



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Ralls County, Missouri, for the two years ended December 31, 2000. A copy of this audit which was performed by Larson, Allen, Weishair & Co., LLP, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2001-76
August 31, 2001

**RALLS COUNTY, MISSOURI
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2000 AND 1999

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Business Consultants → Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the County Commission
and Officeholders of Ralls County, Missouri

We have audited the special-purpose financial statements, identified in the table of contents, of various funds of Ralls County, Missouri, as of and for the years ended December 31, 2000 and 1999. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and 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.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Ralls County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Ralls County.

In our opinion, the special-purpose 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 Ralls 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, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

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In accordance with Government Auditing Standards, we have also issued a report dated May 10, 2001, on our consideration of Ralls County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the special purpose financial statements taken as a whole. 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special purpose financial statements of Ralls County, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the special purpose financial statements taken as a whole.

Original Signed by Auditor

LARSON, ALLEN, WEISHAIR & CO., LLP

May 10, 2001
St. Louis, Missouri

RALLS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 79,109	\$ 1,243,887	\$ 1,226,624	\$ 96,372
Special Road and Bridge	221,082	1,054,965	1,110,807	165,240
Assessment	-	156,348	156,348	-
Law Enforcement Training	155	4,988	3,747	1,396
Prosecuting Attorney Training	10,281	2,026	1,050	11,257
Prosecuting Attorney Administration	1,753	2,180	1,200	2,733
Prosecuting Attorney Delinquent Tax	2,797	1,547	-	4,344
Domestic Violence	249	500	463	286
Drug Enforcement	296	4	300	-
Recorder's User Fee	14,383	5,194	13,110	6,467
911	-	155,692	155,692	-
Health Center	209,579	670,175	611,581	268,173
Subtotal	<u>\$ 539,684</u>	<u>\$ 3,297,506</u>	<u>\$ 3,280,922</u>	<u>\$ 556,268</u>
Circuit Division Interest	\$ 6,614	\$ 2,739	\$ 1,377	\$ 7,976
Associate Circuit Division Interest	1,215	623	-	1,838
Total	<u>\$ 547,513</u>	<u>\$ 3,300,868</u>	<u>\$ 3,282,299</u>	<u>\$ 566,082</u>

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

RALLS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 4,229	\$ 1,197,660	\$ 1,122,780	\$ 79,109
Special Road and Bridge	348,207	1,032,925	1,160,050	221,082
Assessment	(6,002)	158,125	152,123	-
Law Enforcement Training	711	5,945	6,501	155
Prosecuting Attorney Training	9,448	1,333	500	10,281
Prosecuting Attorney Administration	632	2,321	1,200	1,753
Prosecuting Attorney Delinquent Tax	2,256	541	-	2,797
Domestic Violence	273	426	450	249
Drug Enforcement	2,097	532	2,333	296
Recorder's User Fee	13,875	6,060	5,552	14,383
911	1,966	144,527	146,493	-
Health Center	237,055	687,614	715,090	209,579
Subtotal	<u>\$ 614,747</u>	<u>\$ 3,238,009</u>	<u>\$ 3,313,072</u>	<u>\$ 539,684</u>
Circuit Division Interest	\$ 5,527	\$ 2,695	\$ 1,608	\$ 6,614
Associate Circuit Division Interest	2,054	678	1,517	1,215
Total	<u>\$ 622,328</u>	<u>\$ 3,241,382</u>	<u>\$ 3,316,197</u>	<u>\$ 547,513</u>

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

EXHIBIT B

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
GENERAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property Taxes	\$ 263,201	\$ 269,176	\$ 5,975	\$ 212,593	\$ 241,409	\$ 28,816
Sales Taxes	585,000	602,507	17,507	590,000	589,392	(608)
Intergovernmental	64,200	64,892	692	66,200	61,072	(5,128)
Charges for Services	180,600	163,485	(17,115)	168,200	181,323	13,123
Interest	5,000	11,648	6,648	4,000	3,902	(98)
Other	90,400	86,558	(3,842)	48,300	80,520	32,220
Transfers In	50,054	45,621	(4,433)	60,000	40,042	(19,958)
Total Receipts	\$ 1,238,455	\$ 1,243,887	\$ 5,432	\$ 1,149,293	\$ 1,197,660	\$ 48,367
DISBURSEMENTS						
County Commission	\$ 78,940	\$ 78,604	\$ 336	\$ 77,440	\$ 77,407	\$ 33
County Clerk	69,500	64,668	4,832	68,860	67,410	1,450
Elections	74,265	66,216	8,049	21,050	14,282	6,768
Buildings and Grounds	51,762	55,075	(3,313)	76,742	57,154	19,588
Employee Fringe Benefits	167,500	140,216	27,284	175,000	144,585	30,415
County Treasurer	29,520	29,418	102	29,320	29,028	292
County Collector	66,900	66,231	669	67,186	64,698	2,488
Circuit Clerk	47,331	40,965	6,366	40,880	41,732	(852)
Associate Circuit	9,400	8,121	1,279	10,050	9,171	879
Court Administration	8,948	8,871	77	10,577	5,975	4,602
Public Administrator	16,075	17,165	(1,090)	16,800	15,775	1,025
Sheriff	330,217	343,948	(13,731)	346,614	317,303	29,311
Prosecuting Attorney	75,334	75,935	(601)	75,559	74,736	823
Juvenile Officer	43,861	14,439	29,422	54,819	34,242	20,577
County Coroner	13,650	6,830	6,820	12,900	8,251	4,649
Planning & Zoning	21,952	21,665	287	22,432	21,124	1,308
University Extension Service	36,680	36,680	-	35,140	35,140	-
Prosecuting Attorney retirement	4,500	4,500	-	4,500	4,500	-
Health and Welfare	-	100	(100)	-	100	(100)
Local Emergency Planning Committee	2,500	-	2,500	2,500	-	-
Other General County Government	56,000	62,271	(6,271)	64,500	50,888	13,612
Transfers Out	77,080	84,706	(7,626)	79,672	49,279	30,393
Emergency Fund	35,652	-	35,652	34,479	-	34,479
Total Disbursements	\$ 1,317,567	\$ 1,226,624	\$ 90,943	\$ 1,327,020	\$ 1,122,780	\$ 204,240
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (79,112)	\$ 17,263	\$ 96,375	\$ (177,727)	\$ 74,880	\$ 252,607
CASH, JANUARY 1	79,109	79,109	-	4,229	4,229	-
CASH, DECEMBER 31	\$ (3)	\$ 96,372	\$ 96,375	\$ (173,498)	\$ 79,109	\$ 252,607

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

RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
SPECIAL ROAD AND BRIDGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property Taxes	\$ 307,126	\$ 310,348	\$ 3,222	\$ 290,502	\$ 324,168	\$ 33,666
Sales Taxes	117,000	120,360	3,360	130,000	110,729	(19,271)
Intergovernmental	546,300	542,122	(4,178)	602,680	538,770	(63,910)
Interest	25,000	24,710	(290)	30,000	23,094	(6,906)
Other	37,500	52,425	14,925	25,200	36,164	10,964
Transfers in	5,000	5,000	-	-	-	-
Total Receipts	<u>\$ 1,037,926</u>	<u>\$ 1,054,965</u>	<u>\$ 17,039</u>	<u>\$ 1,078,382</u>	<u>\$ 1,032,925</u>	<u>\$ (45,457)</u>
DISBURSEMENTS						
Salaries	\$ 280,000	\$ 253,048	\$ 26,952	\$ 280,000	\$ 253,109	\$ 26,891
Employee Fringe Benefits	109,500	93,403	16,097	116,500	92,779	23,721
Supplies	136,500	147,272	(10,772)	135,000	126,654	8,346
Insurance	25,000	23,201	1,799	30,000	23,056	6,944
Road and Bridge Materials	336,954	279,686	57,268	407,089	325,700	81,389
Equipment Repairs	55,000	23,443	31,557	55,000	51,742	3,258
Rentals	2,000	-	2,000	10,000	1,040	8,960
Equipment Purchases	200,000	177,282	22,718	245,000	198,026	46,974
Construction, repair and maintenance	20,000	39,958	(19,958)	30,000	1,955	28,045
Other	20,000	3,850	16,150	18,000	5,152	12,848
Transfers Out	74,054	69,664	4,390	100,000	80,837	19,163
Total Disbursements	<u>\$ 1,259,008</u>	<u>\$ 1,110,807</u>	<u>\$ 148,201</u>	<u>\$ 1,426,589</u>	<u>\$ 1,160,050</u>	<u>\$ 266,539</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (221,082)</u>	<u>\$ (55,842)</u>	<u>\$ 165,240</u>	<u>\$ (348,207)</u>	<u>\$ (127,125)</u>	<u>\$ 221,082</u>
CASH, JANUARY 1	<u>221,082</u>	<u>221,082</u>	<u>-</u>	<u>348,207</u>	<u>348,207</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 165,240</u>	<u>\$ 165,240</u>	<u>\$ -</u>	<u>\$ 221,082</u>	<u>\$ 221,082</u>
Cash - Prior Page		<u>96,372</u>			<u>79,109</u>	
Cash Subtotal Carryforward		<u>\$ 261,612</u>			<u>\$ 300,191</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 107,500	\$ 105,316	\$ (2,184)	\$ 103,000	\$ 105,943	\$ 2,943
Charges for services	1,000	1,008	8	1,000	1,111	111
Interest	150	762	612	200	205	5
Other	1,300	1,365	65	2,200	1,587	(613)
Transfers in	50,335	47,897	(2,438)	68,222	49,279	(18,943)
Total Receipts	<u>\$ 160,285</u>	<u>\$ 156,348</u>	<u>\$ (3,937)</u>	<u>\$ 174,622</u>	<u>\$ 158,125</u>	<u>\$ (16,497)</u>
DISBURSEMENTS						
Assessor	\$ 160,285	\$ 156,348	\$ 3,937	\$ 168,620	\$ 152,123	\$ 16,497
Total Disbursements	<u>\$ 160,285</u>	<u>\$ 156,348</u>	<u>\$ 3,937</u>	<u>\$ 168,620</u>	<u>\$ 152,123</u>	<u>\$ 16,497</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 6,002	\$ 6,002	\$ -
CASH, JANUARY 1	-	-	-	(6,002)	(6,002)	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Subtotal - Prior Page		261,612			300,191	
Cash Subtotal Carryforward		<u>\$ 261,612</u>			<u>\$ 300,191</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for Services	\$ 2,500	\$ 3,088	\$ 588	\$ 3,000	\$ 3,702	\$ 702
Interest	-	107	107	35	76	41
Other	-	1,793	1,793	100	2,167	2,067
Total Receipts	<u>\$ 2,500</u>	<u>\$ 4,988</u>	<u>\$ 2,488</u>	<u>\$ 3,135</u>	<u>\$ 5,945</u>	<u>\$ 2,810</u>
DISBURSEMENTS						
Sheriff	\$ 2,500	\$ 3,747	\$ (1,247)	\$ 2,000	\$ 6,501	\$ (4,501)
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 3,747</u>	<u>\$ (1,247)</u>	<u>\$ 2,000</u>	<u>\$ 6,501</u>	<u>\$ (4,501)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 1,241	\$ 2,840	\$ 1,135	\$ (556)	\$ 1,016
CASH, JANUARY 1	155	155	-	711	711	-
CASH, DECEMBER 31	<u>\$ 155</u>	\$ 1,396	<u>\$ 2,840</u>	<u>\$ 1,846</u>	\$ 155	<u>\$ 1,016</u>
Cash Subtotal - Prior Page		261,612			300,191	
Cash Subtotal Carryforward		<u>\$ 263,008</u>			<u>\$ 300,346</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for Services	\$ 500	\$ 772	\$ 272	\$ 1,000	\$ 922	\$ 78
Interest	500	1,254	754	240	411	(171)
Total Receipts	<u>\$ 1,000</u>	<u>\$ 2,026</u>	<u>\$ 1,026</u>	<u>\$ 1,240</u>	<u>\$ 1,333</u>	<u>\$ (93)</u>
DISBURSEMENTS						
Prosecuting Attorney	\$ 500	\$ 1,050	\$ (550)	\$ 500	\$ 500	\$ -
Total Disbursements	<u>\$ 500</u>	<u>\$ 1,050</u>	<u>\$ (550)</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 500	\$ 976	\$ 476	\$ 740	\$ 833	\$ (93)
CASH, JANUARY 1	10,281	10,281	-	9,448	9,448	-
CASH, DECEMBER 31	<u>\$ 10,781</u>	<u>\$ 11,257</u>	<u>\$ 476</u>	<u>\$ 10,188</u>	<u>\$ 10,281</u>	<u>\$ (93)</u>
Cash Subtotal - Prior Page		<u>263,008</u>			<u>300,346</u>	
Cash Subtotal Carryforward		<u>\$ 274,265</u>			<u>\$ 310,627</u>	

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

EXHIBIT G

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY ADMINISTRATION
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 30	\$ 305	\$ 275	\$ 10	\$ 56	\$ (46)
Other	1,500	1,875	375	1,000	2,265	(1,265)
Total Receipts	<u>\$ 1,530</u>	<u>\$ 2,180</u>	<u>\$ 650</u>	<u>\$ 1,010</u>	<u>\$ 2,321</u>	<u>\$ (1,311)</u>
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ 1,200	\$ -
Total Disbursements	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 330	\$ 980	\$ 650	\$ (190)	\$ 1,121	\$ (1,311)
CASH, JANUARY 1	1,753	1,753	-	632	632	-
CASH, DECEMBER 31	<u>\$ 2,083</u>	<u>\$ 2,733</u>	<u>\$ 650</u>	<u>\$ 442</u>	<u>\$ 1,753</u>	<u>\$ (1,311)</u>
Cash Subtotal - Prior Page		<u>274,265</u>			<u>310,627</u>	
Cash Subtotal Carryforward		<u>\$ 276,998</u>			<u>\$ 312,380</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY DELINQUENT TAX
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 125	\$ 411	\$ 286	\$ 244	\$ 108	\$ 136
Other	200	1,136	936	500	433	67
Total Receipts	<u>\$ 325</u>	<u>\$ 1,547</u>	<u>\$ 1,222</u>	<u>\$ 744</u>	<u>\$ 541</u>	<u>\$ 203</u>
DISBURSEMENTS						
Other Expenditures	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Total Disbursements	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,675)	\$ 1,547	\$ 4,222	\$ (2,256)	\$ 541	\$ (2,797)
CASH, JANUARY 1	<u>2,797</u>	<u>2,797</u>	<u>-</u>	<u>2,256</u>	<u>2,256</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 122</u>	<u>\$ 4,344</u>	<u>\$ 4,222</u>	<u>\$ -</u>	<u>\$ 2,797</u>	<u>\$ (2,797)</u>
Cash Subtotal - Prior Page		<u>276,998</u>			<u>312,380</u>	
Cash Subtotal Carryforward		<u>\$ 281,342</u>			<u>\$ 315,177</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
DOMESTIC VIOLENCE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 250	\$ 485	\$ 235	\$ 400	\$ 420	\$ (20)
Interest	-	15	15	5	6	(1)
Total Receipts	<u>\$ 250</u>	<u>\$ 500</u>	<u>\$ 250</u>	<u>\$ 405</u>	<u>\$ 426</u>	<u>\$ (21)</u>
DISBURSEMENTS						
Contracted Services	\$ 250	\$ 463	\$ (213)	\$ 400	\$ 450	\$ (50)
Total Disbursements	<u>\$ 250</u>	<u>\$ 463</u>	<u>\$ (213)</u>	<u>\$ 400</u>	<u>\$ 450</u>	<u>\$ (50)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 37	\$ 37	\$ 5	\$ (24)	\$ 29
CASH, JANUARY 1	249	249	-	273	273	-
CASH, DECEMBER 31	<u>\$ 249</u>	\$ 286	<u>\$ 37</u>	<u>\$ 278</u>	\$ 249	<u>\$ 29</u>
Cash Subtotal - Prior Page		281,342			315,177	
Cash Subtotal Carryforward		<u>\$ 281,628</u>			<u>\$ 315,426</u>	

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

RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
DRUG ENFORCEMENT
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	532	(532)
Interest	-	4	4	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 532</u>	<u>\$ (532)</u>
DISBURSEMENTS						
Drug Task Force	\$ -	\$ 300	\$ (300)	\$ -	\$ 2,333	\$ (2,333)
Total Disbursements	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ 2,333</u>	<u>\$ (2,333)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (296)	\$ (296)	\$ -	\$ (1,801)	\$ 1,801
CASH, JANUARY 1	<u>296</u>	<u>296</u>	<u>-</u>	<u>2,097</u>	<u>2,097</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ (296)</u>	<u>\$ 2,097</u>	<u>\$ 296</u>	<u>\$ 1,801</u>
Cash Subtotal - Prior Page		<u>281,628</u>			<u>315,426</u>	
Cash Subtotal Carryforward		<u>\$ 281,628</u>			<u>\$ 315,722</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEES
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 7,000	\$ 4,604	\$ (2,396.00)	\$ 5,000	\$ 5,534	\$ (534.00)
Interest	500	590	90	500	526	(26)
Total Receipts	<u>\$ 7,500</u>	<u>\$ 5,194</u>	<u>\$ (2,306)</u>	<u>\$ 5,500</u>	<u>\$ 6,060</u>	<u>\$ (560)</u>
DISBURSEMENTS						
Recorder	\$ 14,383	\$ 13,110	\$ 1,273	\$ 5,000	\$ 5,552	\$ (552)
Total Disbursements	<u>\$ 14,383</u>	<u>\$ 13,110</u>	<u>\$ 1,273</u>	<u>\$ 5,000</u>	<u>\$ 5,552</u>	<u>\$ (552)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,883)	\$ (7,916)	\$ (1,033)	\$ 500	\$ 508	\$ (8)
CASH, JANUARY 1	14,383	14,383	-	13,875	13,875	-
CASH, DECEMBER 31	<u>\$ 7,500</u>	\$ 6,467	<u>\$ (1,033)</u>	<u>\$ 14,375</u>	\$ 14,383	<u>\$ (8)</u>
Cash Subtotal - Prior Page		281,628			315,722	
Cash Subtotal Carryforward		<u>\$ 288,095</u>			<u>\$ 330,105</u>	

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

RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
911
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
E911 phone tax	\$ 104,424	\$ 103,549	\$ (875)	\$ 96,540	\$ 103,418	\$ 6,878
Interest	50	96	46	1,000	70	(930)
Transfers in	45,745	52,047	6,302	61,450	41,039	(20,411)
Total Receipts	<u>\$ 150,219</u>	<u>\$ 155,692</u>	<u>\$ 5,473</u>	<u>\$ 158,990</u>	<u>\$ 144,527</u>	<u>\$ (14,463)</u>
DISBURSEMENTS						
Salaries	\$ 78,626	\$ 82,758	\$ (4,132)	\$ 75,823	\$ 76,169	\$ (346)
Fringe Benefits	17,650	15,477	2,173	19,250	16,526	2,724
Office Supplies	4,000	3,946	54	2,000	4,326	(2,326)
Equipment	2,600	6,026	(3,426)	-	2,703	(2,703)
Lease purchase payments	27,743	27,743	-	27,743	27,743	-
Network	17,000	15,508	1,492	32,000	15,814	16,186
Other	2,600	4,234	(1,634)	4,140	3,212	928
Total Disbursements	<u>\$ 150,219</u>	<u>\$ 155,692</u>	<u>\$ (5,473)</u>	<u>\$ 160,956</u>	<u>\$ 146,493</u>	<u>\$ 14,463</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ (1,966)	\$ (1,966)	\$ -
CASH, JANUARY 1	-	-	-	1,966	1,966	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Subtotal - Prior Page		<u>288,095</u>			<u>330,105</u>	
Cash Subtotal Carryforward		<u>\$ 288,095</u>			<u>\$ 330,105</u>	

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

**RALLS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH - BUDGET AND ACTUAL
HEALTH CENTER FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property Taxes	\$ 120,000	\$ 111,697	\$ (8,303)	\$ 103,000	\$ 117,318	\$ 14,318
Intergovernmental	127,400	115,550	(11,850)	121,950	122,056	106
Charges for services	398,500	385,477	(13,023)	487,250	401,317	(85,933)
Interest	8,000	14,897	6,897	7,000	8,760	1,760
Other	8,500	14,469	5,969	21,500	17,105	(4,395)
Transfer in	21,500	28,085	6,585	35,250	21,058	(14,192)
Total Receipts	<u>\$ 683,900</u>	<u>\$ 670,175</u>	<u>\$ (13,725)</u>	<u>\$ 775,950</u>	<u>\$ 687,614</u>	<u>\$ (88,336)</u>
DISBURSEMENTS						
Salaries	\$ 375,000	\$ 363,693	\$ 11,307	\$ 500,000	\$ 437,977	\$ 62,023
Fringe Benefits	103,500	87,769	15,731	118,250	100,217	18,033
Office Supplies	60,800	33,538	27,262	55,200	59,390	(4,190)
Equipment	5,000	3,892	1,108	5,000	9,913	(4,913)
Mileage and Training	34,600	28,893	5,707	37,500	28,656	8,844
Program expenditures	59,000	41,061	17,939	28,000	29,841	(1,841)
Building expenses	23,000	24,650	(1,650)	24,000	22,593	1,407
Transfers out	22,500	28,085	(5,585)	35,250	21,058	14,192
Other	500	-	500	10,500	5,445	5,055
Total Disbursements	<u>\$ 683,900</u>	<u>\$ 611,581</u>	<u>\$ 72,319</u>	<u>\$ 813,700</u>	<u>\$ 715,090</u>	<u>\$ 98,610</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 58,594	\$ 58,594	\$ (37,750)	\$ (27,476)	\$ 10,274
CASH, JANUARY 1	<u>209,579</u>	<u>209,579</u>	<u>-</u>	<u>237,055</u>	<u>237,055</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 209,579</u>	<u>\$ 268,173</u>	<u>\$ 58,594</u>	<u>\$ 199,305</u>	<u>\$ 209,579</u>	<u>\$ 10,274</u>
Cash Subtotal - Prior Page		<u>288,095</u>			<u>330,105</u>	
Cash Subtotal Carryforward		<u>\$ 556,268</u>			<u>\$ 539,684</u>	

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

**RALLS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Ralls 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 of Trustees. 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.

Basis of Accounting

The financial statements were prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which 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.

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 1994 and RSMo Cumulative Supp. 1998, 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:

Fund	Year(s) Ended December 31,
Circuit Division Interest	1999 and 2000
Associate Circuit Division Interest	1999 and 2000

**RALLS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Practices (Continued)

Warrants issued were in excess of budgeted amounts for the following funds:

Fund	Year(s) Ended December 31,
Law Enforcement Training	1999 and 2000
Prosecuting Attorney Training	2000
Domestic Violence	1999 and 2000
Drug Enforcement	1999 and 2000
Recorder's User Fees	1999
911	2000

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Published Financial Statements

Under Sections 50.800 and 50.810, RSMO 1994, 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:

Fund	Year(s) Ended December 31,
Health Center Fund	1999 and 2000
Circuit Division Interest Fund	1999 and 2000
Associate Circuit Division Interest Fund	1999 and 2000

**RALLS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 2 CASH

The county has not adopted a formal investment policies for its monies. However, the county has also determined through experience that checking accounts and negotiable order of withdrawal (NOW) accounts are appropriate types of accounts or instruments for its needs.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and NOW 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

The County's deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name, or by commercial insurance provided through a surety bond.

The Health Center's Board's deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collateral securities held by the Board's custodial bank in the Board's name. However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

NOTE 3 TAXES

The assessed valuation of the tangible property for the calendar year 2000 and 1999 for purposes of local taxation was \$118,249,544 and \$116,153,164.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2000 and 1999 for purposes of local taxation was:

	2000	1999
General Revenue Fund	\$ 0.23	\$ 0.23
Special Road & Bridge Fund	0.27	0.27
Health Department	0.10	0.10
Total	\$ 0.60	\$ 0.60

These levies represent amounts directly received by the County for its purposes versus amounts collected by the County as a pass through on behalf of another entity.



Business Consultants → Certified Public Accountant

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

To the County Commission and
Officeholders of Ralls County, Missouri

We have audited the special-purpose financial statements of Ralls County, Missouri, as of and for the two years ended December 31, 2000, and have issued our report thereon dated May 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ralls County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of Ralls County in a separate letter dated May 10, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ralls County, Missouri's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Ralls County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 00-1.

Page Two

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and the use of the administration, management, County Commissioners, State of Missouri Auditor's Office and Federal and State awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

Original Signed by Auditor

LARSON, ALLEN, WEISHAIR & CO., LLP

May 10, 2001
St. Louis, Missouri



Business Consultants • Certified Public Accountants

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

To the County Commission and
Officeholders of Ralls County, Missouri

Compliance

We have audited the compliance of Ralls 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 year ended December 31, 2000 and 1999. Ralls County, Missouri'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 Ralls County, Missouri's management. Our responsibility is to express an opinion on Ralls County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Ralls County, Missouri'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 on Ralls County, Missouri's compliance with those requirements.

In our opinion, Ralls 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 year ended December 31, 2000 and 1999.

Internal Control Over Compliance

The management of Ralls County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ralls County, Missouri's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect Ralls County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 00-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and the use of the administration, management, County Commissioners, State of Missouri Auditor's Office and Federal and State awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

Original Signed by Auditor

LARSON, ALLEN, WEISHAIR & CO., LLP

May 10, 2001
St. Louis, Missouri

RALLS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

Section II – Financial Statement Findings

Finding: 00-1

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55*.

Condition: Lack of sufficient segregation of duties.

Questioned Costs: None.

Context: A review of the internal control procedures.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Management's Response: We will review periodically the size and budget constraints limiting the number of personnel within the accounting department. We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

Section III – Federal Awards Findings and Questioned Costs

Finding: 00-2

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55*.

Condition: Lack of sufficient segregation of duties.

Questioned Costs: None.

Context: A review of the internal control procedures.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

RALLS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Management's Response: We will review periodically the size and budget constraints limiting the number of personnel within the accounting department. We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

**RALLS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

Financial Statement Findings

The audit did not disclose any noncompliance which is material to the special-purpose financial statements of the County.

Federal Award Findings and Questioned Costs

Federal Grantor: U.S. Department of Transportation
Pass –Through Grantor: State Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Off-System Bridge Replacement and Rehabilitation Program
Pass-Through Entity: Not applicable
Identifying Number: BRO 087 (12)
Award Year: 1998
Questioned Costs: Not applicable

During the two years ended December 31, 1998 the county received reimbursements from the Missouri Department of Transportation for bridge replacement and rehabilitation expenditures under the Highway Planning and Construction Program – Off System Projects. The county normally pays such expenditures as the liability is incurred and prior to the reimbursement. However, we noted one reimbursement totaling \$44,578 which the county held 46 days before the related payment was made to the contractor.

Section 6.2.2 of the Cash Management Improvement Act Agreement between the State of Missouri and the Secretary of the Treasury, United States Department of the Treasury, states that federal funds shall be disbursed by the county within two days of receipt.

Recommendation:

The County Commission establish procedures to minimize the time elapsed between the receipt of federal monies and disbursement of such funds.

**RALLS COUNTY, MISSOURI
CORRECTIVE ACTION PLAN
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

Findings – Financial Statement Audit

Questions regarding the County's Corrective Action Plan should be directed to Gaylord Winders at 573-985-7111.

SCHEDULE 1

RALLS COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEARS ENDED DECEMBER 31, 1999 AND 2000

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
			1999	2000
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>				
Passed through State Department of Health Special Supplemental Nutrition Program for Women, Infants and Children	10.557	ER0045-4207	\$ 14,439	\$ 13,526
Total U.S. Department of Agriculture			\$ 14,439	\$ 13,526
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Passed through State Office of Administration Payments in Lieu of Real Estate Taxes	12.112	DDACW	\$ 5,375	\$ 18,055
Passed through State Department of Public Safety Surplus Property	12.xxx	43085-H0040	37,683	29,269
Total U.S. Department of Agriculture			\$ 43,058	\$ 47,324
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
Passed through Department of Economic Development Community Development Block Grant	14.228	98-PF-008/028	\$ 284,388	\$ 278,035
Total U.S. Department of Housing and Urban Development			\$ 284,388	\$ 278,035
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Passed through State Department of Public Safety: Local Law Enforcement Block Grants	16.592	98-LBG-077	\$ 4,893	\$ -
Total U.S. Department of Justice			\$ 4,893	\$ -
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through State Highway and Transportation Commission Off System Road and Bridge Replacement	20.205	BRO-087(13)	\$ 1,187	\$ 37,595
Total Environmental Protection Agency			\$ 1,187	\$ 37,595
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
Passed through State: Department of Health Childhood Immunization Grants	93.268	ERO-146-0187GPH	\$ 1,748	\$ -
Child Care and Development Block Grant	93.575	ERO-146-7207	1,385	6,491
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	ERS-161-10044	705	705
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention	93.197	ERO-146-0187CIPP	-	1,162
Preventative Health and Health Services Block Grant	93.991	C000151001C	1,411	6,325
Maternal and Child Health Services Block Grant to the States	93.994	ERO-146-7207	12,742	14,036
Department of Social Services: Child Support Enforcement Block Grant to the States	93.563	C002600091	1,733	908
Total U.S. Department of Health and Human Resources			\$ 19,724	\$ 29,627
Total Federal Financial Assistance			\$ 367,689	\$ 406,107

RALLS COUNTY, MISSOURI

MANAGEMENT LETTER

DECEMBER 31, 2000

To the County Commission and
Officeholders of Ralls County, Missouri:

In planning and performing our audit of the special-purpose financial statements of the Ralls County as of and for the two years ended December 31, 2000, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgement, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

REPORTABLE CONDITION

We noted the following reportable condition that is not considered to be a material weakness.

Segregation of Duties

The small size of the accounting department limits the extent of a proper segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. This results in some risk that intentional or unintentional errors could be made and not detected.

We noted the following:

1. The County Treasurer is responsible for recording various cash receipts, reconciling the bank statements, preparing and recording cash disbursements, and reconciling the general ledger.

OBSERVATIONS

We noted the following observations that are not considered to be reportable conditions, but are comments to help strengthen internal controls and operating efficiency.

Assessor's Office

Currently, the Assessor's Office does not always deposit money on a daily basis. We encourage the Assessor's Office to deposit monies on a daily basis and to continue to maintain all County monies in fully secured bank accounts, while gaining the Board of Commissioner's approval for opening and closing all bank and depository accounts.

Collector's Office

Currently, the Collector's Office does not always deposit money on a daily basis. We encourage the Collector's Office to deposit monies on a daily basis and to continue to maintain all County monies in fully secured bank accounts, while gaining the Board of Commissioner's approval for opening and closing all bank and depository accounts.

Changes in Reporting Requirements

The Governmental Accounting Standards Board recently released a new financial statement reporting requirement commonly referred to as "GASB 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". The intent of GASB 34 is to standardize financial statement reporting across governmental entities and to make them more comparable to statements issued by like-sized profit-seeking companies. Adherence to GASB 34 is a requirement for all local governmental entities, including school districts, and the gradual implementation requirement is as follows:

<u>Entities With Revenues</u>	<u>Fiscal Year Beginning After</u>
Greater than \$100 million	June 15, 2001
\$10 - \$100 million	June 15, 2002
Less than \$10 million	June 15, 2003

GASB 34 will require government-wide financial statements to include a Statement of Activities and a Statement of Net Assets. It will also require as supplemental information a narrative section referred to as "Management Discussion and Analysis" to further communicate the operations and goals of the School District. As management is ultimately responsible for the financial statements, they will likewise be responsible for all statements as reported under GASB 34.

License Bureau Operational

The County Collectors Office maintains a License Bureau in the County Court House. Certain County employees from the Collector's Office share duties with the License Bureau. In addition, certain County resources are devoted to the operation of the License Bureau. We recommend the County exercise a formal contract with the License Bureau delineating shared employees, duties of employees and reimbursement for shared costs and resources.

We recommend that the County familiarize itself with GASB 34 and the new reporting requirements prior to your implementation year. We encourage you to reference the GASB Guide to Implementation of GASB 34 Basic Financial Statements. As always, we remind you that the staff of LarsonAllen is available on a year-round basis and will gladly meet with you to plan for your County's implementation objectives. Furthermore, we will continue to update you as your compliance date nears.

Cooperation

We received complete cooperation from all County officials during the 1999 and 2000 audit. It appears that the overall accounting procedures laid down by the County, are being adhered to by the officials within each office.

We welcome the opportunity to discuss the points mentioned in this letter, or any other accounting and procedural problems in order to coordinate our efforts with you, the mutual objectives being the development of more effective accounting, financial reporting, and business procedures for the County.

We understand that some of the aforementioned points are in the process of implementation or may already have been implemented; however, these points are noted so that effective follow up can be accomplished.

Thank you for the opportunity to be of service to you. We sincerely appreciate all the courtesies and cooperation extended to us by you and your staff and remind you that we are available on a year-round basis. Please do not hesitate to call us whenever you believe we can be of assistance.

This report is intended solely for the information and use of the County Commission and Officeholders of Ralls County, and others within the administration.

LARSON, ALLEN, WEISHAIR & CO., LLP

May 10, 2001
St. Louis, Missouri