



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Randolph County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Randolph County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2009
Report No. 2009-125

ANNUAL FINANCIAL REPORT

RANDOLPH COUNTY, MISSOURI

For the Years Ended
December 31, 2008 and 2007

RANDOLPH COUNTY, MISSOURI

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INTRODUCTORY SECTION

RANDOLPH COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Susan Carter

Western District Commissioner – Randy Asbury

Eastern District Commissioner – Wayne Wilcox

Other Elected Officials

Assessor – Richard Tregnago

Circuit Clerk – Peggy Boots

Collector – Shiela Miller

Coroner – Gerald Luntsford

County Clerk – Jim Sears

Prosecuting Attorney – Mike Fusselman

Public Administrator – Martha Creed

Recorder – Mark Price

Sheriff – Mark Nichols

Treasurer – Becky Brown

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McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Randolph County, Missouri

We have audited the accompanying financial statements of Randolph County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, Randolph County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Randolph County, Missouri, as of December 31, 2008 and 2007, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Randolph County, Missouri, as of December 31, 2008 and 2007, and the receipts, disbursements and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 2, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(Original signed by Auditor)

McBride, Lock & Associates
July 2, 2009

FINANCIAL SECTION

RANDOLPH COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2007 AND 2008

Fund	Cash			Cash			Cash
	January 1, 2007	Receipts 2007	Disbursements 2007	December 31, 2007	Receipts 2008	Disbursements 2008	December 31, 2008
General Revenue	\$ (413,105)	\$ 2,740,238	\$ 2,324,761	\$ 2,372	\$ 2,802,013	\$ 2,553,242	\$ 251,143
Special Road and Bridge	433,778	1,413,107	1,258,586	588,299	1,160,051	1,402,888	345,462
Assessment	127,329	353,620	315,407	165,542	366,267	294,866	236,943
Prosecuting Attorney Training	400	1,369	2,960	(1,191)	1,378	1,985	(1,798)
Law Enforcement Training	25,174	7,965	9,102	24,037	8,524	7,618	24,943
Domestic Abuse	1,102	950	1,000	1,052	1,185	1,000	1,237
User	15,042	12,147	6,098	21,091	10,286	8,811	22,566
Sheriff	43,560	77,428	73,185	47,803	93,000	94,761	46,042
Local Emergency Planning Committee	23,066	6,773	4,061	25,778	5,369	1,065	30,082
Election Service	12,040	5,312	3,698	13,654	8,771	8,950	13,475
E-911	(5,544)	124,669	118,993	132	113,220	113,208	144
Recorder Tech	10,058	6,679	6,294	10,443	5,674	4,751	11,366
Prosecuting Attorney Bad Check	33,723	50,036	52,320	31,439	47,032	55,935	22,536
Collector Tax Maintenance	59,338	37,460	25,177	71,621	32,045	28,257	75,409
Cemetery Trust	24,481	691	1,976	23,196	643	2,357	21,482
Law Library	37,306	16,108	7,465	45,949	18,079	10,488	53,540
Circuit Clerk Interest	7,359	3,633	1,113	9,879	2,431	5,452	6,858
Prosecuting Attorney Grant	(8,751)	77,216	82,372	(13,907)	93,444	88,951	(9,414)
Justice Center	2,288	1,081,028	1,032,922	50,394	1,187,310	1,237,702	2
Sheriff Restitution	195	2,063	-	2,258	4,662	3,030	3,890
Capital	-	-	-	-	10,000	-	10,000
Building	-	-	-	-	25,000	-	25,000
Sheriff Deputy Supplemental	-	-	-	-	4,248	4,248	-
Parenting	8,527	3,605	2,235	9,897	3,832	2,235	11,494
Drug Court	-	684	30	654	2,830	330	3,154
Delinquent Tax Trust	725	4,324	1,040	4,009	1,954	5,236	727
Justice Center Bond Accounts	1,082,888	1,294,430	1,393,163	984,155	1,301,687	1,311,620	974,222
Total	<u>\$1,520,979</u>	<u>\$ 7,321,535</u>	<u>\$ 6,723,958</u>	<u>\$ 2,118,556</u>	<u>\$ 7,310,935</u>	<u>\$ 7,248,986</u>	<u>\$ 2,180,505</u>

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

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL FUND				
Year Ended December 31,				
	2007		2008	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 503,200	\$ 533,597	\$ 571,100	\$ 607,846
Sales taxes	1,300,000	1,253,875	1,292,000	1,286,277
Intergovernmental	264,204	272,802	236,480	186,703
Charges for services	584,200	587,001	593,700	593,916
Interest	2,100	7,768	10,000	15,658
Other	33,510	25,265	61,200	44,835
Transfers in	57,150	59,930	65,811	66,778
Total Receipts	<u>\$ 2,744,364</u>	<u>\$ 2,740,238</u>	<u>\$ 2,830,291</u>	<u>\$ 2,802,013</u>
DISBURSEMENTS				
County Commission	\$ 96,450	\$ 97,870	\$ 142,090	\$ 116,175
County Clerk	105,052	104,631	114,883	111,554
Elections	44,500	44,794	72,000	87,944
Buildings and grounds	86,577	126,958	81,415	66,049
Employee fringe benefits	318,427	331,963	361,055	346,910
Treasurer	44,875	44,612	46,705	46,505
Collector	114,243	113,059	113,483	108,071
Recorder of Deeds	89,755	88,653	91,196	91,509
Circuit Clerk	67,000	42,964	75,930	64,731
Associate Circuit Court	17,500	10,694	17,800	9,432
Associate Circuit (Probate) Court	3,500	2,391	3,700	3,568
Court administration	2,000	1,132	2,000	575
Public Administrator	68,963	68,406	72,779	70,993
Sheriff	573,050	650,878	661,581	621,449
Jail (See Justice Center Fund)	-	-	-	-
Prosecuting Attorney	231,700	229,066	287,042	279,371
Juvenile Officer	292,465	199,106	264,965	190,253
Coroner	24,400	34,776	33,664	36,010
Other general revenue	139,066	99,708	108,975	117,743
Health and welfare	-	-	-	-
Transfers out	149,231	29,000	152,650	184,400
Emergency fund	82,300	4,100	84,909	-
Total Disbursements	<u>\$ 2,551,054</u>	<u>\$ 2,324,761</u>	<u>\$ 2,788,822</u>	<u>\$ 2,553,242</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 193,310	\$ 415,477	\$ 41,469	\$ 248,771
CASH, JANUARY 1	<u>(413,105)</u>	<u>(413,105)</u>	<u>2,372</u>	<u>2,372</u>
CASH, DECEMBER 31	<u>\$ (219,795)</u>	<u>\$ 2,372</u>	<u>\$ 43,841</u>	<u>\$ 251,143</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 511,250	\$ 415,035	\$ 447,500	\$ 341,151	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	750,000	738,376	725,815	663,117	328,526	339,486	340,000	355,876
Charges for services	91,000	75,672	69,000	71,905	1,200	1,822	1,500	755
Interest	28,000	41,257	40,000	16,273	8,000	12,299	12,000	6,469
Other	5,500	142,767	11,500	67,605	-	13	500	3,167
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,385,750</u>	<u>\$ 1,413,107</u>	<u>\$ 1,293,815</u>	<u>\$ 1,160,051</u>	<u>\$ 337,726</u>	<u>\$ 353,620</u>	<u>\$ 354,000</u>	<u>\$ 366,267</u>
DISBURSEMENTS								
Salaries	\$ 336,373	\$ 301,004	\$ 346,842	\$ 329,435	\$ 214,500	\$ 205,985	\$ 202,119	\$ 191,319
Employee fringe benefits	126,910	116,298	134,546	124,973	60,309	61,686	60,872	59,832
Materials and Supplies	363,500	536,845	437,500	431,139	32,200	27,490	33,500	23,192
Services and Other	266,225	236,064	262,250	346,859	39,600	20,246	30,500	20,523
Capital Outlay	50,000	8,445	125,000	100,606	-	-	-	-
Construction	-	-	10,000	3,098	-	-	-	-
Transfers out	57,150	59,930	65,811	66,778	-	-	-	-
Total Disbursements	<u>\$ 1,200,158</u>	<u>\$ 1,258,586</u>	<u>\$ 1,381,949</u>	<u>\$ 1,402,888</u>	<u>\$ 346,609</u>	<u>\$ 315,407</u>	<u>\$ 326,991</u>	<u>\$ 294,866</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 185,592	\$ 154,521	\$ (88,134)	\$ (242,837)	\$ (8,883)	\$ 38,213	\$ 27,009	\$ 71,401
CASH, JANUARY 1	<u>433,778</u>	<u>433,778</u>	<u>588,299</u>	<u>588,299</u>	<u>127,329</u>	<u>127,329</u>	<u>165,542</u>	<u>165,542</u>
CASH, DECEMBER 31	<u><u>\$ 619,370</u></u>	<u><u>\$ 588,299</u></u>	<u><u>\$ 500,165</u></u>	<u><u>\$ 345,462</u></u>	<u><u>\$ 118,446</u></u>	<u><u>\$ 165,542</u></u>	<u><u>\$ 192,551</u></u>	<u><u>\$ 236,943</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,400	1,369	1,300	1,378	8,500	7,965	8,000	8,524
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,400</u>	<u>\$ 1,369</u>	<u>\$ 1,300</u>	<u>\$ 1,378</u>	<u>\$ 8,500</u>	<u>\$ 7,965</u>	<u>\$ 8,000</u>	<u>\$ 8,524</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,800	2,960	109	1,985	10,000	9,102	10,000	7,618
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,800</u>	<u>\$ 2,960</u>	<u>\$ 109</u>	<u>\$ 1,985</u>	<u>\$ 10,000</u>	<u>\$ 9,102</u>	<u>\$ 10,000</u>	<u>\$ 7,618</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (400)</u>	<u>\$ (1,591)</u>	<u>\$ 1,191</u>	<u>\$ (607)</u>	<u>\$ (1,500)</u>	<u>\$ (1,137)</u>	<u>\$ (2,000)</u>	<u>\$ 906</u>
CASH, JANUARY 1	<u>400</u>	<u>400</u>	<u>(1,191)</u>	<u>(1,191)</u>	<u>25,174</u>	<u>25,174</u>	<u>24,037</u>	<u>24,037</u>
CASH, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ (1,191)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,798)</u></u>	<u><u>\$ 23,674</u></u>	<u><u>\$ 24,037</u></u>	<u><u>\$ 22,037</u></u>	<u><u>\$ 24,943</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DOMESTIC ABUSE FUND				USER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,000	950	950	1,185	13,000	11,241	10,050	9,748
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	400	906	800	538
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 1,185</u>	<u>\$ 13,400</u>	<u>\$ 12,147</u>	<u>\$ 10,850</u>	<u>\$ 10,286</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	7,000	958	6,200	731
Services and Other	1,000	1,000	1,000	1,000	16,800	5,140	14,950	8,080
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 23,800</u>	<u>\$ 6,098</u>	<u>\$ 21,150</u>	<u>\$ 8,811</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (50)	\$ (50)	\$ 185	\$ (10,400)	\$ 6,049	\$ (10,300)	\$ 1,475
CASH, JANUARY 1	<u>1,102</u>	<u>1,102</u>	<u>1,052</u>	<u>1,052</u>	<u>15,042</u>	<u>15,042</u>	<u>21,091</u>	<u>21,091</u>
CASH, DECEMBER 31	<u>\$ 1,102</u>	<u>\$ 1,052</u>	<u>\$ 1,002</u>	<u>\$ 1,237</u>	<u>\$ 4,642</u>	<u>\$ 21,091</u>	<u>\$ 10,791</u>	<u>\$ 22,566</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	45,000	55,072	55,000	63,756	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	2,580	2,500	1,384	1,000	1,318	1,300	730
Other	13,300	19,776	24,000	27,860	1,500	5,455	5,500	4,639
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 60,300</u>	<u>\$ 77,428</u>	<u>\$ 81,500</u>	<u>\$ 93,000</u>	<u>\$ 2,500</u>	<u>\$ 6,773</u>	<u>\$ 6,800</u>	<u>\$ 5,369</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	60,000	65,158	65,000	88,822	3,000	2,759	2,000	-
Services and Other	7,000	8,027	7,000	5,939	5,000	1,302	1,600	1,065
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 67,000</u>	<u>\$ 73,185</u>	<u>\$ 72,000</u>	<u>\$ 94,761</u>	<u>\$ 8,000</u>	<u>\$ 4,061</u>	<u>\$ 3,600</u>	<u>\$ 1,065</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (6,700)</u>	<u>\$ 4,243</u>	<u>\$ 9,500</u>	<u>\$ (1,761)</u>	<u>\$ (5,500)</u>	<u>\$ 2,712</u>	<u>\$ 3,200</u>	<u>\$ 4,304</u>
CASH, JANUARY 1	<u>43,560</u>	<u>43,560</u>	<u>47,803</u>	<u>47,803</u>	<u>23,066</u>	<u>23,066</u>	<u>25,778</u>	<u>25,778</u>
CASH, DECEMBER 31	<u><u>\$ 36,860</u></u>	<u><u>\$ 47,803</u></u>	<u><u>\$ 57,303</u></u>	<u><u>\$ 46,042</u></u>	<u><u>\$ 17,566</u></u>	<u><u>\$ 25,778</u></u>	<u><u>\$ 28,978</u></u>	<u><u>\$ 30,082</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	ELECTION SERVICE FUND				E-911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000	4,644	5,000	8,453	89,550	95,669	102,000	97,220
Interest	450	668	800	318	-	-	-	-
Other	-	-	-	-	2,793	-	-	-
Transfers in	-	-	-	-	43,146	29,000	12,231	16,000
Total Receipts	<u>\$ 1,450</u>	<u>\$ 5,312</u>	<u>\$ 5,800</u>	<u>\$ 8,771</u>	<u>\$ 135,489</u>	<u>\$ 124,669</u>	<u>\$ 114,231</u>	<u>\$ 113,220</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 15,839	\$ 12,935	\$ 11,315
Employee fringe benefits	5,000	2,945	6,500	5,613	6,959	4,557	1,047	1,031
Materials and Supplies	5,000	753	5,000	3,337	-	-	-	789
Services and Other	-	-	-	-	102,700	98,597	100,000	100,073
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 3,698</u>	<u>\$ 11,500</u>	<u>\$ 8,950</u>	<u>\$ 129,659</u>	<u>\$ 118,993</u>	<u>\$ 113,982</u>	<u>\$ 113,208</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,550)	\$ 1,614	\$ (5,700)	\$ (179)	\$ 5,830	\$ 5,676	\$ 249	\$ 12
CASH, JANUARY 1	<u>12,040</u>	<u>12,040</u>	<u>13,654</u>	<u>13,654</u>	<u>(5,544)</u>	<u>(5,544)</u>	<u>132</u>	<u>132</u>
CASH, DECEMBER 31	<u><u>\$ 3,490</u></u>	<u><u>\$ 13,654</u></u>	<u><u>\$ 7,954</u></u>	<u><u>\$ 13,475</u></u>	<u><u>\$ 286</u></u>	<u><u>\$ 132</u></u>	<u><u>\$ 381</u></u>	<u><u>\$ 144</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	RECORDER TECH FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	6,900	6,085	5,250	5,390	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	200	594	480	284	-	-	-	-
Other	-	-	-	-	40,000	50,036	39,050	47,032
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,100</u>	<u>\$ 6,679</u>	<u>\$ 5,730</u>	<u>\$ 5,674</u>	<u>\$ 40,000</u>	<u>\$ 50,036</u>	<u>\$ 39,050</u>	<u>\$ 47,032</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	16,000	6,294	10,000	4,751	-	-	-	-
Services and Other	-	-	-	-	47,400	36,712	39,050	33,156
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	15,608	-	22,779
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 6,294</u>	<u>\$ 10,000</u>	<u>\$ 4,751</u>	<u>\$ 47,400</u>	<u>\$ 52,320</u>	<u>\$ 39,050</u>	<u>\$ 55,935</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (8,900)</u>	<u>\$ 385</u>	<u>\$ (4,270)</u>	<u>\$ 923</u>	<u>\$ (7,400)</u>	<u>\$ (2,284)</u>	<u>\$ -</u>	<u>\$ (8,903)</u>
CASH, JANUARY 1	<u>10,058</u>	<u>10,058</u>	<u>10,443</u>	<u>10,443</u>	<u>33,723</u>	<u>33,723</u>	<u>31,439</u>	<u>31,439</u>
CASH, DECEMBER 31	<u>\$ 1,158</u>	<u>\$ 10,443</u>	<u>\$ 6,173</u>	<u>\$ 11,366</u>	<u>\$ 26,323</u>	<u>\$ 31,439</u>	<u>\$ 31,439</u>	<u>\$ 22,536</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR TAX MAINTENANCE FUND				CEMETERY TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	600	641	600	643
Other	37,460	37,460	35,967	32,045	-	50	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 37,460</u>	<u>\$ 37,460</u>	<u>\$ 35,967</u>	<u>\$ 32,045</u>	<u>\$ 600</u>	<u>\$ 691</u>	<u>\$ 600</u>	<u>\$ 643</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	25,177	25,177	75,905	28,257	2,350	1,976	2,200	2,357
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 25,177</u>	<u>\$ 25,177</u>	<u>\$ 75,905</u>	<u>\$ 28,257</u>	<u>\$ 2,350</u>	<u>\$ 1,976</u>	<u>\$ 2,200</u>	<u>\$ 2,357</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 12,283</u>	<u>\$ 12,283</u>	<u>\$ (39,938)</u>	<u>\$ 3,788</u>	<u>\$ (1,750)</u>	<u>\$ (1,285)</u>	<u>\$ (1,600)</u>	<u>\$ (1,714)</u>
CASH, JANUARY 1	<u>59,338</u>	<u>59,338</u>	<u>71,621</u>	<u>71,621</u>	<u>24,481</u>	<u>24,481</u>	<u>23,196</u>	<u>23,196</u>
CASH, DECEMBER 31	<u><u>\$ 71,621</u></u>	<u><u>\$ 71,621</u></u>	<u><u>\$ 31,683</u></u>	<u><u>\$ 75,409</u></u>	<u><u>\$ 22,731</u></u>	<u><u>\$ 23,196</u></u>	<u><u>\$ 21,596</u></u>	<u><u>\$ 21,482</u></u>

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RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW LIBRARY FUND				CIRCUIT CLERK INTEREST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	16,108	10,000	18,079	-	-	-	-
Interest	-	-	-	-	1,800	3,633	3,000	2,431
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,000</u>	<u>\$ 16,108</u>	<u>\$ 10,000</u>	<u>\$ 18,079</u>	<u>\$ 1,800</u>	<u>\$ 3,633</u>	<u>\$ 3,000</u>	<u>\$ 2,431</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	7,465	10,000	10,488	3,252	1,113	3,000	452
Services and Other	-	-	-	-	2,000	-	3,500	5,000
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 7,465</u>	<u>\$ 10,000</u>	<u>\$ 10,488</u>	<u>\$ 5,252</u>	<u>\$ 1,113</u>	<u>\$ 6,500</u>	<u>\$ 5,452</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 8,643	\$ -	\$ 7,591	\$ (3,452)	\$ 2,520	\$ (3,500)	\$ (3,021)
CASH, JANUARY 1	<u>37,306</u>	<u>37,306</u>	<u>45,949</u>	<u>45,949</u>	<u>7,359</u>	<u>7,359</u>	<u>9,879</u>	<u>9,879</u>
CASH, DECEMBER 31	<u>\$ 37,306</u>	<u>\$ 45,949</u>	<u>\$ 45,949</u>	<u>\$ 53,540</u>	<u>\$ 3,907</u>	<u>\$ 9,879</u>	<u>\$ 6,379</u>	<u>\$ 6,858</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY GRANT FUND				JUSTICE CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	71,877	61,608	70,291	70,665	175,000	262,095	207,000	300,977
Charges for services	-	-	-	-	100,000	99,314	91,000	77,203
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	25,000	83,619	50,000	95,038
Transfers in	18,209	15,608	22,659	22,779	742,085	636,000	755,419	714,092
Total Receipts	<u>\$ 90,086</u>	<u>\$ 77,216</u>	<u>\$ 92,950</u>	<u>\$ 93,444</u>	<u>\$ 1,042,085</u>	<u>\$ 1,081,028</u>	<u>\$ 1,103,419</u>	<u>\$ 1,187,310</u>
DISBURSEMENTS								
Salaries	\$ 72,000	\$ 74,259	\$ 72,000	\$ 81,051	\$ 471,000	\$ 470,930	\$ 481,521	\$ 490,518
Employee fringe benefits	9,335	8,113	6,998	7,900	154,035	166,283	192,571	198,851
Materials and Supplies	-	-	-	-	45,500	46,797	48,220	49,423
Services and Other	-	-	-	-	371,550	348,912	441,500	498,910
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 81,335</u>	<u>\$ 82,372</u>	<u>\$ 78,998</u>	<u>\$ 88,951</u>	<u>\$ 1,042,085</u>	<u>\$ 1,032,922</u>	<u>\$ 1,163,812</u>	<u>\$ 1,237,702</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 8,751	\$ (5,156)	\$ 13,952	\$ 4,493	\$ -	\$ 48,106	\$ (60,393)	\$ (50,392)
CASH, JANUARY 1	<u>(8,751)</u>	<u>(8,751)</u>	<u>(13,907)</u>	<u>(13,907)</u>	<u>2,288</u>	<u>2,288</u>	<u>50,394</u>	<u>50,394</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ (13,907)</u>	<u>\$ 45</u>	<u>\$ (9,414)</u>	<u>\$ 2,288</u>	<u>\$ 50,394</u>	<u>\$ (9,999)</u>	<u>\$ 2</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF RESTITUTION FUND				CAPITAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	2,063	2,000	4,662	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	10,000
Total Receipts	<u>\$ 500</u>	<u>\$ 2,063</u>	<u>\$ 2,000</u>	<u>\$ 4,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	3,030	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 500	\$ 2,063	\$ 2,000	\$ 1,632	\$ -	\$ -	\$ -	\$ 10,000
CASH, JANUARY 1	<u>195</u>	<u>195</u>	<u>2,258</u>	<u>2,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 695</u></u>	<u><u>\$ 2,258</u></u>	<u><u>\$ 4,258</u></u>	<u><u>\$ 3,890</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,000</u></u>

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RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BUILDING FUND				SHERIFF DEPUTY SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	4,248
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	25,000	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,248</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	4,248
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,248</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	PARENTING FUND				DRUG COURT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	3,605	3,500	3,832	-	684	1,000	2,830
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,500</u>	<u>\$ 3,605</u>	<u>\$ 3,500</u>	<u>\$ 3,832</u>	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ 1,000</u>	<u>\$ 2,830</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	2,235	4,000	2,235	-	30	500	330
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 2,235</u>	<u>\$ 4,000</u>	<u>\$ 2,235</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 500</u>	<u>\$ 330</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,500	\$ 1,370	\$ (500)	\$ 1,597	\$ -	\$ 654	\$ 500	\$ 2,500
CASH, JANUARY 1	<u>8,527</u>	<u>8,527</u>	<u>9,897</u>	<u>9,897</u>	<u>-</u>	<u>-</u>	<u>654</u>	<u>654</u>
CASH, DECEMBER 31	<u><u>\$ 12,027</u></u>	<u><u>\$ 9,897</u></u>	<u><u>\$ 9,397</u></u>	<u><u>\$ 11,494</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 654</u></u>	<u><u>\$ 1,154</u></u>	<u><u>\$ 3,154</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	DELINQUENT TAX TRUST FUND				JUSTICE CENTER BOND ACCOUNTS			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,252,285	\$ -	\$ 1,286,740
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	42,145	-	-	14,947
Other	4,324	4,324	1,954	1,954	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,324</u>	<u>\$ 4,324</u>	<u>\$ 1,954</u>	<u>\$ 1,954</u>	<u>\$ -</u>	<u>\$ 1,294,430</u>	<u>\$ -</u>	<u>\$ 1,301,687</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,040	1,040	5,236	5,236	-	757,163	-	730,928
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	636,000	-	580,692
Total Disbursements	<u>\$ 1,040</u>	<u>\$ 1,040</u>	<u>\$ 5,236</u>	<u>\$ 5,236</u>	<u>\$ -</u>	<u>\$ 1,393,163</u>	<u>\$ -</u>	<u>\$ 1,311,620</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 3,284</u>	<u>\$ 3,284</u>	<u>\$ (3,282)</u>	<u>\$ (3,282)</u>	<u>\$ -</u>	<u>\$ (98,733)</u>	<u>\$ -</u>	<u>\$ (9,933)</u>
CASH, JANUARY 1	<u>725</u>	<u>725</u>	<u>4,009</u>	<u>4,009</u>	<u>-</u>	<u>1,082,888</u>	<u>-</u>	<u>984,155</u>
CASH, DECEMBER 31	<u><u>\$ 4,009</u></u>	<u><u>\$ 4,009</u></u>	<u><u>\$ 727</u></u>	<u><u>\$ 727</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 984,155</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 974,222</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RANDOLPH COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Randolph County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/ Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Randolph County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor’s Office to comprise the County’s legal entity.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The County did adopt a formal budget for all funds except the Drug Court and Justice Center Bond Funds in 2007, and the

Capital, Building, Sheriff Deputy Supplemental and Justice Center Bond Funds in 2008.

10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2008</u>	<u>2007</u>
Special Road & Bridge	X	X
Prosecuting Attorney Training	X	X
Sheriff	X	X
Prosecuting Attorney Bad Check	X	X
Cemetery Trust	X	N/A
Law Library	X	N/A
Prosecuting Attorney Grant	X	X
Justice Center	X	N/A
Sheriff Restitution	X	N/A
Sheriff Deputy Supplemental	X	N/A
Parenting	N/A	X
Drug Court	N/A	X
Justice Center Bond Accounts	X	X

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 265,121,670	\$ 212,133,660
Personal Property	84,724,941	79,063,080
Railroad and Utilities	48,176,882	36,026,373

During 2008 and 2007 the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	<u>2008</u>	<u>2007</u>
General Revenue Fund	\$ 0.1776	\$ 0.1782
Special Road & Bridge	0.2023	0.2013

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amounts of the County's deposits were \$2,180,505 and \$2,118,556. In addition, at December 31, 2008 and 2007 the County Collector held cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Senior Citizens and Sheltered Workshop funds. These carrying monies amounted to \$18,702,466 and \$14,974,729 at December 31, 2008 and 2007, respectively. The corresponding bank balances were \$11,586,961 and \$10,594,578, respectively. Of the bank balances, \$814,947 and \$813,193 for December 31, 2008 and December 31, 2007, respectively, were covered by federal depository insurance and \$10,772,014 and \$9,781,385, respectively, were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

The County also has on deposit with a trustee bank the proceeds of the Justice Center bond issue in the amount of 974,222 and \$984,155 at December 31, 2008 and 2007, respectively.

3. RETIREMENT PLANS

Missouri Local Government Employees Retirement Systems (LAGERS)

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Plan Description

Randolph County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

B. Pension Benefits

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty (police, age fifty-five), or a reduced benefit annuity at age fifty-five (police, age fifty). Any member with less than five years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

C. Funding Status

Randolph County's full-time employees contribute 4% of gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the 2008 rate was 1% (general), 2.9% (police) of annual covered payroll. Beginning in 2009 the rates will be .9% (general) and 2.7% (police). The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

D. Annual Pension Cost

For 2008 and 2007, the political subdivision's annual pension costs were \$34,575 and \$47,242 respectively. These amounts were equal to the required and actual contribution.

County Employees' Retirement Fund - CERF

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age 55. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 4% to 6% of gross compensation, depending on LAGERS participation, is required for all participants hired on or after February 2002. A contribution of 0% to 4% of compensation, depending on LAGERS participation, is required of employees hired before February 2002. A lesser contribution requirement applies to employees who participate in LAGERS. The source of funding of these contributions is determined by each county.

D. Annual Pension Cost

During 2008 and 2007, the County collected and remitted to CERF employee contributions of approximately \$46,067 and \$39,779, respectively, for the years then ended, equal to the required contributions.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 24 days of sick time -- to accrue at one half day per complete calendar month of employment up to 24 days. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of one day per month with a maximum carryover at the employee's anniversary date of 5 days.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2008:

- A. \$5,600,000 in Public Facilities Authority Leasehold Revenue Bonds, Series 2004, for the construction of the Justice Center which houses Sheriff's department employees and the County jail. Principal payments vary and are made annually on April 1; interest payments are made semiannually on April 1 and October 1. Scheduled maturity date for the bonds is April 1, 2020. Payments are made using receipts from a ½ cent sales tax approved by County voters in 2002.
- B. \$13,285 for an operating lease of two Sheriff's department vehicles. The final lease payment is scheduled for 2009 in the amount of \$14,195 including interest. The County has a lease purchase option at that time of \$1 per vehicle. Default on the lease occurs if the County is ten or more days late on making a scheduled payment. Payments are made using available monies in the Sheriff's Fund.
- C. \$13,992 for an operating lease of a Chevrolet Trailblazer by the Sheriff's department. The lease is scheduled to be paid in four variable annual payments with interest at 17.85% annually. The final payment is scheduled for 2011. Payments are made using available monies in the Sheriff's Fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and Officeholders of Randolph County, Missouri

We have audited the accompanying financial statements of Randolph County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 2, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Randolph County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Randolph County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Randolph County, Missouri's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Randolph County, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Randolph County, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the Randolph County, Missouri's internal control. We consider the deficiencies described in the schedule of findings and recommendations as items 1 and 2 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Randolph County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* that are identified as items 3 through 7.

We also noted a certain matter that we reported to management of Randolph County, Missouri, in the findings and recommendations section as item 8.

Randolph County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Randolph County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
July 2, 2009

FINDINGS AND RECOMMENDATIONS

RANDOLPH COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Expenditures

Condition: 1) The County Clerk's office does not mark invoices as paid after the Commission approves claims for payment. A Deputy County Clerk indicated that the County has acquired a stamp for this purpose and will begin stamping invoices. 2) Invoices for the purchase of rock and a tractor by the Road & Bridge department and cleaning services at the Justice Center were not approved by the department heads or other employees of the department before being submitted to the County Clerk. The Clerk's office indicated that if an invoice is sent directly to their office, no attempt is made to contact the department that made the purchase to ensure that the invoice is for a legitimate purchase and that the goods or services were received. 3) The purchase of a pickup truck by the Sheriff was not properly supported. Attached to the claim was the bid received from the vendor rather than an invoice. The amount of the bid was different than the amount that the County actually paid for the truck.

Recommendation: We recommend that 1) the County Clerk's office mark each invoice as paid immediately after it is approved for payment by the County Commission to prevent invoices being presented for payment more than once; 2) all invoices be approved by the department head or another employee of the department making the purchase to ensure that all invoices presented for payment are for authorized purchases and that the goods or services being paid for have been received; 3) all payments have sufficient documentation to support the legitimacy and the amount of the expenditure.

County's Response: All three recommendations have been implemented: invoices are being date stamped; invoices needing department approval are being authorized and approved before payment and a county policy on documentation of purchases has been adopted.

2. Inadequate Controls over Assessment Values

Condition: The County Assessor does not have adequate control over assessment values. All staff members have unlimited access to the assessment value database after entering personal password. Therefore, the records within the system can be altered by any member of the staff without appropriate authorization or oversight. Assessment value changes should be monitored to limit errors and prevent unauthorized changes to property values.

Recommendation: We recommend that the County implement a process to account for changes to the assessment value database. Also, the Assessor should review change reports reflecting modifications to assessed valuations for propriety.

County's Response: The Assessor recognizes that added oversight is highly beneficial to the security and integrity of the assessment function, and, has contacted the software programmer to install such items that will provide a higher degree of safeguards over the current programming. It is the intention of the Assessor to implement these new safeguards this year.

ITEMS OF NONCOMPLIANCE

3. Budgetary Controls

Condition:

a. Expenditures in Excess of Budget

The County had expenditures in excess of budgeted amounts for a number of funds in both 2007 and 2008, including major funds such as Road & Bridge and Justice Center. By law, the County is prohibited from having actual expenditures in excess of budgeted amounts for each individual fund. See note 1.D.10 in the above notes to the financial statements for a complete list of funds that were over budget.

b. Deficit Cash Positions

Two funds during the audit period reported expended cash in excess of the cash balance in the fund. The funds and amounts for which this occurred are as follows:

Fund	2007	2008
Prosecuting Attorney Training	\$ (1,191)	(1,798)
Prosecuting Attorney Grant	(13,907)	(9,414)

Use of funds in excess of available balances creates an implicit borrowing on other funds which can also result in statutory violations pertaining to the use of those funds.

Recommendation: We recommend that the County strictly adhere to the budget, and not authorize any expenditure which results in, or increases, the negative cash balance of a fund. Furthermore, the County should properly amend the budget if circumstances arise during the year that require or allow for additional expenditures.

County's Response: The County will continue to monitor the revenues and expenses to ensure they are kept within the budget guidelines. In addition, procedures will be considered to ensure budgets are properly amended in accordance with the audit recommendation.

4. Variations Between Budgets and Published Financial Statements

Condition: 1) The Prosecuting Attorney Bad Check fund and Collector Tech (Tax Maintenance) fund had material discrepancies between amounts reported as fund balances, receipts, and disbursements on the approved budgets sent to the State Auditor by the County Clerk and the financial statements published in the local newspaper. The County Clerk reported 2006 receipts and expenditures and 2007 expenditures as zero for the Bad Check fund, however the Treasurer's Settlement showed that the fund did have activity in 2006 and expenditures in 2007. This caused the ending fund balances on the budgets to differ from those reported on the published financial statements (which agree with the Treasurer's Settlement). The following table summarizes the variances in fund balance for the Bad Check fund:

<u>Balance As of:</u>	<u>County Clerk (Budget)</u>	<u>Treasurer's Settlement</u>	<u>Published Financial Statements</u>	<u>Variance</u>
12/31/06	\$ 20,345	\$ 33,723	\$ 33,723	\$(13,378)
12/31/07	70,381	31,439	31,439	38,942
12/31/08	61,478	22,536	22,535	38,942

The County Clerk indicated that this was because he did not receive the financial data related to the Bad Check fund from the Prosecuting Attorney. According to the Treasurer, monthly reconciliations between her records and those of the Clerk are regularly performed, but the reconciliations do not include this fund. Bad Check fund expenditures are not processed by the normal expenditure system; therefore the County Clerk does not keep a record of the activity of this fund.

2) The County Clerk reported a different amount of receipts and expenditures on the budget for the Tax Maintenance fund in 2007 than was reported on the Treasurer's Settlement and published financial statements showed, although both reported the same beginning fund balance. This led to the following difference in the ending fund balance as of December 31, 2007:

<u>Balance As of:</u>	<u>County Clerk (Budget)</u>	<u>Treasurer's Settlement</u>	<u>Published Financial Statements</u>	<u>Variance</u>
12/31/07	\$ 39,929	\$ 71,621	\$ 71,621	\$(31,692)

However, on the 2009 budget, the County Clerk reported the December 31, 2007 fund balance as \$71,621 rather than \$39,929. The budget and published financial statement reported the same fund balance as of December 31, 2008.

Recommendation: We recommend that County officials work together to ensure that all amounts reported on the budgets and published financial statements are accurate and in agreement. The County Clerk has a statutory responsibility to reconcile with the Treasurer and to publish reliable financial statements. We recommend that the Clerk and Treasurer reconcile the balances of all funds including the Prosecuting Attorney Bad Check fund on a monthly basis. Accordingly, we recommend that disbursements from the Bad Check fund be provided to the County Clerk on a timely basis each month, in order to allow the County Clerk to keep records of activity in all funds.

County's Response: The County will attempt to implement this recommendation.

5. Interfund Transfers

Condition: The County's records of transfers from funds did not equal transfers to funds in either 2007 or 2008. This out-of-balance situation occurred because transactions are recorded inconsistently. The County collects the property tax levy for the Moberly Special Road District, which is a separate entity, and keeps a withholding of 20% for common roads and administration. This withholding was improperly recorded as a transfer in to the Road & Bridge fund in 2007 and 2008 instead of as Fees and Charges. The County recorded grants funds from the state as transfers in to the Prosecuting Attorney Grant fund in both years. This money should have been recorded as intergovernmental revenue. Also, the County improperly recorded money received from Commerce Bank for Justice Center operations as a transfer in to the Justice Center fund in both years. Transfers in and out should only be recorded for transactions between County funds and should at all times be equal and thus in balance.

Recommendation: We recommend that the County record transfers in and out only for transactions between County funds and ensure that they are recorded consistently and are in balance.

County Response: The County Treasurer is compiling information to implement this recommendation.

6. Outstanding Checks

Condition: As of December 31, 2008, the County Treasurer listed on the bank reconciliation 27 outstanding checks that were written prior to 2008. One was written in 1999, one in 2002, six in 2004, 8 in 2005, seven in 2006, and three in 2007. All of these checks were for minor amounts with the largest being \$27. The total amount of all the outstanding checks was \$379. None of these checks had been voided or the subject of a stop payment order.

According to RSMo 447.532.1, "All intangible personal property... that has remained unclaimed by the owner for more than three years is deemed abandoned and shall be turned over immediately to the treasurer pursuant to section 447.543." The Missouri State Treasurer has defined unclaimed property to include stale outstanding checks. Furthermore, as long as the County has stale outstanding checks older than three years, a Report of Unclaimed Property should be filed annually by November 1st as provided in RSMo 447.539.

Recommendation: We recommend that the County remit dollars represented by the outstanding checks that are older than three years to the State's Unclaimed Property Fund as required and submit Reports of Unclaimed Property annually, if applicable, to the Missouri State Treasurer according to RSMo 447.

County's Response: The County Treasurer is currently submitting outstanding balances to the State Treasurer.

7. Lack of Investment Policy

Condition: The County does not have an investment policy in place as required by RSMo 30.950. The County is required to adopt and comply with a formal written investment policy to ensure that the County has considered the appropriate levels of safety, liquidity and return in the responsible management of public funds. A model investment policy is provided by the State Treasurer.

Recommendation: We recommend the County adopt and comply with a formal written investment policy in accordance with State Statutes.

County's Response: The County Treasurer is compiling information to implement this recommendation.

OTHER MATTERS

In planning and performing our audit of the financial statements of Randolph County, Missouri (the County) as of and for the years ended December 31, 2008 and 2007, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding this matter is summarized below. We previously reported on the County's internal control in our report dated July 2, 2009. (A separate report dated July 2, 2009 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated July 2, 2009.

8. Justice Center Sales Tax Levy and Bond Payments

Condition: County voters approved a sales tax levy in 2002 to fund the construction of the Justice Center. The County opened four bank accounts with Commerce Trust Company in Kansas City in order to receive the sales tax and make the bond payments. The State of Missouri submits the Justice Center sales tax it collects on behalf of the County directly to the Bank, who also makes the bond payments for the County. However, the County does not report the revenue or the principal and interest payments in any fund on the budget or in the published financial statements. For 2007 and 2008 combined, the County received \$2,539,025 in Justice Center sales tax revenue and made bond principal payments of \$890,000 and interest payments of \$593,810.

Recommendation: We recommend that the County report the sales tax money received by the bank and the bond principal and interest to more accurately reflect the financial position and transactions of the County.

County's Response: The County will attempt to implement this recommendation.

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

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Randolph County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2004 and 2003.

1. Financial Condition, Budgetary Practices and Planning (Prior auditors' finding No. 1)

- A. The County General Revenue fund has a negative fund balance and disbursements significantly exceed revenues.
- B. The County's budget does not accurately reflect anticipated financial activity and the Commission approves expenditures in excess of budgeted amounts.
- C. The County has not adequately addressed the long-term financial viability of the General Revenue fund, specifically how the jail operations will be funded when the Justice Center sales tax levy expires in 2020.

Status:

A & C. Partially implemented. The County has taken a number of steps to reduce expenditures such as bidding for prisoner medical services and moving the Juvenile Center and Coroner's office to save on rent. The County has also discussed ways to produce additional revenue such as housing prisoners from neighboring counties in the Justice Center.

B. Repeated. See finding 3.

2. Expenditures (Prior auditors' finding No.2)

- A. The County did not solicit bids for certain projects including road rock, a paving project, and inmate meals. For some purchases, bid documentation was lacking.
- B. The County did not enter into contracts for some services and some contracts did not adequately stipulate terms and responsibilities of the parties.
- C. Supporting documentation for some purchases was insufficient.
- D. The County did not always adequately document the basis for allocating portions of expenditures between various funds.

- E. The County does not require acknowledgment of receipt of goods or services or always document approval of invoices for payment.

Status:

A. Implemented.

B. Implemented.

C & E. Repeated. See finding 1.

D. Implemented.

3. Property Tax Records (Prior auditors' finding No. 4)

- A. The County Clerk does not prepare or verify the current or delinquent tax books.
- B. Neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The County Clerk does not maintain an account book with the Collector and neither the Clerk nor the Commission verifies the Collector's monthly or annual settlements.
- C. The County Clerk did not submit addition and abatement requests to the County Commission for approval and did not maintain complete records of tax book changes.

Status:

A. Implemented.

B. Implemented.

C. Implemented.

4. Computer Controls (Prior auditors' finding No. 5)

- A. Passwords are not used to limit access to the Treasurer's financial records or the County Clerk's capital asset program. All Assessors' office employees share the same password to access the assessment and appraisal programs.
- B. The Treasurer does not perform periodic data backups.

Status:

A. *Partially implemented. The Assessor's office uses unique individual passwords, however, all employees have unlimited access to all files in the system. See finding 2.*

B. *Implemented.*

5. Personnel Policies and Procedures (Prior auditors' finding No. 6)

Centralized time and leave records are not maintained for some employees by the County Clerk, and the Assistant Prosecuting Attorney does not prepare time sheets.

Status:

Implemented.

Note: The prior auditors' findings pertaining to the audits of County fee office's or the County Health Center (No.s 3, 7, 8, 9, and 10) are excluded from the listing above because they are beyond the scope of this audit.

Summary Schedule of Prior Audit Federal Award Findings

04-1. Schedule of Expenditures of Federal Awards

Applicable to all Federal Granters: Department of Justice, General Services Administration and Department of Health and Human Services. The County did not prepare an accurate Schedule of Expenditures of Federal Awards.

Status:

No similar errors were noted, however, an audit in accordance with Office of Management and Budget Circular A-133 was neither required nor performed for 2007 or 2008.