and we will establish procedures to routinely investigate outstanding checks.*

---

## 5. Sheriff's Compensation

The County Commission authorized mid-term salary increases totaling \$11,719 to the Sheriff in violation of constitutional provisions. The Sheriff took office in 2021 at the salary level approved by the Cedar County Salary Commission.

Section 57.317.1(2), RSMo, enacted in 2021, states the sheriff shall receive an annual salary computed based on a percentage of the compensation of an associate circuit judge of the county, with the percentage determined by a statutory schedule using the county's current assessed valuation level. The law indicates if the increase to the Sheriff's salary is less than \$10,000, the increase shall take effect January 1, 2022, but if the salary increase is more than \$10,000, the increase shall be paid equally over a 5-year period. However, Article VII, Section 13 of the Missouri Constitution prohibits an increase in compensation for state, county, and municipal officers during the term of office. Court cases have concluded that to receive additional compensation during a term of office there must be: (1) no existing compensation for the office; (2) new or additional duties extrinsic or not germane for the office; or (3) the mid-term increase must result from the application of a statutory formula for calculating compensation that was in place prior to the individual being elected or taking office. None of those circumstances exist; therefore, the increase to the Sheriff's salary should be effective only for any Sheriff elected and sworn into office after the new salary schedule was authorized.

The County Commission did not seek a written legal opinion on these matters and authorized an increase to the Sheriff's salary in mid-2022, retroactive to January 1, 2022, after litigation over the new law was settled. The total increase was calculated at \$21,406, to be paid over a 5-year period with an annual increase of \$4,281. The Commission authorized additional salary increases for the Sheriff based on salary increases given to associate circuit judges during 2022 and 2023. As of December 2023, the Sheriff received salary increases totaling \$11,719 during his term.



Cedar County  
Management Advisory Report - State Auditor's Findings

The County Commission indicated it was aware of constitutional provisions preventing mid-term salary increases, but thought the county was required to increase the Sheriff's salary due to the change in state law.

## Recommendation

The County Commission ensure salary increases comply with constitutional provisions and consider various methods for possible recoupment of any midterm salary increases already paid.

## Auditee's Response

*The County Commission will take these recommendations under advisement, discuss these recommendations with the Sheriff and the County attorney, and determine the best course of action.*

## 6. Electronic Communication Policy

The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.<sup>1</sup>

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the county is retained as required by state law. The Commission indicated it was working to develop a policy in compliance with the electronic communications guidelines. The Commission was not previously aware a policy was needed.

## Recommendation

The County Commission work with other county officials to develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

<sup>1</sup> Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed February 21, 2025.



Cedar County  
Management Advisory Report - State Auditor's Findings

---

## Auditee's Response

*The Cedar County Commission approved a new county policy in December 2024 that includes an Electronic Communication Policy. This new policy took effect January 1, 2025.*

---

# Cedar County

## Organization and Statistical Information

---

Cedar County is a county-organized, third-class county. The county seat is Stockton. The county's population was 14,188 in 2020, according to the U.S. Census Bureau.

Cedar County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 53 full-time employees and 25 part-time employees on December 31, 2023.

County operations also include a Senior Citizens' Services Board.

### Elected Officials

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

Officeholder	2024	2023
Kenneth Thornton, Presiding Commissioner	\$	31,711
Donald Boultinghouse, Associate Commissioner		28,759
Ted Anderson, Associate Commissioner		28,759
Melissa Heskett, Recorder of Deeds		44,820
Heather York, County Clerk		44,820
Ty Gaither, Prosecuting Attorney		153,125
James McCray, Sheriff		63,719
Peggy Kenney, County Treasurer		44,820
Andrew Wyant, County Coroner		14,677
Charlotte Haden, Public Administrator		43,544
Lisa Nelson, County Collector (1), year ended February 29,	49,240	
Leah Morton, County Assessor (2), year ended August 31,		3,350
Tammie Papenfuhs, County Assessor (2), year ended August 31,		8,040
Chad Pyle, County Assessor (2), year ended August 31,		33,500
Charles (Mark) Francis, County Surveyor (3)		

- (1) Includes \$4,420 of commissions earned for collecting city property taxes.
- (2) Chad Pyle passed away on May 31, 2023. Tammie Papenfuhs served as interim County Assessor until August 1, 2023, when Leah Morton, was appointed as County Assessor to complete the term.
- (3) Compensation on a fee basis.