



**WORTH COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-117
December 19, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Worth, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Worth County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Worth County has faced financial difficulty within the General Revenue Fund for several years, making it difficult for the county to provide basic services to county residents. Debt incurred in the General Revenue Fund has increased from \$46,012 at December 31, 1995, to \$132,742 at December 31, 2001. Statutory salaries for elected officials and other required or essential operating expenses comprised at least 80 percent of total expenditures during 2001, making it difficult for the county to decrease expenditures. Increases in taxes to generate additional revenues require voter approval. These factors, along with a declining county population and tax base, will make it difficult to improve the financial condition of the General Revenue Fund. The county should consider alternative ways of providing services, including the consolidation of certain services with adjoining counties or a merger of the counties current operations with one or more of the adjoining counties.

The county indicated it expects some improvement in the financial condition during 2003 because the voters approved a local use tax and a new retail store opened in the county. The county also indicated it will consider presenting measures before the voters to raise additional revenues.

- The county has not sufficiently reduced its general property tax levy to reduce property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by county voters. Procedural errors, combined with higher than estimated sales tax revenues, resulted in the county collecting excess property tax

(over)

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revenues totaling \$12,190. The county indicated it will make the additional rollbacks starting in 2003 over a period of three to four years.

- The county spent \$7,125 from the Special Road and Bridge Fund during 2000 for the salary of a safety officer. This employee was a certified law enforcement officer and this expenditure did not appear to be an allowable use of road and bridge funds. The county should consider reimbursing the Special Road and Bridge Fund for the amount of salary related to law enforcement.
- The county made various purchases for road and bridge purposes without maintaining sufficient documentation that bids were obtained or advertised. The county indicated bids were solicited for these purchases and that better bid documentation would be maintained for future purchases.

The audit also suggested improvements for approving and paying invoices, obtaining written contracts, use of the Victims of Domestic Violence Fund, and budgetary practices. The audit also noted improvements needed in the accounting controls and procedures of the County Clerk, Prosecuting Attorney, Circuit Clerk, and Sheriff. Some of these issues have been mentioned in prior audits.

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WORTH COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

To the County Commission
and
Officeholders of Worth County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with 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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Worth County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 22, 2002, 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. 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.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Worth County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

August 22, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Lucinda Elliott
	Anne Marie Jenkins
	Nicole Griffith



CLAIRE C. McCASKILL
Missouri State Auditor

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

To the County Commission
and
Officeholders of Worth County, Missouri

We have audited the special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 22, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Worth County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Worth County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material

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

This report is intended for the information of the management of Worth County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 22, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

WORTH COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 479	439,059	439,213	325
Special Road and Bridge	36,125	226,830	218,296	44,659
Assessment	0	37,769	37,769	0
Law Enforcement Training	1,391	844	1,227	1,008
Prosecuting Attorney Training	459	72	0	531
County Aid Road Trust	51,841	272,219	312,038	12,022
Capital Improvement Sales Tax 40%	9,301	14,927	12,373	11,855
Capital Improvement Sales Tax 60%	38,128	23,933	26,350	35,711
Bad Check	3,700	1,359	130	4,929
Emergency Management Program	0	8,041	7,701	340
Local Emergency Planning Committee	8,043	3,066	851	10,258
CART/Patron Gravel	0	121,865	121,865	0
Law Enforcement Sales Tax	3,625	50,444	47,115	6,954
Prosecuting Attorney Delinquent Tax	516	120	230	406
Recorder's Preservation	8,235	1,164	448	8,951
Senior Citizens Services	10,479	11,053	6,958	14,574
Victims of Domestic Violence	1,067	111	0	1,178
Rural Economic Assistance Program	6,231	28,558	34,759	30
Juvenile Grant	1,787	31	0	1,818
Peace Officer Standards and Training Commission	669	550	720	499
Circuit Clerk Interest	1,121	173	0	1,294
Law Library	289	580	262	607
Sheriff Civil	0	1,027	542	485
Technology	0	256	0	256
Special Juvenile	1,664	4	1,668	0
Total	\$ 185,150	1,244,055	1,270,515	158,690

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

Exhibit A-2

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 0	443,077	442,598	479
Special Road and Bridge	4,370	171,480	139,725	36,125
Assessment	0	42,597	42,597	0
Law Enforcement Training	2,618	445	1,672	1,391
Prosecuting Attorney Training	361	98	0	459
County Aid Road Trust	48,469	282,799	279,427	51,841
Capital Improvement Sales Tax 40%	26,597	22,664	39,960	9,301
Capital Improvement Sales Tax 60%	34,946	23,448	20,266	38,128
Bad Check	2,000	1,700	0	3,700
Emergency Management Program	93	7,745	7,838	0
Local Emergency Planning Committee	8,552	2,060	2,569	8,043
CART/Patron Gravel	0	68,644	68,644	0
Law Enforcement Sales Tax	2,631	59,427	58,433	3,625
Prosecuting Attorney Delinquent Tax	1,054	3	541	516
Recorder's Preservation	7,118	1,117	0	8,235
Senior Citizens Services	2,566	10,248	2,335	10,479
Victims of Domestic Violence	997	70	0	1,067
Rural Economic Assistance Program	0	40,790	34,559	6,231
Juvenile Grant	1,744	43	0	1,787
Peace Officer Standards and Training Commission	769	500	600	669
Circuit Clerk Interest	778	386	43	1,121
Law Library	812	839	1,362	289
Special Juvenile	0	13,244	11,580	1,664
Local Law Enforcement Block Grant	0	4,727	4,727	0
Total	\$ 146,475	1,198,151	1,159,476	185,150

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

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 1,906,771	1,242,768	(664,003)	1,181,452	1,178,455	(2,997)
DISBURSEMENTS	1,391,368	1,268,305	123,063	1,185,345	1,141,164	44,181
RECEIPTS OVER (UNDER) DISBURSEMENTS	515,403	(25,537)	(540,940)	(3,893)	37,291	41,184
CASH, JANUARY 1	154,979	183,486	28,507	146,826	144,116	(2,710)
CASH, DECEMBER 31	670,382	157,949	(512,433)	142,933	181,407	38,474
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	156,739	169,333	12,594	165,750	159,966	(5,784)
Sales taxes	52,926	57,435	4,509	55,000	56,424	1,424
Intergovernmental	15,151	25,639	10,488	17,148	16,049	(1,099)
Charges for services	52,275	42,248	(10,027)	55,379	51,124	(4,255)
Interest	35	63	28	145	43	(102)
Other	5,575	3,435	(2,140)	10,319	5,198	(5,121)
Tax anticipation notes	147,097	133,190	(13,907)	130,384	145,126	14,742
Transfers in	28,731	7,716	(21,015)	8,578	9,147	569
Total Receipts	458,529	439,059	(19,470)	442,703	443,077	374
DISBURSEMENTS						
County Commission	24,147	23,591	556	24,283	24,060	223
County Clerk	34,897	34,803	94	35,278	35,372	(94)
Elections	12,850	1,690	11,160	11,719	11,293	4,426
Buildings and grounds	19,112	20,811	(1,699)	22,135	19,805	2,330
Employee fringe benefits	15,500	14,304	1,196	15,040	14,839	201
County Treasurer	13,625	13,480	145	13,965	13,435	530
County Collector	23,155	21,404	1,751	22,925	20,660	2,265
Ex Officio Recorder of Deeds	1,395	1,393	2	1,853	646	1,207
Circuit Clerk	1,320	1,654	(334)	1,400	1,399	1
Associate Circuit Court	3,000	293	2,707	8,000	5,373	2,627
Court administration	1,430	729	701	1,055	1,283	(228)
Public Administrator	8,200	8,245	(45)	5,860	5,771	89
Sheriff	29,025	29,465	(440)	27,775	31,787	(4,012)
Jail	21,775	27,015	(5,240)	15,955	22,293	(6,338)
Prosecuting Attorney	36,510	43,691	(7,181)	36,775	37,138	(363)
Juvenile Officer	3,900	2,567	1,333	0	0	0
County Coroner	4,080	4,091	(11)	3,990	4,241	(251)
Public health and welfare services	2,500	2,500	0	2,500	2,500	0
Tax anticipation note repayment	141,065	140,906	159	121,380	126,048	(4,668)
Interfund loan repayment	0	0	0	8,000	7,446	554
Other	34,239	34,199	40	31,505	30,250	1,255
Transfers out	18,146	12,382	5,764	18,121	26,959	(8,838)
Emergency Fund	8,658	0	8,658	9,189	0	9,189
Total Disbursements	458,529	439,213	19,316	442,703	442,598	105
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(154)	(154)	0	479	479
CASH, JANUARY 1	0	479	479	0	0	0
CASH, DECEMBER 31	0	325	325	0	479	479

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	173,270	181,326	8,056	181,485	169,579	(11,906)
Intergovernmental	742,440	41,955	(700,485)	0	0	0
Interest	2,650	2,325	(325)	0	1,901	1,901
Other	2,800	1,224	(1,576)	780	0	(780)
Total Receipts	921,160	226,830	(694,330)	182,265	171,480	(10,785)
DISBURSEMENTS						
Salaries	114,783	111,878	2,905	120,580	109,689	10,891
Employee fringe benefits	18,822	15,920	2,902	17,594	17,778	(184)
Equipment repairs	38,650	31,249	7,401	15,000	6,219	8,781
Construction, repair, and maintenance	167,780	48,513	119,267	0	0	0
Plat maps	2,800	2,910	(110)	0	0	0
Other	515	1,206	(691)	1,801	571	1,230
Transfers out	10,395	6,620	3,775	5,468	5,468	0
Total Disbursements	353,745	218,296	135,449	160,443	139,725	20,718
RECEIPTS OVER (UNDER) DISBURSEMENTS	567,415	8,534	(558,881)	21,822	31,755	9,933
CASH, JANUARY 1	25,106	36,125	11,019	4,370	4,370	0
CASH, DECEMBER 31	592,521	44,659	(547,862)	26,192	36,125	9,933
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	28,294	29,438	1,144	29,929	30,121	192
Interest	0	62	62	40	48	8
Other	40	6	(34)	0	47	47
Transfers in	14,646	8,263	(6,383)	13,371	12,381	(990)
Total Receipts	42,980	37,769	(5,211)	43,340	42,597	(743)
DISBURSEMENTS						
Assessor	42,980	37,769	5,211	43,340	42,597	743
Total Disbursements	42,980	37,769	5,211	43,340	42,597	743
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	475	307	(168)	475	396	(79)
Interest	50	4	(46)	81	49	(32)
Other	0	533	533	0	0	0
Total Receipts	525	844	319	556	445	(111)
DISBURSEMENTS						
Sheriff	1,650	1,227	423	4,110	1,672	2,438
Total Disbursements	1,650	1,227	423	4,110	1,672	2,438
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,125)	(383)	742	(3,554)	(1,227)	2,327
CASH, JANUARY 1	1,353	1,391	38	2,576	2,618	42
CASH, DECEMBER 31	228	1,008	780	(978)	1,391	2,369

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	110	72	(38)	120	98	(22)
Total Receipts	110	72	(38)	120	98	(22)
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	110	72	(38)	120	98	(22)
CASH, JANUARY 1	457	459	2	351	361	10
CASH, DECEMBER 31	567	531	(36)	471	459	(12)
<u>COUNTY AID ROAD TRUST FUND</u>						
RECEIPTS						
Intergovernmental	254,500	257,264	2,764	282,995	280,368	(2,627)
Interest	1,105	1,076	(29)	1,500	1,047	(453)
Other	4,265	13,879	9,614	1,930	1,384	(546)
Total Receipts	259,870	272,219	12,349	286,425	282,799	(3,626)
DISBURSEMENTS						
Salaries	0	0	0	2,200	0	2,200
Supplies	73,250	61,785	11,465	54,500	51,139	3,361
Insurance	2,500	2,500	0	6,500	5,447	1,053
Road and bridge materials	70,000	74,460	(4,460)	95,500	64,526	30,974
Equipment purchases	41,000	33,200	7,800	3,500	22,619	(19,119)
Construction, repair, and maintenance	65,000	84,240	(19,240)	80,000	92,672	(12,672)
Other	3,490	3,459	31	16,553	9,990	6,563
Transfers out	51,000	52,394	(1,394)	30,000	33,034	(3,034)
Total Disbursements	306,240	312,038	(5,798)	288,753	279,427	9,326
RECEIPTS OVER (UNDER) DISBURSEMENTS	(46,370)	(39,819)	6,551	(2,328)	3,372	5,700
CASH, JANUARY 1	46,432	51,841	5,409	53,631	48,469	(5,162)
CASH, DECEMBER 31	62	12,022	11,960	51,303	51,841	538
<u>CAPITAL IMPROVEMENT SALES TAX 40% FUND</u>						
RECEIPTS						
Sales taxes	14,040	14,653	613	15,400	14,794	(606)
Interest	400	274	(126)	820	424	(396)
Interfund loan repayment	0	0	0	7,350	7,446	96
Total Receipts	14,440	14,927	487	23,570	22,664	(906)
DISBURSEMENTS						
Road and bridge materials	17,500	11,940	5,560	15,650	0	15,650
Construction, repair, and maintenance	0	0	0	25,000	38,509	(13,509)
Transfers out	433	433	0	1,451	1,451	0
Total Disbursements	17,933	12,373	5,560	42,101	39,960	2,141
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,493)	2,554	6,047	(18,531)	(17,296)	1,235
CASH, JANUARY 1	8,396	9,301	905	24,197	26,597	2,400
CASH, DECEMBER 31	4,903	11,855	6,952	5,666	9,301	3,635

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CAPITAL IMPROVEMENT SALES TAX 60% FUND</u>						
RECEIPTS						
Sales taxes	21,060	21,980	920	23,015	22,191	(824)
Interest	750	1,048	298	2,790	960	(1,830)
Other	300	905	605	2	297	295
Total Receipts	22,110	23,933	1,823	25,807	23,448	(2,359)
DISBURSEMENTS						
Courthouse repairs	23,675	25,687	(2,012)	27,325	18,606	8,719
Transfers out	0	663	(663)	1,660	1,660	0
Total Disbursements	23,675	26,350	(2,675)	28,985	20,266	8,719
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,565)	(2,417)	(852)	(3,178)	3,182	6,360
CASH, JANUARY 1	36,833	38,128	1,295	34,946	34,946	0
CASH, DECEMBER 31	35,268	35,711	443	31,768	38,128	6,360
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	1,400	1,278	(122)	1,540	1,630	90
Interest	75	81	6	150	70	(80)
Total Receipts	1,475	1,359	(116)	1,690	1,700	10
DISBURSEMENTS						
Prosecuting Attorney	0	130	(130)	0	0	0
Total Disbursements	0	130	(130)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,475	1,229	(246)	1,690	1,700	10
CASH, JANUARY 1	3,599	3,700	101	2,000	2,000	0
CASH, DECEMBER 31	5,074	4,929	(145)	3,690	3,700	10
<u>EMERGENCY MANAGEMENT PROGRAM FUND</u>						
RECEIPTS						
Intergovernmental	5,533	5,292	(241)	5,532	5,624	92
Interest	0	0	0	8	5	(3)
Transfers in	2,000	2,749	749	2,800	2,116	(684)
Total Receipts	7,533	8,041	508	8,340	7,745	(595)
DISBURSEMENTS						
Salaries	7,200	7,200	0	7,200	7,200	0
Employee fringe benefits	571	501	70	675	526	149
Mileage and training	100	0	100	464	112	352
Total Disbursements	7,871	7,701	170	8,339	7,838	501
RECEIPTS OVER (UNDER) DISBURSEMENTS	(338)	340	678	1	(93)	(94)
CASH, JANUARY 1	563	0	(563)	93	93	0
CASH, DECEMBER 31	225	340	115	94	0	(94)

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMITTEE FUND</u>						
RECEIPTS						
Intergovernmental	0	2,899	2,899	1,700	1,820	120
Interest	190	167	(23)	185	210	25
Other	0	0	0	0	30	30
Total Receipts	190	3,066	2,876	1,885	2,060	175
DISBURSEMENTS						
Office expenditures	1,897	851	1,046	1,127	2,569	(1,442)
Total Disbursements	1,897	851	1,046	1,127	2,569	(1,442)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,707)	2,215	3,922	758	(509)	(1,267)
CASH, JANUARY 1	6,203	8,043	1,840	8,552	8,552	0
CASH, DECEMBER 31	4,496	10,258	5,762	9,310	8,043	(1,267)
<u>CART/PATRON GRAVEL FUND</u>						
RECEIPTS						
Charges for services	30,000	68,040	38,040	30,000	35,265	5,265
Interest	345	1,431	1,086	0	345	345
Transfers in	51,000	52,394	1,394	30,000	33,034	3,034
Total Receipts	81,345	121,865	40,520	60,000	68,644	8,644
DISBURSEMENTS						
Road and bridge materials	81,000	121,865	(40,865)	60,000	68,644	(8,644)
Total Disbursements	81,000	121,865	(40,865)	60,000	68,644	(8,644)
RECEIPTS OVER (UNDER) DISBURSEMENTS	345	0	(345)	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	345	0	(345)	0	0	0
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	48,535	48,844	309	48,000	49,315	1,315
Intergovernmental	1,985	1,035	(950)	0	1,980	1,980
Interest	45	49	4	199	52	(147)
Other	10	516	506	0	2	2
Transfers in	0	0	0	0	8,078	8,078
Total Receipts	50,575	50,444	(131)	48,199	59,427	11,228
DISBURSEMENTS						
Salaries	32,010	34,031	(2,021)	39,083	39,625	(542)
Employee fringe benefits	5,808	5,046	762	4,144	6,220	(2,076)
Office expenditures	965	1,759	(794)	1,870	1,513	357
Equipment	8,150	6,279	1,871	5,732	11,075	(5,343)
Training	3,600	0	3,600	0	0	0
Total Disbursements	50,533	47,115	3,418	50,829	58,433	(7,604)
RECEIPTS OVER (UNDER) DISBURSEMENTS	42	3,329	3,287	(2,630)	994	3,624
CASH, JANUARY 1	0	3,625	3,625	2,631	2,631	0
CASH, DECEMBER 31	42	6,954	6,912	1	3,625	3,624

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental	500	120	(380)	300	0	(300)
Interest	7	0	(7)	7	3	(4)
Total Receipts	507	120	(387)	307	3	(304)
DISBURSEMENTS						
Prosecuting Attorney	0	230	(230)	0	0	0
Transfers out	0	0	0	0	541	(541)
Total Disbursements	0	230	(230)	0	541	(541)
RECEIPTS OVER (UNDER) DISBURSEMENTS	507	(110)	(617)	307	(538)	(845)
CASH, JANUARY 1	516	516	0	1,054	1,054	0
CASH, DECEMBER 31	1,023	406	(617)	1,361	516	(845)
<u>RECORDER'S PRESERVATION FUND</u>						
RECEIPTS						
Charges for services	950	992	42	870	928	58
Interest	175	172	(3)	176	189	13
Total Receipts	1,125	1,164	39	1,046	1,117	71
DISBURSEMENTS						
Ex Officio Recorder of Deeds	0	448	(448)	5,930	0	5,930
Total Disbursements	0	448	(448)	5,930	0	5,930
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,125	716	(409)	(4,884)	1,117	6,001
CASH, JANUARY 1	8,214	8,235	21	7,118	7,118	0
CASH, DECEMBER 31	9,339	8,951	(388)	2,234	8,235	6,001
<u>SENIOR CITIZENS SERVICES FUND</u>						
RECEIPTS						
Property taxes	9,500	10,701	1,201	10,971	10,002	(969)
Interest	200	342	142	124	245	121
Other	0	10	10	2	1	(1)
Total Receipts	9,700	11,053	1,353	11,097	10,248	(849)
DISBURSEMENTS						
Contract services	8,500	6,843	1,657	8,500	2,065	6,435
Rent	0	0	0	900	150	750
Other	115	115	0	240	120	120
Total Disbursements	8,615	6,958	1,657	9,640	2,335	7,305
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,085	4,095	3,010	1,457	7,913	6,456
CASH, JANUARY 1	10,621	10,479	(142)	2,566	2,566	0
CASH, DECEMBER 31	11,706	14,574	2,868	4,023	10,479	6,456

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	80	100	20	100	65	(35)
Interest	5	11	6	0	5	5
Total Receipts	85	111	26	100	70	(30)
DISBURSEMENTS						
Crime victims	0	0	0	640	0	640
Total Disbursements	0	0	0	640	0	640
RECEIPTS OVER (UNDER) DISBURSEMENTS	85	111	26	(540)	70	610
CASH, JANUARY 1	1,062	1,067	5	997	997	0
CASH, DECEMBER 31	1,147	1,178	31	457	1,067	610
<u>RURAL ECONOMIC ASSISTANCE PROGRAM FUND</u>						
RECEIPTS						
Intergovernmental	33,600	27,100	(6,500)	33,600	36,800	3,200
Interest	60	88	28	0	76	76
Transfers in	0	1,370	1,370	10,364	3,914	(6,450)
Total Receipts	33,660	28,558	(5,102)	43,964	40,790	(3,174)
DISBURSEMENTS						
Salaries	27,868	27,868	0	27,000	27,868	(868)
Employee fringe benefits	2,132	2,132	0	2,766	2,132	634
Other	5,600	4,759	841	7,864	4,559	3,305
Total Disbursements	35,600	34,759	841	37,630	34,559	3,071
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,940)	(6,201)	(4,261)	6,334	6,231	(103)
CASH, JANUARY 1	3,479	6,231	2,752	0	0	0
CASH, DECEMBER 31	1,539	30	(1,509)	6,334	6,231	(103)
<u>JUVENILE GRANT FUND</u>						
RECEIPTS						
Interest	0	31	31	38	43	5
Total Receipts	0	31	31	38	43	5
DISBURSEMENTS						
Foster care	0	0	0	500	0	500
Equipment	0	0	0	275	0	275
Total Disbursements	0	0	0	775	0	775
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	31	31	(737)	43	780
CASH, JANUARY 1	201	1,787	1,586	1,744	1,744	0
CASH, DECEMBER 31	201	1,818	1,617	1,007	1,787	780

Exhibit B

WORTH COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PEACE OFFICER STANDARDS AND TRAINING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	500	500	0			
Other	0	50	50			
Total Receipts	<u>500</u>	<u>550</u>	<u>50</u>			
DISBURSEMENTS						
Sheriff	600	720	(120)			
Total Disbursements	<u>600</u>	<u>720</u>	<u>(120)</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100)	(170)	(70)			
CASH, JANUARY 1	669	669	0			
CASH, DECEMBER 31	<u>569</u>	<u>499</u>	<u>(70)</u>			
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	52	173	121			
Total Receipts	<u>52</u>	<u>173</u>	<u>121</u>			
DISBURSEMENTS						
Circuit Clerk	0	0	0			
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	52	173	121			
CASH, JANUARY 1	774	1,121	347			
CASH, DECEMBER 31	<u>826</u>	<u>1,294</u>	<u>468</u>			
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	300	573	273			
Interest	0	7	7			
Total Receipts	<u>300</u>	<u>580</u>	<u>280</u>			
DISBURSEMENTS						
Law books	500	262	238			
Total Disbursements	<u>500</u>	<u>262</u>	<u>238</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(200)	318	518			
CASH, JANUARY 1	501	289	(212)			
CASH, DECEMBER 31	<u>\$ 301</u>	<u>607</u>	<u>306</u>			

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

Notes to the Financial Statements

WORTH COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Worth County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Senior Citizens Services Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. 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.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Peace Officer Standards and Training Commission Fund	2000
Circuit Clerk Interest Fund	2000
Law Library Fund	2000
Local Law Enforcement Block Grant Fund	2000
Sheriff Civil Fund	2001
Technology Fund	2001
Special Juvenile Fund	2001 and 2000

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

<u>Fund</u>	<u>Years Ended December 31,</u>
County Aid Road Trust Fund	2001
Capital Improvement Sales Tax 60% Fund	2001
Bad Check Fund	2001
Recorder's Preservation Fund	2001
Peace Officer Standards and Training Commission Fund	2001
CART/Patron Gravel Fund	2001 and 2000
Prosecuting Attorney Delinquent Tax Fund	2001 and 2000
Local Emergency Planning Committee Fund	2000
Law Enforcement Sales Tax Fund	2000

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Law Enforcement Training Fund for the year ended December 31, 2000.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. However, the county's published financial statements for the years ended December 31, 2001 and 2000, did not include the Circuit Clerk Interest Fund or the Law Library Fund.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

3. Property Taxes

Through December 31, 2001, Worth County collected \$12,910 in excess property taxes. Section 67.505, RSMo 2000, requires the county to reduce property taxes for a percentage of sales taxes collected. Worth County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. Tax levies were not reduced sufficiently for actual sales tax collections.

Schedule

WORTH COUNTY, MISSOURI
SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 2001 AND 2000

This schedule includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Follow-up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

WORTH 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 auditor's follow-up on action taken by Worth County, Missouri, on the applicable finding in our prior audit report issued for the two years ended December 31, 1999.

99-1. Overspending of Budgets

Actual expenditures exceeded budgeted amounts in several funds.

Recommendation:

The County Commission adopt procedures to compare budgeted and actual disbursements and ensure the county and applicable officials do not authorize disbursements in excess of budgeted expenditures. If valid reasons, necessitate excess expenditures, the original budget should be formally amended.

Status:

Some improvement was noted; however, actual expenditures exceeded budgeted amounts for some funds during 2000 and 2001. See Management Advisory Report (MAR) finding number 4.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

WORTH COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 22, 2002.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings. These findings resulted from our audit of the special-purpose financial statements of Worth County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1.**Financial Condition**

Worth County has faced financial difficulty for several years and is currently facing difficulty in providing basic services to its residents. The problems exist within the General Revenue Fund, which pays the majority of the general operating costs of the county.

The county uses proceeds from tax anticipation notes (TAN) to fund normal operating expenses of the General Revenue Fund. Borrowing with TAN's occurs throughout the year, and the notes are paid off from the proceeds of property tax revenues which are collected by the County Collector primarily in December and remitted to the county in January. In recent years, the county has borrowed money as early as January to pay operating expenses, immediately following the pay off of the previous year's debt. In addition, the TAN balances at the end of the year have increased substantially over the past few years, from \$46,012 at December 31, 1995, to \$132,742 at December 31, 2001. The current operating budget projects a deficit of \$151,165 at December 31, 2002, which is the amount of anticipated TAN borrowing for the year.

The majority of the expenses of the General Revenue Fund are comprised of salary and related payroll expenses for elected officials and deputy officials. For 2001, these expenses comprised approximately \$168,000 of total fund expenses of approximately \$298,000 (56 percent). While the elected officials have not taken pay raises for many years, the minimum amounts paid are generally fixed by state law. Other required or essential expenses include conduct of elections, board of prisoners, courthouse maintenance, phone and utilities, insurance, and the county's share of the health department, juvenile office, and assessment expenses. These expenses comprised approximately 24 percent of total General Revenue Fund expenses for 2001. Based on the current 2002 budget, there appears to be very few non-essential operating expenses that could be reduced.

The following are additional factors which could or will have an effect on the financial condition of the General Revenue Fund.

- The county is required to roll back it's general property tax levy for 50 percent of the county's general sales tax revenues. As noted in Management Advisory Report (MAR) No. 2, the county has not adequately rolled back the property tax levy in 1999, 2000, and 2001. As a result, the county must reduce future property taxes by \$12,910.
- The county paid the salary of a law enforcement officer from the Special Road and Bridge Fund in 2000. Although the county indicated this officer was involved in training of road and bridge employees and reviewing the safety of road work sites, the county could not justify paying the entire salary from the Special Road and Bridge Fund. As a result, the county should reimburse part of the salary expense to this fund from either the General Revenue Fund or the Law Enforcement Sales Tax Fund. See MAR No. 3.

- The General Revenue Fund is incurring some expenses which could be shifted to other funds that are under the control of other county officials. For example, the General Revenue Fund incurred training expenses for the Prosecuting Attorney of approximately \$700 annually during 2000 and 2001, and the Prosecuting Attorney Training Fund had a balance of \$531 at December 31, 2001. The County Commission should review the use of this fund and other funds and discuss with the applicable officials the possibility of shifting certain expenses to these other funds.

It appears that developing both short- and long-term solutions to the county's financial problems will be difficult. The county currently has a general property tax rate of \$.37 per \$100 assessed valuation and an additional voter-approved general property tax levy of \$.35 per \$100 assessed valuation. The county also has a general sales tax of ½ cents per \$1 of retail sales and in November 2002 approved a local use tax. Any additional taxes to increase general operating revenues will need voter approval and must be authorized by state law or the Missouri Constitution. The county is the smallest in the state in both square miles and population, and there are few businesses located in the county. The population of the county has decreased from 3,359 in 1970 to 2,382 in 2000. The total assessed valuation of the county's real and personal property has remained approximately \$20 million since 1985, which was the first year of statewide reassessment. The county has experienced no growth in its assessed valuation, and considering inflationary factors, the county's tax base has been in decline.

Considering all these factors, it would seem necessary for the county to consider alternative ways of providing services to the residents of the county. Some of the alternatives may include consolidation of certain services with adjoining counties and/or a merger of the county's current operations with one or more of the adjoining counties which would have the benefit of reducing administrative expenses. Article VI, Sections 3 and 5 of the Missouri Constitution specifically address the procedures required for counties to merge.

WE RECOMMEND the County Commission consider various alternatives of increasing revenues and reducing expenses to ensure that the General Revenue Fund's financial condition improves. The County Commission should obtain the residents' input regarding increased taxation, decreased services, and the possibility for shared services or consolidation with another county.

AUDITEE'S RESPONSE

We agree that the financial condition of the General Revenue Fund needs to be improved. We are continually trying to come up with ways to increase revenues and decrease expenses. We asked for and received a significant amount of public input prior to the November 2002 election, and the voters approved by overwhelming majorities the continuation of the general operating tax levy and the establishment of a local use tax. This, along with the establishment of a separate office for the recorder of deeds (which results in state aid to cover the cost of operating the recorder's office) and the opening of a new retail business in the county, should result in some improvement of the financial condition in 2003. We will also consider presenting additional measures before the voters

during 2003, including an additional general property tax levy and a repeal of rollback for the general sales tax.

2.	Property Tax Reduction Due to Sales Tax
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The county has not sufficiently reduced its general revenue property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by Worth County voters under the provisions of Section 67.505, RSMo 2000.

Following are the calculations used in determining excess property tax revenues collected for the two years ended December 31, 2001, and excess property taxes of prior years:

	Year Ended December 31,	
	2001	2000
ACTUAL SALES TAX REVENUES	\$ 57,435	56,424
Required percentage of revenue reduction	X 50%	50%
Required property tax revenue reduction	28,718	28,212
Assessed valuation	21,387,251	21,448,293
General Revenue Fund tax levy reduction (per \$100 of assessed valuation)	X 0.13	0.09
Actual property tax revenue reduction	27,804	19,304
EXCESS PROPERTY TAX REVENUES COLLECTED	914	8,908
Excess property tax revenue collections from prior years	11,996	3,088
NET EXCESS	\$ 12,910	11,996

The county's actual sales tax revenues significantly exceeded the preliminary estimates in 1999 and 2000, and as a result, the county's net excess collections increased significantly. In addition, the net excess was not properly taken into consideration when calculating the 2000 and 2001 property tax rollbacks. The County Clerk should ensure any excess collections from prior years are included in his worksheets when computing future property tax rollbacks.

WE RECOMMEND the County Commission reduce the county property tax levy adequately to meet the sales tax reduction requirements, including reductions for excess property taxes collected in prior years.

AUDITEE'S RESPONSE

We agree and will make the additional rollback starting in 2003, probably over a period of three to four years or sooner if the financial condition of the General Revenue Fund improves.

3. Expenditures and Related Matters
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- A. Bids were not always solicited or advertised by the county nor was bid documentation always retained for various purchases for road and bridge purposes. Examples of the items purchased for which documentation and/or advertisement of bids could not be located are as follows:

<u>Items purchased</u>	<u>Cost</u>
Machine hire (total paid in 2001)	24,622
Bridge materials	7,500
Culverts	6,752
Grader repairs	6,109

The County Commission indicated bids were often solicited by phone, preference is given to vendors located in the county, and some items were only available from one vendor (sole source suppliers). However, the County Commission frequently did not retain adequate documentation of phone calls and reasons for decisions made. The county could not locate documentation of advertisements for bids for the road rock purchase noted above.

Section 50.660, RSMo 2000, requires the advertisement of bids for all purchases of \$4,500 or more, and the solicitation of bids for purchases greater than \$4,500 from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all parties are given an equal opportunity to participate in county business. Documentation of bids should always be retained as evidence that the county's established purchasing procedures, as well as statutory requirements, are being followed. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, newspaper publication notices when applicable, bids received, the basis and justification for awarding bids, and documentation of all discussions with vendors.

A similar condition was noted in prior reports.

- B. During the year ended December 31, 2000, the County Commission authorized expenditures totaling \$7,125 from the Special Road and Bridge Fund for the entire salary of a Safety Officer. This employee was a Sheriff's Deputy and the county paid for him to attend law enforcement training. As Safety Officer, the employee occasionally would show training videos to road and bridge employees and make visits at work sites to check that safety rules were being followed but his main duty was law enforcement. This employee terminated his employment with the county in 2000 and was not replaced. The county did not have any documentation to support the decision to pay this employee's entire salary from the Special Road and Bridge Fund.

Section 137.555, RSMo 2000, provides that Special Road and Bridge funds are restricted for "road and bridge purposes and for no other purpose whatever." The Safety Officer's salary does not appear to be an allowable use of the Special Road and Bridge Fund. Although the county discontinued paying this salary upon the employee's termination, the county should determine the portion paid for the employee's time spent on law enforcement and reimburse this amount from either the General Revenue Fund or the Law Enforcement Sales Tax Fund to the Special Road and Bridge Fund.

- C. The county's procedures for approving and paying invoices should be improved as follows:
- 1) The County Commission approves most payments to vendors without requiring the applicable employee or office holder to acknowledge receipt of goods or services by signing or initialing the invoice. As a result, the county does not always have adequate assurance it is paying for actual goods and services received and approved by the applicable party.
 - 2) Invoices are not canceled upon payment. All invoices should be canceled to prevent reuse or repayment of the invoice.
 - 3) The Prosecuting Attorney's Office retains the original invoices and submits only copies to the County Commission for payment. To ensure all payments represent valid expenditures, payments should only be made from original invoices.
- D. The county had not been disbursing monies it collects for victims of domestic violence. No disbursements were made from the county's Victims of Domestic Violence Fund since it was opened in the early 1990's, and the balance of the fund at December 31, 2001 was \$1,178.

In 2002, the county paid \$1,000 from the Victims of Domestic Violence Fund to a children's hospital. The County Commission did not consider the statutory restrictions on the fund or consider Sections 455.200 to 455.230, RSMo 2000, which govern how and to whom the monies in this fund may be distributed and the reporting requirements of recipients. Monies are to be distributed to shelters for victims of domestic violence. It does not appear the children's hospital meets the definition of a shelter for victims of domestic violence as provided in Section 455.200 RSMo 2000.

Although there appears to be no applicable shelter located in Worth County, the county should determine whether any shelters located in neighboring counties provide services to Worth County residents and consider providing funding to those shelters as applicable. In addition, the County Commission should consider obtaining reimbursement of the \$1,000 paid to the children's hospital or otherwise reimburse this amount to the Victims of Domestic Violence Fund.

- E. The county has not entered into written contracts for the following agreements:
- 1) The county operates an emergency management program to develop disaster preparedness plans, programs, and capabilities. Cities participate in the program and are assessed and pay a fee based on population. There are no written agreements between the county and the cities.
 - 2) The county has loaned a patrol car to the city of Grant City for the city's use without a written agreement.
 - 3) The Sheriff's department houses county prisoners in a privately-owned jail without a written agreement with the jail.

Written contracts are necessary to outline the terms of the arrangements, specify the services to be provided and compensation to be paid, and help prevent misunderstandings. Section 432.070, RSMo 2000, requires all contracts to be in writing.

Similar conditions were noted in prior reports.

WE RECOMMEND the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain all applicable bid documentation, including reasons for decisions made. If bids cannot be obtained and/or sole source procurement is necessary, the County Commission minutes should reflect the circumstances.

- B. Reimburse the Special Road and Bridge Fund for the amount paid to the Safety Officer that was related to law enforcement and ensure all future expenditures from the Special Road and Bridge Fund comply with state law.
- C.1. Require acknowledgment of receipt of goods and/or services prior to payment.
 - 2. Ensure all invoices are canceled upon payment.
 - 3. Make payments only from original invoices and retain all original invoices.
- D. Determine if there are any shelters for domestic violence victims which provide services to county residents and ensure all the future expenditures from the Victims of Domestic Violence Fund comply with state law. In addition, the county should consider seeking reimbursement for the \$1,000 paid to the children's hospital or otherwise reimburse \$1,000 to the Victims of Domestic Violence Fund.
- E. Enter into written contracts as required by state law.

AUDITEE'S RESPONSE

- A. *Bids were solicited for these items by both advertisement and by phone. We agree that better bid documentation should be kept and we will do so in the future.*
- B. *We have discontinued the safety officer position and do not plan to do this in the future. We established this position and funded it in the Special Road and Bridge Fund based on legal advice and advice from other counties. We will consider reimbursing the Special Road and Bridge Fund.*
- C. *We will implement these recommendations immediately.*
- D. *We will follow the applicable statutes when making future distributions and will consider seeking reimbursement for the \$1,000.*
- E. *We will immediately work on obtaining these written agreements.*

4.	Budgets
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The County Clerk and County Commission are responsible for preparing and approving the county budgets. Our review of the county's 2001 and 2000 budgets noted the following concerns:

- A. Although the county did prepare and submit budget amendments for some funds, actual disbursements exceeded approved budgeted amounts in several funds for the years ended December 31, 2001 and 2000, as follows:

<u>Fund</u>	<u>2001</u>	<u>2000</u>
County Aid Road Trust	\$ 5,798	N/A
Capital Improvement Sales Tax 60%	2,675	N/A
Bad Check	130	N/A
Local Emergency Planning Committee	N/A	1,442
CART /Patron Gravel	40,865	8,644
Law Enforcement Sales Tax	N/A	7,604
Prosecuting Attorney Delinquent Tax	230	541
Recorder's Preservation	448	N/A
Peace Officer Standards and Training Commission	120	N/A

It was ruled in *State ex rel. Strong v. Cribb*, 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in the which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

A similar condition was noted in a prior report.

- B. The county currently prepares and approves its budgets prior to January 1 of each year, and as a result, final amounts for the prior year's actual receipts and disbursements are not available for presentation on the budget. The budgets include estimated prior year's receipts and disbursements; however, these amounts are not labeled as estimated amounts and are included in the column labeled as prior year's actual amounts.

While the estimated amounts are generally close to the final actual amounts, the county does not compare the estimated and actual amounts when the final actual amounts become available. In addition, the county does not include actual amounts for the first year presented on the budget, even though actual information should be readily available. For example, the 2002 budget still contained the estimated amounts for 2000 receipts and disbursements.

Failure to present accurate financial information decreases the effectiveness of the budget as a management tool. To be of maximum benefit to the county and its taxpayers, the county should replace the estimated data on the budgets for the years in which final actual data is available. In addition, the county should clearly indicate applicable amounts as estimated.

WE RECOMMEND the County Commission:

- A. Keep disbursements within the amounts budgeted. If additional disbursements are necessary, the circumstances should be fully documented and the budgets properly amended.
- B. Include the actual receipts and disbursements on the budgets when available for prior years. Any estimated amounts should be clearly marked or explained on the budgets.

AUDITEE'S RESPONSE

- A. *We agree and will ensure budget amendments are prepared when necessary.*
- B. *We agree and will implement this when preparing the 2003 budget.*

5. County Clerk

The County Clerk maintains an account book with the County Collector. However, the account book only includes the monthly tax collections. The account book should summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. An account book, prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and the tax books, would enable the County Clerk to ensure the amount of taxes charged and credited to the collector each year is complete and accurate.

Section 51.150(2), RSMo 2000, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. A properly maintained account book could be used by the County Commission to verify the County Collector's annual settlements.

A similar condition was noted in a prior report.

WE RECOMMEND the County Clerk ensure the account book includes all information regarding property tax charges and credits, and the County Commission make use of this account book to verify the County Collector's annual settlements.

AUDITEE'S RESPONSE

We are working to implement this immediately.

6.**Prosecuting Attorney's Accounting Controls and Procedures**

The Prosecuting Attorney collected restitution and administrative fees on bad checks totaling approximately \$10,800 and \$10,700 for the years ended December 31, 2001 and 2000, respectively. Administrative fees are remitted to the County Treasurer monthly. Our review of the Prosecuting Attorney's accounting controls and procedures indicated the following concerns:

- A. Accounting and bookkeeping duties are not adequately segregated. The Prosecuting Attorney's secretary is primarily responsible for collecting, recording, depositing, and disbursing all monies. To ensure proper safeguarding of assets and recording of all transactions, the cash custodial duties should be segregated from record keeping duties. If the duties cannot be adequately segregated, at a minimum, an independent person, such as the Prosecuting Attorney, should review and initial bank reconciliations and agree recorded receipts to deposits. Failure to adequately segregate duties or provide a supervisory review increases the risk that errors or irregularities will not be detected in a timely manner.
- B. Monthly open-items listings (liabilities) are not prepared, and consequently, liabilities are not reconciled to the cash balance. We attempted to reconcile liabilities to the cash balance, and it appears that an unidentified amount of \$45 has remained in the Prosecuting Attorney's Trust Account bank account since January 2000. The reconciled cash balance at December 31, 2001 was \$416.

Preparation of monthly open items listings, in conjunction with reconciliations to book and bank balances, is necessary to ensure the cash balance is sufficient to cover liabilities and allow for timely correction of errors. Unidentified balances should be disposed of as provided by state law.

- C. Receipt slips are issued only for monies paid in person. To provide assurance all monies received have been properly handled, prenumbered receipt slips should be issued for all monies received and the numerical sequence accounted for properly.
- D. An adequate system to account for all bad check complaints received by the Prosecuting Attorney's office, as well as the subsequent disposition of these complaints, has not been established. The bad check complaints are not assigned sequential control numbers nor are they recorded on an initial log or listing as they are received.

To ensure all bad checks turned over to the Prosecuting Attorney are properly handled, a sequential number should be assigned to each bad check complaint received and a log should be maintained listing each complaint and its disposition. The log should contain information such as the complaint number, the merchant's name, the issuer of the check, the amount of the bad check fee, and the disposition of

the bad check, including the date restitution was received and disbursed to the merchant, the date and criminal case in which charges were filed, or other disposition.

WE RECOMMEND the Prosecuting Attorney:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Prepare monthly listings of open items and reconcile the listings to bank and book balances. Unidentified monies should be disposed of in accordance with state law.
- C. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
- D. Assign sequential control numbers to bad check complaints and maintain a log to adequately account for bad check complaints as well as the ultimate disposition.

AUDITEE'S RESPONSE

*A,B,
&D. I agree and plan to implement.*

C. This has already been implemented.

7. Circuit Clerk's Accounting Controls and Procedures
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The Circuit Clerk is responsible for assessing, collecting, and distributing monies in connection with circuit court proceedings and handled approximately \$32,000 and \$71,000 for the years ended December 31, 2001 and 2000, respectively. Our review of the Circuit Clerk's accounting controls and procedures indicated the following concerns:

- A. The Circuit Clerk has not prepared monthly listings of open items (liabilities) for the fee account. As a result, the Circuit Clerk has not been able to reconcile liabilities to the balance in the fee account. The Circuit Clerk is in the process of performing these reconciliations beginning with the time period that she took office on January 1, 1999, and has completed the reconciliations through December 2000.

Monthly listings of open items are necessary to ensure the proper disposition of cash balances. The periodic reconciliation of liabilities with the cash balance provides assurance that the records are in balance and that sufficient cash is available for payment of all liabilities. Timely reconciliations are necessary and helpful in the investigation of errors and omissions.

- B. The method of payment received (cash, check, money order, etc.) is not always indicated on receipt slips. To ensure receipts are accounted for properly and deposited intact, the method of payment received should be recorded on all receipt slips, and the composition of receipt slips issued should be reconciled to the composition of bank deposits.

WE RECOMMEND the Circuit Clerk:

- A. Prepare monthly listings of open items and reconcile the listings to the cash balance.
- B. Indicate the method of payment on all receipts slips and reconcile the composition of receipt slips to the composition of bank deposits.

AUDITEE'S RESPONSE

- A. *We have been working on this and will continue to work on this.*
- B. *We are doing this now and will continue.*

8. Sheriff's Accounting Controls and Procedures
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The Sheriff's office collected approximately \$24,000 and \$10,000 for the years ended December 31, 2001 and 2000, respectively, in fees, bonds, gun permits, and garnishments. Our review of accounting controls and procedures indicated the following:

- A. Accounting and bookkeeping duties are not adequately segregated. The Sheriff's dispatcher is primarily responsible for collecting, recording, depositing, and disbursing all monies. To ensure proper safeguarding of assets and recording of all transactions, the cash custodial duties should be segregated from record keeping duties. If the duties cannot be adequately segregated, at a minimum, an independent person, such as the Sheriff, should review and initial bank reconciliations and agree recorded receipts to deposits. Failure to adequately segregate duties or provide a supervisory review increases the risk that errors or irregularities will not be detected in a timely manner.
- B. Receipt slips are issued only for bonds and gun permits. To adequately account for receipts, prenumbered receipt slips should be issued for all receipts immediately upon receipt and the numerical sequence accounted for properly. In addition, the method of payment (cash, check, or money order) should be indicated on the receipt slip and the composition of recorded receipts should be reconciled to the composition of bank deposits.
- C. In December 2001, the Sheriff received \$551 in proceeds from the sale of advertising space on a calendar featuring the Sheriff's department. These monies were deposited

into a special bank account opened by the Sheriff in January 2002 to be used for law enforcement purposes.

These monies represent accountable fees which should be turned over to the County Treasurer. The Sheriff has no statutory authority to maintain such an account outside the county treasury. In addition, Attorney General's Opinion No. 45, 1992 to Henderson, states, "...sheriffs of third class counties are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury."

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Issue prenumbered receipt slips immediately upon receipt for all monies received and account for the numerical sequence. In addition, the method of payment received should be recorded on the receipt slips and reconciled to bank deposits.
- C. Turn over the amounts in the Sheriff's special account to the County Treasurer, and in the future, turn over all accountable fees to the County Treasurer.

AUDITEE'S RESPONSE

A&C. We will implement.

B. We have already implemented.

This report is intended for the information of the management of Worth County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

WORTH COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Worth County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the three years ended December 31, 1997, and our audit of the Worth County Collector for the period March 1, 1998 through October 31, 1998. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Federal Financial Assistance

- A.1. The county had not provided any local matching funds for the Community Oriented Policing Services (COPS) grant.
- A.2. The county's quarterly COPS grant report for the period ending December 31, 1997, incorrectly indicated local matching funds totaling \$4,006 had been provided.
- B. The county had not advertised for bids or maintained documentation of bids for purchases made with Federal Emergency Management Agency funds.
- C. The county had not updated its general fixed asset records for property acquired with federal funds.

Recommendation:

The County Commission:

- A.1. Provide the proper amount of match as required by the grant agreement. In addition, the county should contact the federal grantor agency to resolve the questioned costs.
- A.2. Ensure amounts are reported accurately on the federal reports. In addition, the county should submit an amended report to correct the misstatement.
- B. Advertise for bids as required by state law and maintain documentation of bids solicited and justification for bid awards. Additionally, the county should contact the federal grantor agency to resolve the questioned costs.
- C. Maintain detailed property records of all county-owned equipment purchased with federal funds.

Status:

- A.1. Implemented.
- A.2. Not implemented. The county is no longer receiving the COPS grant. Although not repeated in the current report, our recommendation remains as stated above.
- B. Partially implemented. The questioned costs were resolved and the county was not required to pay back any of the amount questioned. However, bids were not always solicited for applicable purchases during the current audit period. See MAR finding number 3.
- C. Implemented.

2. County Purchases and Contracts

- A. The county did not always maintain documentation of bids received, advertise for bids, or document sole source procurement purchases. In addition, the evaluation of bid proposals and the justification for awarding bids was not always documented in the commission minutes.
- B. There was no written agreement between the county and the city of Grant City for a county patrol car loaned to the city. In addition, there was no written lease agreements for office space and radio equipment leased for the Sheriff's department.

Recommendation:

The County Commission:

- A. Advertise for bids as required by state law and maintain documentation of bids solicited and justification for bid awards.
- B. Ensure that all agreements are supported by current written agreements.

Status:

- A. Not implemented. See MAR finding number 3.
- B. The county no longer leases office space for the Sheriff's department and the radio equipment lease has also expired. There is currently no written agreement between the county and the city for the loaning of the patrol car. See MAR finding number 3.

3. Vehicle and Equipment Usage Logs

The county did not have a written policy for usage of official vehicles or detailed usage log reports for vehicles or equipment. The county allowed Road and Bridge employees to use county vehicles for commuting purposes.

Recommendation:

The County Commission prepare a written policy on use of official vehicles and require detailed vehicle usage reports be prepared for all vehicles and equipment. The County Commission should review these reports periodically for reasonableness.

Status:

Partially implemented. While the county does not have a written policy, county vehicles are no longer used for commuting purposes. Usage reports are prepared; however, the County Commission does not review the reports. Although not repeated in the current report, our recommendation remains as stated above.

4. Emergency Management Program

The county operated an emergency management program. Cities participated in the program and were assessed a fee based on population.

- A. Written agreements between the county and the cities outlining the terms and responsibilities of the relationship were not developed.
- B. Fee assessments were not received from the cities in 1995.

Recommendation:

The County Commission:

- A. Develop written agreements with the cities that outline the terms and responsibilities of each party.
- B. Ensure the annual assessments from the cities are collected. In addition, the county should consider collecting the 1995 amounts.

Status:

- A. Not implemented. See MAR finding number 3.
- B. Implemented.

5. County Clerk's Records and Procedures

- A. The County Clerk did not maintain an account book with the County Collector.
- B. The County Clerk did not file monthly reports of fees collected with the County Commission.
- C. The County Clerk did not update the general fixed asset records for property acquisitions and property tags were not used.
- D. The County Clerk did not conduct annual inspections and inventories of all county-owned personal property and quarterly inspections of county-owned land and buildings.

Recommendation:

The County Clerk:

- A. Establish and maintain an account book with the County Collector. In addition, the County Commission should consider using the account book to verify the annual settlements of the County Collector.
- B. Prepare and submit a monthly report of fees collected to the County Commission.
- C. Maintain detailed property records of all county-owned equipment and reconcile purchases to fixed asset additions. Additionally, property tags should be attached to all items.
- D. Perform and document inspections and inventories of county-owned property as required by state law.

Status:

- A. Not implemented. See MAR finding number 5.
- B. Not implemented. The County Clerk only collects a small amount of money which is turned over to the County Treasurer the same day received. Although not repeated in the current report, our recommendation remains as stated above.
- C. Partially implemented. Although, the property records have been updated, the county does not reconcile purchases to fixed asset additions and does not use property tags. Although not repeated in the current report, our recommendation remains as stated above.

D. Partially implemented. The County Clerk now conducts annual physical inventories and annual inspections of county-owned real property, although state law requires quarterly inspections of real property. Although not repeated in the current report, our recommendation remains as stated above.

6. County Collector's Accounting Controls and Procedures

See our audit report on Worth County, Missouri, County Collector, for the period March 1, 1998 to October 31, 1998 (report number 99-08).

WORTH COUNTY, MISSOURI, COUNTY COLLECTOR
PERIOD MARCH 1, 1998 TO OCTOBER 31, 1998

Receipts were not always deposited intact or on a timely basis.

Recommendation:

The County Collector deposit all monies received intact daily or when amounts exceed \$100. If a change fund is needed, it should be established and maintained at a constant amount.

Status:

Partially implemented. The current County Collector has established a change fund which is maintained at a constant amount; however, she holds monies received for duplicate tax receipts and deposits them once a month. Although not repeated in the current report, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and
Statistical Information

WORTH COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1861, the county of Worth was named after William Worth, a general of the Florida and Mexican wars. Worth County is a third-class county and is part of the Fourth Judicial Circuit. The county seat is Grant City.

Worth County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Worth County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 350,659	66	329,545	70
Sales taxes	57,435	11	56,424	12
Federal and state aid	67,594	12	16,049	4
Fees, interest, and other	57,011	11	67,413	14
Total	\$ 532,699	100	469,431	100

The following chart shows how Worth County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 191,478	37	221,091	48
Public safety	106,829	21	95,459	21
Highways and roads	218,296	42	139,725	31
Total	\$ 516,603	100	456,275	100

The above amounts do not include receipts and disbursements for tax anticipation notes.

In addition, Worth County has a Law Enforcement Sales Tax Fund, with receipts of approximately \$50,000 and \$59,000 in 2001 and 2000, respectively, for the purpose of public safety; and a County Aid Road Trust Fund with receipts of approximately \$272,000 and \$283,000 in 2001 and 2000, respectively, for the purpose of highways and roads.

The county maintains approximately 78 county bridges and 285 miles of county roads.

The county's population was 3,359 in 1970 and 2,382 in 2000. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	2001	2000	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 12.5	12.5	13.4	12.2	8.7
Personal property	5.8	5.9	3.5	3.6	3.0
Railroad and utilities	3.1	3.1	2.1	2.4	2.2
Total	\$ 21.4	21.5	19.0	18.2	13.9

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Worth County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,	
	2001	2000
General Revenue Fund	\$ 0.72	0.76
Special Road and Bridge Fund	0.83	0.83
Senior Citizens Services Fund	0.05	0.05

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),	
	2002	2001
State of Missouri	\$ 6,452	6,351
General Revenue Fund	159,560	165,167
Special Road and Bridge Fund	176,640	173,884
Assessment Fund	12,200	12,039
School districts	749,752	733,936
Library district	21,093	20,153
Ambulance district	31,932	31,434
Fire district	3,972	3,908
Watershed district	2,208	2,227
Senior Citizens Services Fund	10,651	10,484
Cities	5,350	5,243
Surtax	25,021	25,454
County Clerk	361	346
County Employees' Retirement	6,642	5,360
Commissions and fees:		
General Revenue Fund	24,980	25,091
Total	\$ <u>1,236,814</u>	<u>1,221,077</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),	
	2002	2001
Real estate	95 %	97 %
Personal property	92	94
Railroad and utilities	100	100

Worth County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$.00500	None	50 %
Capital improvements	.00375	2008	None
Law enforcement	.00500	None	None

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

Officeholder	2002	2001	2000
County-Paid Officials:			
Billy F. Mozingo, Presiding Commissioner	\$	7,534	7,534
Lorace A. Waldeier, Associate Commissioner		4,238	
Darwin Gay, Associate Commissioner		2,511	
Jim Larson, Associate Commissioner			7,534
William Calhoon, Associate Commissioner		7,534	
Paul Hiatt, Associate Commissioner			7,534
John P. Jones, County Clerk		20,252	20,252
David B. Parman, Prosecuting Attorney		24,035	24,035
Neal Groom, Sheriff		20,800	
Lorace A. Waldeier, Sheriff			20,800
Linda Brown, County Treasurer		12,490	12,490
Gary D. Hann, County Coroner		3,575	
Rick Ridge, County Coroner			3,575
Patsy A. Worthington, Public Administrator		7,500	5,200
Julie Tracy, County Collector, year ended February 28,	17,750	17,750	
Carolyn Hardy, County Assessor (1), year ended August 31,		21,300	21,300

(1) Included \$900 annual compensation received from the state.

State-Paid Officials:

Jana Findley Smyser, Circuit Clerk and Ex Officio Recorder of Deeds	47,300	46,127
William Rex Beavers, Associate Circuit Judge	96,000	97,382

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex Officio Recorder of Deeds	0	1
County Clerk	1	0
Prosecuting Attorney	1	0
Sheriff	2	0
County Collector *	1	0
County Assessor *	1	0
Associate Division	0	1
Road and Bridge	6	0
Custodian	1	0
Total	<u>13</u>	<u>2</u>

* Includes one part time employee.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Worth County's share of the 4th Judicial Circuit's expenses is 5.55 percent.