



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Ralls County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ralls 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, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

September 2011  
Report No. 2011-63

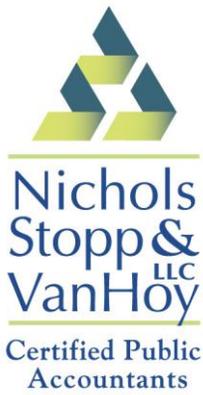
**The County of Ralls  
New London, Missouri  
Financial Statements, Independent Auditor's Reports, and Supplementary Information  
December 31, 2010 & 2009**



**The County of Ralls  
New London, Missouri  
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## Independent Auditor's Report

To the County Commission and  
Officeholders of Ralls County, Missouri

We have audited the accompanying financial statements of Ralls County, Missouri as of and for the years ended December 31, 2010 and 2009, 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 opinions 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 opinions.

As described more fully in Note 1, Ralls County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices 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 Ralls County, Missouri, as of December 31, 2010 and 2009, 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 Ralls County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and 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 8, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain

10425 Old Olive  
Street Road,  
Suite 101

Creve Coeur,  
Missouri 63141

PHONE:  
314-569-3800  
FAX:  
314-569-0020

[www.nsvcpa.com](http://www.nsvcpa.com)

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 considered in assessing the results of our audits.

*Nichols, Stopp, & VanHoy, LLC*

Nichols, Stopp, & VanHoy, LLC  
July 8, 2011

**The County of Ralls**  
**New London, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**Year Ended December 31, 2010**

<u>Fund</u>	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	\$ 415,566.22	\$ 1,732,636.15	\$ 1,873,197.14	\$ 275,005.23
Special Road & Bridge	363,326.92	1,460,668.60	1,466,895.58	357,099.94
Capital Improvement	871,853.19	476,105.49	331,629.34	1,016,329.34
Assessment	106,921.76	242,778.73	207,727.38	141,973.11
LETF	3,827.92	3,159.83	3,006.97	3,980.78
PA Training	12,469.32	538.00	800.00	12,207.32
Election Services	647.29	7,389.30	1,451.72	6,584.87
PA Tax	5,173.11	6.03	-	5,179.14
PA Administrative	9,897.54	3,234.42	1,626.00	11,505.96
Recorder's Users	54,578.14	4,685.47	753.00	58,510.61
CERF	1,800.30	67,244.07	67,067.76	1,976.61
County Interest	30,395.53	88,496.87	93,846.35	25,046.05
Sheriff's	21,834.01	29,511.82	40,279.96	11,065.87
Domestic	339.11	543.20	557.18	325.13
Recorder's Tech	29,647.82	2,535.60	554.04	31,629.38
Collector's Tax Maint.	28,920.47	16,118.59	9,874.08	35,164.98
Sheriff's Revolving	9,542.06	6,337.64	12,552.65	3,327.05
Use Tax	-	107,061.84	107,061.84	-
Land Sales Surplus	1,695.35	-	-	1,695.35
Flood Control	8,054.70	0.08	8,054.78	-
L.E.P.C.	-	6,269.26	3,082.26	3,187.00
Emergency Fund	-	200,200.39	-	200,200.39
911 Board	23,972.96	483,255.27	506,293.74	934.49
Total	<u>\$ 2,000,463.72</u>	<u>\$ 4,938,776.65</u>	<u>\$ 4,736,311.77</u>	<u>\$ 2,202,928.60</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**Year Ended December 31, 2009**

Fund	Cash and Equivalents	Receipts	Disbursements	Cash and Equivalents
	January 1, 2009 (Restated)	2009	2009	December 31, 2009
General Revenue	\$ 288,051.13	\$ 1,774,651.03	\$ 1,647,135.94	\$ 415,566.22
Special Road & Bridge	140,672.09	1,491,017.64	1,268,362.81	363,326.92
Capital Improvement	702,558.75	482,472.70	313,178.26	871,853.19
Assessment	118,107.23	219,330.55	230,516.02	106,921.76
LETF	-	3,827.92	-	3,827.92
PA Training	12,833.68	620.64	985.00	12,469.32
Election Services	4,166.42	9,478.83	12,997.96	647.29
PA Tax	8,636.33	16.76	3,479.98	5,173.11
PA Administrative	9,196.00	2,198.81	1,497.27	9,897.54
Recorder's Users	50,956.75	4,992.84	1,371.45	54,578.14
CERF	1,300.26	66,699.74	66,199.70	1,800.30
County Interest	24,579.68	94,267.16	88,451.31	30,395.53
Sheriff's	19,616.37	25,859.03	23,641.39	21,834.01
Domestic	422.11	651.54	734.54	339.11
Recorder's Tech	27,512.87	2,753.82	618.87	29,647.82
Collector's Tax Maint.	24,057.83	16,306.53	11,443.89	28,920.47
Sheriff's Revolving	8,273.95	6,008.57	4,740.46	9,542.06
Use Tax	-	151,717.02	151,717.02	-
Land Sales Surplus	4,486.91	-	2,791.56	1,695.35
Flood Control	-	20,997.51	12,942.81	8,054.70
L.E.P.C.	-	-	-	-
Emergency Fund	-	-	-	-
911 Board	40,556.14	499,186.40	515,769.58	23,972.96
Total	<u>\$ 1,485,984.50</u>	<u>\$ 4,873,055.04</u>	<u>\$ 4,358,575.82</u>	<u>\$ 2,000,463.72</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	General Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ 486,960.96	\$ 525,182.73	\$ 436,672.10	\$ 499,575.31
Sales Taxes	603,000.00	776,647.41	817,000.00	804,710.93
Intergovernmental	82,255.00	87,756.37	61,350.00	87,352.20
Charges for Services	197,410.00	207,374.63	202,450.00	204,812.28
Interest	2,500.00	1,391.88	6,500.00	2,939.62
Other	152,150.00	131,676.22	135,500.00	168,142.65
Transfers In	13,500.00	2,606.91	12,500.00	7,118.04
Total Receipts	<u>\$ 1,537,775.96</u>	<u>\$ 1,732,636.15</u>	<u>\$ 1,671,972.10</u>	<u>\$ 1,774,651.03</u>
<b>Disbursements</b>				
County Commission	\$ 84,980.00	\$ 84,560.90	\$ 86,180.00	\$ 84,975.46
County Clerk	64,260.00	64,028.66	66,710.00	65,073.78
Elections	76,840.00	77,185.71	54,320.00	43,472.22
Building and Grounds	82,210.00	72,970.40	83,360.00	63,387.67
Employee Fringe Benefits	185,500.00	190,069.66	236,500.00	152,916.73
County Treasurer	41,700.00	41,513.42	41,850.00	41,848.90
Collector	70,860.00	70,987.58	72,560.00	72,543.97
Circuit Clerk	60,665.00	60,088.53	66,616.00	64,852.86
Court Administration	12,146.70	7,242.28	13,909.00	7,520.38
Public Administrator	43,625.00	44,486.03	47,900.00	43,906.71
Sheriff	665,250.00	654,767.14	684,940.00	670,937.12
Prosecuting Attorney	85,699.56	85,761.56	115,750.00	85,999.91
Juvenile Officer	49,981.14	26,924.79	49,981.14	21,777.94
Coroner	16,275.00	15,179.00	20,414.00	14,229.14
Planning and Zoning	17,900.00	17,450.00	18,600.00	17,900.00
Other	130,980.00	94,545.14	183,722.00	133,681.35
Health and Welfare	500.00	-	500.00	-
Transfers Out	263,500.00	65,436.34	63,000.00	62,111.80
Emergency Fund	-	200,000.00	52,000.00	-
Total Disbursements	<u>\$ 1,952,872.40</u>	<u>\$ 1,873,197.14</u>	<u>\$ 1,958,812.14</u>	<u>\$ 1,647,135.94</u>
Receipts Over (Under)				
Disbursements	\$ (415,096.44)	\$ (140,560.99)	\$ (286,840.04)	\$ 127,515.09
Cash, January 1	<u>\$ 415,566.22</u>	<u>\$ 415,566.22</u>	<u>\$ 288,051.13</u>	<u>\$ 288,051.13</u>
Cash, December 31	<u>\$ 469.78</u>	<u>\$ 275,005.23</u>	<u>\$ 1,211.09</u>	<u>\$ 415,566.22</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Road and Bridge Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ 505,766.66	\$ 533,844.31	\$ 459,033.53	\$ 514,515.81
Sales Taxes	118,000.00	155,330.30	168,666.00	160,943.19
Intergovernmental	578,260.00	696,780.79	749,698.10	724,971.92
Charges for Services	-	-	-	-
Interest	2,500.00	1,386.72	9,500.00	2,806.82
Other	89,050.00	71,174.93	93,550.00	87,100.25
Transfers In	679.65	2,151.55	679.65	679.65
Total Receipts	<u>\$ 1,294,256.31</u>	<u>\$ 1,460,668.60</u>	<u>\$ 1,481,127.28</u>	<u>\$ 1,491,017.64</u>
<b>Disbursements</b>				
Salaries	\$ 330,000.00	\$ 352,772.35	\$ 360,000.00	\$ 327,754.29
Employee Fringe Benefits	148,500.00	108,583.43	139,000.00	103,985.19
Supplies	396,000.00	300,939.33	322,000.00	253,873.00
Insurance	35,000.00	25,686.54	42,500.00	28,205.53
Road & Bridge Materials	401,000.00	441,138.15	398,200.00	304,841.54
Equipment Repairs	55,000.00	25,445.78	50,000.00	40,358.38
Rentals	5,000.00	15,407.00	2,500.00	-
Equipment Purchases	225,000.00	169,364.00	170,000.00	101,459.49
R & B Construction	34,750.00	20,835.97	115,000.00	101,839.48
Other Expenditures	17,000.00	6,723.03	12,500.00	6,045.91
Transfers Out	10,000.00	-	10,000.00	-
Total Disbursements	<u>\$ 1,657,250.00</u>	<u>\$ 1,466,895.58</u>	<u>\$ 1,621,700.00</u>	<u>\$ 1,268,362.81</u>
Receipts Over (Under)				
Disbursements	\$ (362,993.69)	\$ (6,226.98)	\$ (140,572.72)	\$ 222,654.83
Cash, January 1	<u>\$ 363,326.92</u>	<u>\$ 363,326.92</u>	<u>\$ 140,672.09</u>	<u>\$ 140,672.09</u>
Cash, December 31	<u><u>\$ 333.23</u></u>	<u><u>\$ 357,099.94</u></u>	<u><u>\$ 99.37</u></u>	<u><u>\$ 363,326.92</u></u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Capital Improvement Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	600,000.00	465,619.08	525,000.00	481,618.25
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	5,000.00	10,486.41	6,000.00	854.45
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 605,000.00</u>	<u>\$ 476,105.49</u>	<u>\$ 531,000.00</u>	<u>\$ 482,472.70</u>
<b>Disbursements</b>				
UMB COP Payment	\$ 350,000.00	\$ 290,418.25	\$ 286,000.00	\$ 291,063.87
Trustee Fee Expense	7,500.00	2,142.25	-	5,156.63
Other Expenses	50,000.00	39,068.84	-	16,957.76
Total Disbursements	<u>\$ 407,500.00</u>	<u>\$ 331,629.34</u>	<u>\$ 286,000.00</u>	<u>\$ 313,178.26</u>
Receipts Over (Under) Disbursements	\$ 197,500.00	\$ 144,476.15	\$ 245,000.00	\$ 169,294.44
Cash, January 1	<u>\$ 871,853.19</u>	<u>\$ 871,853.19</u>	<u>\$ 702,558.75</u>	<u>\$ 702,558.75</u>
Cash, December 31	<u><u>\$ 1,069,353.19</u></u>	<u><u>\$ 1,016,329.34</u></u>	<u><u>\$ 947,558.75</u></u>	<u><u>\$ 871,853.19</u></u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Assessment Fund				LETF Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	167,425.00	176,272.92	165,130.00	153,371.36	-	-	-	-
Charges for Services	1,400.00	4,322.50	1,660.00	1,389.15	3,450.00	2,112.00	4,349.00	3,421.37
Interest	300.00	183.31	1,835.00	268.04	-	3.89	51.00	1.55
Other	2,000.00	-	2,000.00	2,302.00	-	989.85	-	405.00
Transfers In	62,000.00	62,000.00	62,000.00	62,000.00	-	54.09	-	-
Total Receipts	<u>\$ 233,125.00</u>	<u>\$ 242,778.73</u>	<u>\$ 232,625.00</u>	<u>\$ 219,330.55</u>	<u>\$ 3,450.00</u>	<u>\$ 3,159.83</u>	<u>\$ 4,400.00</u>	<u>\$ 3,827.92</u>
<u>Disbursements</u>								
Salaries	\$ 134,080.00	\$ 133,300.00	\$ 134,080.00	\$ 138,968.11	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	32,665.00	28,149.24	32,000.00	25,737.16	-	-	-	-
Materials and Supplies	10,000.00	9,615.22	11,000.00	10,097.08	-	-	-	-
Services and Other	40,950.00	22,419.12	37,500.00	38,971.67	4,600.00	3,006.97	4,400.00	-
Capital Outlay	10,000.00	14,243.80	16,000.00	16,742.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 227,695.00</u>	<u>\$ 207,727.38</u>	<u>\$ 230,580.00</u>	<u>\$ 230,516.02</u>	<u>\$ 4,600.00</u>	<u>\$ 3,006.97</u>	<u>\$ 4,400.00</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 5,430.00	\$ 35,051.35	\$ 2,045.00	\$ (11,185.47)	\$ (1,150.00)	\$ 152.86	\$ -	\$ 3,827.92
Cash, January 1	<u>\$ 106,921.76</u>	<u>\$ 106,921.76</u>	<u>\$ 118,107.23</u>	<u>\$ 118,107.23</u>	<u>\$ 3,827.92</u>	<u>\$ 3,827.92</u>	<u>\$ -</u>	<u>\$ -</u>
Cash, December 31	<u>\$ 112,351.76</u>	<u>\$ 141,973.11</u>	<u>\$ 120,152.23</u>	<u>\$ 106,921.76</u>	<u>\$ 2,677.92</u>	<u>\$ 3,980.78</u>	<u>\$ -</u>	<u>\$ 3,827.92</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	PA Training				Election Services			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	650.00	523.50	590.91	595.44	-	-	-	-
Interest	150.00	14.50	191.18	25.20	50.00	5.50	50.00	8.85
Other	-	-	-	-	11,304.00	5,453.45	9,310.92	9,469.98
Transfers In	-	-	-	-	-	1,930.35	750.00	-
Total Receipts	<u>\$ 800.00</u>	<u>\$ 538.00</u>	<u>\$ 782.09</u>	<u>\$ 620.64</u>	<u>\$ 11,354.00</u>	<u>\$ 7,389.30</u>	<u>\$ 10,110.92</u>	<u>\$ 9,478.83</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	500.00	514.46	3,450.00	3,484.48
Services and Other	3,000.00	800.00	2,000.00	985.00	9,504.00	937.26	9,525.30	9,456.60
Capital Outlay	-	-	-	-	1,450.00	-	57.00	56.88
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,000.00</u>	<u>\$ 800.00</u>	<u>\$ 2,000.00</u>	<u>\$ 985.00</u>	<u>\$ 11,454.00</u>	<u>\$ 1,451.72</u>	<u>\$ 13,032.30</u>	<u>\$ 12,997.96</u>
Receipts Over (Under)								
Disbursements	\$ (2,200.00)	\$ (262.00)	\$ (1,217.91)	\$ (364.36)	\$ (100.00)	\$ 5,937.58	\$ (2,921.38)	\$ (3,519.13)
Cash, January 1	<u>\$ 12,469.32</u>	<u>\$ 12,469.32</u>	<u>\$ 12,833.68</u>	<u>\$ 12,833.68</u>	<u>\$ 647.29</u>	<u>\$ 647.29</u>	<u>\$ 4,166.42</u>	<u>\$ 4,166.42</u>
Cash, December 31	<u>\$ 10,269.32</u>	<u>\$ 12,207.32</u>	<u>\$ 11,615.77</u>	<u>\$ 12,469.32</u>	<u>\$ 547.29</u>	<u>\$ 6,584.87</u>	<u>\$ 1,245.04</u>	<u>\$ 647.29</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	PA Tax				PA Administrative			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	25.00	6.03	114.98	16.76	25.00	13.18	111.73	18.31
Other	-	-	1,055.86	-	3,500.00	3,221.24	3,697.00	2,180.50
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 25.00</u>	<u>\$ 6.03</u>	<u>\$ 1,170.84</u>	<u>\$ 16.76</u>	<u>\$ 3,525.00</u>	<u>\$ 3,234.42</u>	<u>\$ 3,808.73</u>	<u>\$ 2,198.81</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,000.00	-	1,170.84	3,479.98	7,000.00	1,626.00	2,000.00	1,497.27
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000.00</u>	<u>\$ -</u>	<u>\$ 1,170.84</u>	<u>\$ 3,479.98</u>	<u>\$ 7,000.00</u>	<u>\$ 1,626.00</u>	<u>\$ 2,000.00</u>	<u>\$ 1,497.27</u>
Receipts Over (Under)								
Disbursements	\$ (4,975.00)	\$ 6.03	\$ -	\$ (3,463.22)	\$ (3,475.00)	\$ 1,608.42	\$ 1,808.73	\$ 701.54
Cash, January 1	<u>\$ 5,173.11</u>	<u>\$ 5,173.11</u>	<u>\$ 8,636.33</u>	<u>\$ 8,636.33</u>	<u>\$ 9,897.54</u>	<u>\$ 9,897.54</u>	<u>\$ 9,196.00</u>	<u>\$ 9,196.00</u>
Cash, December 31	<u>\$ 198.11</u>	<u>\$ 5,179.14</u>	<u>\$ 8,636.33</u>	<u>\$ 5,173.11</u>	<u>\$ 6,422.54</u>	<u>\$ 11,505.96</u>	<u>\$ 11,004.73</u>	<u>\$ 9,897.54</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Recorder's Users Fund				CERF			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,500.00	4,620.00	4,300.00	4,891.00	85,500.00	67,242.20	60,050.00	66,697.39
Interest	250.00	65.47	225.00	101.84	-	1.87	1.50	2.35
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,750.00</u>	<u>\$ 4,685.47</u>	<u>\$ 4,525.00</u>	<u>\$ 4,992.84</u>	<u>\$ 85,500.00</u>	<u>\$ 67,244.07</u>	<u>\$ 60,051.50</u>	<u>\$ 66,699.74</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	54,500.00	753.00	55,481.75	1,371.45	87,300.30	67,067.76	60,051.50	66,199.70
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 54,500.00</u>	<u>\$ 753.00</u>	<u>\$ 55,481.75</u>	<u>\$ 1,371.45</u>	<u>\$ 87,300.30</u>	<u>\$ 67,067.76</u>	<u>\$ 60,051.50</u>	<u>\$ 66,199.70</u>
Receipts Over (Under)								
Disbursements	\$ (48,750.00)	\$ 3,932.47	\$ (50,956.75)	\$ 3,621.39	\$ (1,800.00)	\$ 176.31	\$ -	\$ 500.04
Cash, January 1	<u>\$ 54,578.14</u>	<u>\$ 54,578.14</u>	<u>\$ 50,956.75</u>	<u>\$ 50,956.75</u>	<u>\$ 1,800.30</u>	<u>\$ 1,800.30</u>	<u>\$ 1,300.26</u>	<u>\$ 1,300.26</u>
Cash, December 31	<u>\$ 5,828.14</u>	<u>\$ 58,510.61</u>	<u>\$ -</u>	<u>\$ 54,578.14</u>	<u>\$ 0.30</u>	<u>\$ 1,976.61</u>	<u>\$ 1,300.26</u>	<u>\$ 1,800.30</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	County Interest Fund				Sheriff's Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	102,500.00	88,430.66	91,400.00	94,182.36	20,500.00	22,492.80	20,500.00	17,650.59
Interest	250.00	66.21	540.00	84.80	100.00	22.62	125.00	40.02
Other	-	-	-	-	-	6,996.40	6,766.00	8,168.42
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 102,750.00</u>	<u>\$ 88,496.87</u>	<u>\$ 91,940.00</u>	<u>\$ 94,267.16</u>	<u>\$ 20,600.00</u>	<u>\$ 29,511.82</u>	<u>\$ 27,391.00</u>	<u>\$ 25,859.03</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,000.00	-	4,000.00	-	5,000.00	10,238.45	16,720.00	16,225.79
Capital Outlay	-	-	-	-	18,000.00	30,041.51	7,000.00	7,415.60
Transfers Out	100,750.00	93,846.35	98,000.00	88,451.31	-	-	-	-
Total Disbursements	<u>\$ 102,750.00</u>	<u>\$ 93,846.35</u>	<u>\$ 102,000.00</u>	<u>\$ 88,451.31</u>	<u>\$ 23,000.00</u>	<u>\$ 40,279.96</u>	<u>\$ 23,720.00</u>	<u>\$ 23,641.39</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (5,349.48)	\$ (10,060.00)	\$ 5,815.85	\$ (2,400.00)	\$ (10,768.14)	\$ 3,671.00	\$ 2,217.64
Cash, January 1	<u>\$ 30,395.53</u>	<u>\$ 30,395.53</u>	<u>\$ 24,579.68</u>	<u>\$ 24,579.68</u>	<u>\$ 21,834.01</u>	<u>\$ 21,834.01</u>	<u>\$ 19,616.37</u>	<u>\$ 19,616.37</u>
Cash, December 31	<u>\$ 30,395.53</u>	<u>\$ 25,046.05</u>	<u>\$ 14,519.68</u>	<u>\$ 30,395.53</u>	<u>\$ 19,434.01</u>	<u>\$ 11,065.87</u>	<u>\$ 23,287.37</u>	<u>\$ 21,834.01</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Domestic Fund				Recorder's Tech Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	675.00	543.00	614.00	651.00	3,000.00	2,500.00	2,500.00	2,698.75
Interest	2.00	0.20	2.68	0.54	50.00	35.60	125.00	55.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 677.00</u>	<u>\$ 543.20</u>	<u>\$ 616.68</u>	<u>\$ 651.54</u>	<u>\$ 3,050.00</u>	<u>\$ 2,535.60</u>	<u>\$ 2,625.00</u>	<u>\$ 2,753.82</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,000.00	557.18	497.72	734.54	29,600.00	554.04	30,137.87	618.87
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000.00</u>	<u>\$ 557.18</u>	<u>\$ 497.72</u>	<u>\$ 734.54</u>	<u>\$ 29,600.00</u>	<u>\$ 554.04</u>	<u>\$ 30,137.87</u>	<u>\$ 618.87</u>
Receipts Over (Under)								
Disbursements	\$ (323.00)	\$ (13.98)	\$ 118.96	\$ (83.00)	\$ (26,550.00)	\$ 1,981.56	\$ (27,512.87)	\$ 2,134.95
Cash, January 1	<u>\$ 339.11</u>	<u>\$ 339.11</u>	<u>\$ 422.11</u>	<u>\$ 422.11</u>	<u>\$ 29,647.82</u>	<u>\$ 29,647.82</u>	<u>\$ 27,512.87</u>	<u>\$ 27,512.87</u>
Cash, December 31	<u>\$ 16.11</u>	<u>\$ 325.13</u>	<u>\$ 541.07</u>	<u>\$ 339.11</u>	<u>\$ 3,097.82</u>	<u>\$ 31,629.38</u>	<u>\$ -</u>	<u>\$ 29,647.82</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Tax Maintenance Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	28.00	29.60	27.75	27.18
Other	18,000.00	16,088.99	14,240.00	16,279.35
Transfers In	-	-	-	-
Total Receipts	<u>\$ 18,028.00</u>	<u>\$ 16,118.59</u>	<u>\$ 14,267.75</u>	<u>\$ 16,306.53</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	20,000.00	7,569.52	20,000.00	4,491.60
Services and Other	10,100.00	2,304.56	8,500.00	6,952.29
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 30,100.00</u>	<u>\$ 9,874.08</u>	<u>\$ 28,500.00</u>	<u>\$ 11,443.89</u>
Receipts Over (Under)				
Disbursements	\$ (12,072.00)	\$ 6,244.51	\$ (14,232.25)	\$ 4,862.64
Cash, January 1	<u>\$ 28,920.47</u>	<u>\$ 28,920.47</u>	<u>\$ 24,057.83</u>	<u>\$ 24,057.83</u>
Cash, December 31	<u><u>\$ 16,848.47</u></u>	<u><u>\$ 35,164.98</u></u>	<u><u>\$ 9,825.58</u></u>	<u><u>\$ 28,920.47</u></u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Sheriff's Revolving Fund				Use Tax Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	195,000.00	107,061.84	145,000.00	151,717.02
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	8.39	-	19.57	-	-	-	-
Other	7,000.00	6,329.25	2,000.00	5,989.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,050.00</u>	<u>\$ 6,337.64</u>	<u>\$ 2,000.00</u>	<u>\$ 6,008.57</u>	<u>\$ 195,000.00</u>	<u>\$ 107,061.84</u>	<u>\$ 145,000.00</u>	<u>\$ 151,717.02</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000.00	-	-	-	-	-	-	-
Services and Other	7,500.00	12,552.65	6,040.00	4,740.46	-	-	-	-
Capital Outlay	2,100.00	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	195,000.00	107,061.84	145,000.00	151,717.02
Total Disbursements	<u>\$ 11,600.00</u>	<u>\$ 12,552.65</u>	<u>\$ 6,040.00</u>	<u>\$ 4,740.46</u>	<u>\$ 195,000.00</u>	<u>\$ 107,061.84</u>	<u>\$ 145,000.00</u>	<u>\$ 151,717.02</u>
Receipts Over (Under)								
Disbursements	\$ (4,550.00)	\$ (6,215.01)	\$ (4,040.00)	\$ 1,268.11	\$ -	\$ -	\$ -	\$ -
Cash, January 1	<u>\$ 9,542.06</u>	<u>\$ 9,542.06</u>	<u>\$ 8,273.95</u>	<u>\$ 8,273.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash, December 31	<u>\$ 4,992.06</u>	<u>\$ 3,327.05</u>	<u>\$ 4,233.95</u>	<u>\$ 9,542.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	Land Sales Surplus				Flood Control			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500.00	-	-	-	22,000.00	-	9,966.66	20,997.51
Interest	-	-	-	-	-	0.08	2.57	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,500.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000.00</u>	<u>\$ 0.08</u>	<u>\$ 9,969.23</u>	<u>\$ 20,997.51</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,195.35	-	-	2,791.56	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	30,000.00	8,054.78	9,969.23	12,942.81
Total Disbursements	<u>\$ 4,195.35</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,791.56</u>	<u>\$ 30,000.00</u>	<u>\$ 8,054.78</u>	<u>\$ 9,969.23</u>	<u>\$ 12,942.81</u>
Receipts Over (Under)								
Disbursements	\$ (1,695.35)	\$ -	\$ -	\$ (2,791.56)	\$ (8,000.00)	\$ (8,054.70)	\$ -	\$ 8,054.70
Cash, January 1	<u>\$ 1,695.35</u>	<u>\$ 1,695.35</u>	<u>\$ 4,486.91</u>	<u>\$ 4,486.91</u>	<u>\$ 8,054.70</u>	<u>\$ 8,054.70</u>	<u>\$ -</u>	<u>\$ -</u>
Cash, December 31	<u>\$ -</u>	<u>\$ 1,695.35</u>	<u>\$ 4,486.91</u>	<u>\$ 1,695.35</u>	<u>\$ 54.70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,054.70</u>

See Notes to Financial Statements

**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	LEPC				Emergency Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,500.00	6,269.26	4,500.00	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	200.39	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	200,000.00	-	-
Total Receipts	<u>\$ 4,500.00</u>	<u>\$ 6,269.26</u>	<u>\$ 4,500.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,200.39</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,500.00	3,082.26	4,500.00	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,500.00</u>	<u>\$ 3,082.26</u>	<u>\$ 4,500.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 3,187.00	\$ -	\$ -	\$ -	\$ 200,200.39	\$ -	\$ -
Cash, January 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ 3,187.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 200,200.39</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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**The County of Ralls**  
**New London, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years Ended December 31, 2010 and 2009**

	911 Board			
	2010		2009	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	458,000.00	465,954.61	458,000.00	482,181.71
Intergovernmental	-	-	-	-
Charges for Services	9,240.00	9,240.00	9,240.00	9,240.00
Interest	60.00	41.08	60.00	66.23
Other	6,500.00	8,019.58	6,500.00	7,698.46
Transfers In	-	-	-	-
Total Receipts	<u>\$ 473,800.00</u>	<u>\$ 483,255.27</u>	<u>\$ 473,800.00</u>	<u>\$ 499,186.40</u>
<u>Disbursements</u>				
Salaries	\$ 310,236.00	\$ 313,874.53	\$ 310,236.00	\$ 308,519.31
Employee Fringe Benefits	79,785.00	77,574.93	79,785.00	78,254.71
Materials & Supplies	4,300.00	4,054.87	4,500.00	4,801.27
Services and Other	83,831.00	90,271.18	83,231.00	101,933.77
Capital Overlay	19,800.00	20,518.23	19,800.00	22,260.52
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 497,952.00</u>	<u>\$ 506,293.74</u>	<u>\$ 497,552.00</u>	<u>\$ 515,769.58</u>
Receipts Over (Under)				
Disbursements	\$ (24,152.00)	\$ (23,038.47)	\$ (23,752.00)	\$ (16,583.18)
Cash, January 1	<u>\$ 23,972.96</u>	<u>\$ 23,972.96</u>	<u>\$ 40,556.14</u>	<u>\$ 40,556.14</u>
Cash, December 31	<u>\$ (179.04)</u>	<u>\$ 934.49</u>	<u>\$ 16,804.14</u>	<u>\$ 23,972.96</u>

See Notes to Financial Statements

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 1 - Summary of Significant Accounting Policies**

Organized in 1820, the county of Ralls was named after Daniel Ralls. Ralls County is a county-organized, third-class county and is part of the Tenth Judicial Circuit. The county seat is New London. Ralls County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Ralls County and the Ralls County 911 board.

Ralls County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ralls County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise Ralls County's legal entity. The Ralls County 911 board controlled by a separate elected board is also included under the control of Ralls County.

Certain elected County officials, such as the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Ralls County, Missouri, and the comparisons of such information with the corresponding budgeted information for all 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 911 Board. The General Revenue Fund is the county's general operation 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 using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects 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.

**The County of Ralls**  
**New London, Missouri**  
**Notes to Financial Statements**  
**December 31, 2010 & 2009**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Ralls County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Ralls County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures 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 unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Capital Improvement Fund, PA Tax Fund, CERF Fund, Sheriff's Fund, Domestic Fund, Sheriff's Revolving Fund, Use Tax Fund, Land Surplus Fund, Flood Control Fund, and the 911 Board Fund all had expenses exceeding their budget.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in 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 Ralls County's boundaries for the calendar year 2010 and 2009, for the purposes of taxation was:

	<u>2010</u>	<u>2009</u>
Real Estate	112,215,320	105,451,421
Personal Property	68,002,750	58,331,069
Railroad and Utilities	20,539,666	19,570,032
	<u>200,757,736</u>	<u>183,352,522</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for the purpose of County taxation was as follows:

	<u>2010</u>	<u>2009</u>
General Revenue Fund	\$ 0.2639	\$ 0.2639
Road and Bridge	0.2754	0.2754

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's 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, provided, however, that no such investments shall be purchased at a price in excess of 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 Ralls County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

Interfund Transactions

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.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Interfund Transactions (continued)

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.

**Note 2 - Deposits and Investments**

Ralls County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of Ralls County's deposits was \$2,202,928.60 and \$2,000,463.72, respectively, and the bank balance was \$2,280,187.00 and \$2,267,807.45, respectively. At December 31, 2010 & 2009, 100% of Ralls County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	1,502,928.60
Investments	700,000.00
Restricted Cash	-
Total Deposits & Investments as of December 31, 2010	<u><u>\$2,202,928.60</u></u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Deposits	1,300,463.72
Investments	700,000.00
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	<u><u>\$2,000,463.72</u></u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Ralls County's investment policy does not include custodial credit risk requirements. Ralls County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010, and 2009.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 2 - Deposits and Investments (continued)**

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Ralls County or its agent but not in the government's name. Ralls County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Ralls County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Ralls County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by Ralls County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Ralls County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Ralls County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2010 and 2009.

**Note 3 - Long Term Debt**

On October 1, 2004 the County issued Certificate of Participation (COP's) in the amount of \$2,455,000. The maturity of the COP's is October 1, 2014 and the interest rate ranges from 2.00%-4.30%. The UMB Bank is the holder of this COP's.

<u>Debt</u>	<u>Balance at 1/1/2010</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2010</u>	<u>Interest Paid During Year</u>
2004 COP's	1,495,000.00	-	230,000.00	1,265,000.00	60,450.00
<b>Total</b>	<b><u>1,495,000.00</u></b>	<b><u>-</u></b>	<b><u>230,000.00</u></b>	<b><u>1,265,000.00</u></b>	<b><u>60,450.00</u></b>

<u>Debt</u>	<u>Balance at 1/1/2009</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2009</u>	<u>Interest Paid During Year</u>
2004 COP's	1,720,000.00	-	225,000.00	1,495,000.00	68,212.50
<b>Total</b>	<b><u>1,720,000.00</u></b>	<b><u>-</u></b>	<b><u>225,000.00</u></b>	<b><u>1,495,000.00</u></b>	<b><u>68,212.50</u></b>

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

**Note 3 - Long Term Debt (continued)**

2010 Amortizations  
Series 2004 Certificates of Participation Schedule

Year	Principal	Interest	Total
2011	\$ 240,000.00	\$ 52,055.00	\$ 292,055.00
2012	250,000.00	42,935.00	292,935.00
2013	260,000.00	32,935.00	292,935.00
2014	515,000.00	22,145.00	537,145.00
Total	<u>\$ 1,265,000.00</u>	<u>\$ 150,070.00</u>	<u>\$ 1,415,070.00</u>

2009 Amortizations  
Series 2004 Certificates of Participation Schedule

Year	Principal	Interest	Total
2010	\$ 230,000.00	\$ 60,450.00	\$ 290,450.00
2011	240,000.00	52,055.00	292,055.00
2012	250,000.00	42,935.00	292,935.00
2013	260,000.00	32,935.00	292,935.00
2014	515,000.00	22,145.00	537,145.00
Total	<u>\$ 1,495,000.00</u>	<u>\$ 210,520.00</u>	<u>\$ 1,705,520.00</u>

**Note 4 - Interfund Transfers**

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 2,606.91	\$ 265,436.34	\$ 7,118.04	\$ 62,111.80
Road & Bridge	2,151.55	-	679.65	-
Election Services	1,930.35	-	-	-
Assessment	62,000.00	-	62,000.00	-
Unclaimed Fees	-	-	111.80	-
LETF	54.09	-	-	-
County Interest	-	93,846.35	-	88,451.31
Flood Control	-	8,054.78	-	12,942.81
General Schools	98,594.57	-	93,596.43	-
Emergency Fund	200,000.00	-	-	-
Total	<u>\$ 367,337.47</u>	<u>\$ 367,337.47</u>	<u>\$ 163,505.92</u>	<u>\$ 163,505.92</u>

	2010		2009	
	Transfers Out	Sales Tax	Transfers Out	Sales Tax
Use Tax Fund	\$ 107,061.84	\$ -	\$ 151,717.02	\$ -
911 Board	-	53,530.92	-	75,858.50
Capital Improvement Fund	-	53,530.92	-	75,858.52
Total	<u>\$ 107,061.84</u>	<u>\$ 107,061.84</u>	<u>\$ 151,717.02</u>	<u>\$ 151,717.02</u>

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 5 - Local Government Employees Retirement System (LAGERS)**

Plan Description

Ralls 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 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO, 65102 or by calling 1-800-447-4334.

Funding Status

Ralls County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 6.4% (general), 2.2% (police) and 7.7% (911), for 2009 they are 5.4% (general), 1.2% (police) and 7.0% (911) of the annual covered payroll. 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.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2010, the political subdivision's annual pension cost of \$67,832 for the County and \$17,221 for the 911 Board was equal to the actual contributions and the remaining net pension obligation. The 2010 annual required contribution (ARC) was determined as part of the February 28, 2008 and/or February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of \$50,037 for the County and \$16,320 for the 911 Board was equal to the required and actual contributions. The 2009 required contribution was determined as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included ( a ) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, ( b ) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, ( c ) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, ( d ) pre-retirement mortality asked on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and ( e ) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2009 and 2010. The amortization period of February 29, 2008 was 15 years for the General division and 15 years for the Police division. The amortization period of February 28, 2009, was 30 years for the General division and 9 years for the Police division.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

**Note 5 - Local Government Employees Retirement System (LAGERS) (continued)**

Three Year Trend Information - 2010

Fiscal Year Ending	County			911 Board		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	52,674	100.0%	-	16,692	100%	-
6/30/2009	50,037	100.0%	-	16,320	100%	-
6/30/2010	67,832	83.5%	11,192	17,221	100%	-

Actuarial Valuation Date	County			( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)			
2/29/2008	2,344,661	1,758,207	(586,454)	133%	1,020,836	0%
2/28/2009	1,695,232	1,614,908	(80,324)	105%	983,464	0%
2/28/2010	1,579,507	1,606,539	27,032	98%	1,090,291	2%

Actuarial Valuation Date	911 Board			( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)			
2/29/2008	130,694	141,211	10,517	93%	222,628	5%
2/28/2009	125,308	166,037	40,729	75%	237,589	17%
2/28/2010	152,666	193,322	40,656	79%	225,003	18%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
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**Note 5 - Local Government Employees Retirement System (LAGERS) (continued)**

Three Year Trend Information - 2009

Fiscal Year Ending	County			911 Board		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	54901	100%	-	15,250	100%	-
6/30/2007	52674	100%	-	16,692	100%	-
6/30/2008	50037	100%	-	16,320	100%	-

Actuarial Valuation Date	County			( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)			
2/28/2007	2,106,560	1,571,858	(534,702)	134%	968,899	0%
2/28/2008	2,344,661	1,758,207	(586,454)	133%	1,020,836	0%
2/28/2009	1,695,232	1,614,908	(80,324)	105%	983,464	0%

Actuarial Valuation Date	911 Board			( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)			
2/28/2007	101,474	115,114	13,640	88%	214,123	6%
2/28/2008	130,694	141,211	10,517	93%	222,628	5%
2/28/2009	125,308	166,037	40,729	75%	237,589	17%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 6 - 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.

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 (1000) one thousand 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 Section 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 eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two 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 amount, targeted replacement ratio formula, and the 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. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's 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

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF. Of the 6% contribution, 4% is contributed by the County and the remaining 2% is covered through employee contributions to LAGERS. Employee contributions of approximately \$20,441.24 and \$19,538.48, respectively, were collected and remitted to CERF for the years then ended.

**Note 7 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, Ralls County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Ralls County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2010 and 2009.

**The County of Ralls  
New London, Missouri  
Notes to Financial Statements  
December 31, 2010 & 2009**

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**Note 8 - Post Employment Benefits**

Ralls 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 Primary Government.

**Note 9 - Claims, Commitments, and Contingencies**

Litigation

Ralls County is not involved in any pending litigations as of December 31, 2010.

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable. Sick time is paid for at the rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

**Note 10 - 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 to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific 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-Injured 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 its reinsured up to the statutory limit through excess insurance.

**Note 11 - Prior Period Adjustment**

January 1, 2009 beginning cash has been restated to include the operations of the Ralls County, Missouri 911 board.

**Note 12 - Change in Reporting Entity**

Pursuant to Missouri House Bill 1942, effective August 28, 2010 emergency service boards established under Section 190.339.02 shall be a body corporate and political subdivision of the state. Due to this change in state law the Ralls County, Missouri 911 Board will not be included in the financial statements of Ralls County, Missouri after December 31, 2010.

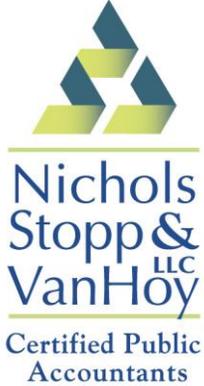
The County of Ralls  
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Schedule of State Findings

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Capital Improvement Fund, PA Tax Fund, CERF Fund, Sheriff's Fund, Domestic Fund, Sheriff's Revolving Fund, Use Tax Fund, Land Surplus Fund, Flood Control Fund, and the 911 Board Fund all had expenses exceeding their budget.

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 Ralls County, Missouri

We have audited the accompanying financial statements of Ralls County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ralls 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 Ralls County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ralls County, Missouri's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting. FS 10/09-1, FS 10/09-2, and FS 10/09-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

10425 Old Olive  
Street Road,  
Suite 101

Creve Coeur,  
Missouri 63141

PHONE:  
314-569-3800  
FAX:  
314-569-0020

[www.nsvcpa.com](http://www.nsvcpa.com)

### Compliance and Other Matters

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 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 test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Responses FS 10/09-4.

Ralls County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Ralls County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commission, County Officeholders, others within the entity, and the Missouri State Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Nichols, Stopp, & VanHay, L.L.C.*

Creve Coeur, Missouri  
July 8, 2011

**The County of Ralls  
New London, Missouri  
Schedule of Findings and Responses  
December 31, 2010 & 2009**

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**Section 1 - Financial Statement Findings**

FS 10/09-01 Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: The County will consider alternatives to remedy this Finding.

FS 10/09-02 Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider studying COSO for better guidance, and make a manual.

**The County of Ralls  
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FS 10/09-03 Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will consider meeting once a year with all elected officials to perform a risk assessment.

FS 10/09-04 Condition: During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri Statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk as budget officer will keep better track of budgets and amend the ones that go over.

**The County of Ralls  
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**Section 2 - Follow-Up Prior Year Findings**

FS 08/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under the Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: Unchanged.

FS 08/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for the period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare financial statements.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Unchanged.

**The County of Ralls**  
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FS 08/07-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Status: Unchanged