



**RAY COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2002**

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

**Report No. 2004-06  
January 22, 2004  
[www.auditor.mo.gov](http://www.auditor.mo.gov)**

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

January 2004

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Ray, 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.

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

- Amounts charged by the former Recorder of Deeds for microfilm sales were not always consistent and accurate. Receipts slips were not issued for microfilm purchases and bids were not solicited and written contracts were not obtained for microfilming services. The sale of microfilm to one title company, in late 2002, was not handled consistent with sales to other title companies. Typically the county charged title companies for the purchase of microfilm, however in one instance, the microfilm company and not the county billed for the sale. Had this transaction been handled similar to other sales of film, the county would have received about \$40,000.
- The county does not adequately track or report the federal assistance on the schedule of expenditures of federal awards (SEFA).
- The actual receipt and disbursement amounts shown in county budgets contained incorrect amounts and numerous misclassifications. In addition, budget preparation procedures need improvement and expenditures were in excess of budgeted amounts for various funds.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996.

(over)

YELLOW SHEET

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. As noted in our prior report, the 1997 salary commission voted to give elected officials a salary increase mid-term. The County Commission indicated they would ask the county's legal counsel to review this matter and discuss it at the 2001 salary commission meeting. However, a salary commission meeting was not held in 2001 and while the County Commission has adopted a resolution not requiring repayment of these raises, this action was not supported by a written legal opinion.

- The County Treasurer's salary was increased \$10,710 annually, starting in 2003, but this action was not approved by the salary commission.

House Bill 2137, effective August 28, 2002, provided for an increase in the compensation paid to the county treasurer. It established an alternative, higher salary schedule and stated the salary commission may authorize the use of the alternative salary schedule. As a result, without a documented legal opinion, it is unclear whether the salary increase provided to the County Treasurer is in accordance with state law.

- Child Support Enforcement reimbursements claimed by the former Prosecuting Attorney during 2002 and 2001 were inaccurate. Total hours worked by the former Prosecuting Attorney and various employees were understated on the reimbursement requests compared to the total hours worked according to the timesheets submitted to the County, thus causing reimbursements of salaries and operating expenses to be higher than allowed. Total questioned costs identified were \$3,756.
- Bids were not always solicited for all purchases made by the county and sole source procurement was not adequately documented. Some emergency planning monies received by the county were not adequately monitored by the County Commission and payments of County Aid Road Trust (CART) revenues and road and bridge sales tax revenues to special road districts were made without proper written contracts.

The audit also suggested improvements to procedures for county vehicles, property tax controls, and Planning and Zoning. In addition, the audit included recommendations to the County Treasurer, Senate Bill 40 Board, County Clerk, Circuit Clerk, Sheriff, Assessor, and Juvenile Office.

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FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Ray County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Ray County, Missouri, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our 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 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the 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 Ray 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, 2002 and 2001, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated September 12, 2003, 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



Claire McCaskill  
State Auditor

September 12, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Julie Vollmer
Audit Staff:	George M. Atkinson
	Cynthia L. Freeman
	Tania Williams
	Gek Mui Melinda Tan



**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 Ray County, Missouri

We have audited the financial statements of various funds of Ray County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated September 12, 2003. 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 financial statements of various funds of Ray 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 financial statements of various funds of Ray 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 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 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 and use of the management of Ray County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, 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

September 12, 2003 (fieldwork completion date)

## Financial Statements

Exhibit A-1

RAY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 42,728	2,810,970	2,702,260	151,438
Special Road and Bridge	115,505	1,384,395	1,113,641	386,259
Assessment	171,720	232,666	235,944	168,442
Law Enforcement Training	6,614	5,279	4,343	7,550
Prosecuting Attorney Training	333	938	485	786
Special Road and Bridge Sales Tax	214,690	1,070,273	640,254	644,709
Noxious Weed	51,101	10,813	11,995	49,919
Recorder's User Fees	38,928	45,060	68,396	15,592
Domestic Violence	3,325	2,548	2,879	2,994
Sheriff's Extradition	1,590	5,384	6,239	735
Sheriff's Account	11,777	31,418	31,814	11,381
Emergency Shelter	0	13,872	13,872	0
Sheriff's POST Certification	528	1,973	1,806	695
Prosecuting Attorney Bad Check	7,967	35,553	31,125	12,395
Health Center	287,610	489,878	468,853	308,635
Emergency 911	146,535	196,571	202,651	140,455
Senate Bill 40	234,605	397,455	386,325	245,735
Circuit Clerk's Interest	7,030	1,264	149	8,145
Associate Circuit Division Interest	7,014	425	2,072	5,367
Election Services	3,639	3,840	3,286	4,193
Cemetery Trusts	1,238	43	0	1,281
School Trusts	13,816	642	144	14,314
County Clerk Election	12,445	48,916	62,585	(1,224)
Tax Maintenance	0	2,762	723	2,039
Total	\$ 1,380,738	6,792,938	5,991,841	2,181,835

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

Exhibit A-2

RAY 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	\$ 44,633	2,246,324	2,248,229	42,728
Special Road and Bridge	34,170	1,338,006	1,256,671	115,505
Assessment	154,897	245,721	228,898	171,720
Law Enforcement Training	8,424	4,218	6,028	6,614
Prosecuting Attorney Training	141	1,283	1,091	333
Special Road and Bridge Sales Tax	240,147	752,724	778,181	214,690
Noxious Weed	66,198	3,448	18,545	51,101
Recorder's User Fees	20,178	81,509	62,759	38,928
Domestic Violence	2,390	3,010	2,075	3,325
Sheriff's Extradition	2,583	991	1,984	1,590
Sheriff's Account	16,479	33,712	38,414	11,777
Emergency Shelter	0	10,780	10,780	0
Sheriff's POST Certification	430	1,835	1,737	528
Prosecuting Attorney Bad Check	4,951	27,813	24,797	7,967
Health Center	195,714	507,295	415,399	287,610
Emergency 911	99,001	208,430	160,896	146,535
Senate Bill 40	122,170	492,245	379,810	234,605
Circuit Clerk's Interest	5,445	2,120	535	7,030
Associate Circuit Division Interest	6,244	1,186	416	7,014
Election Services	3,773	1,414	1,548	3,639
Cemetery Trusts	1,162	76	0	1,238
School Trusts	14,339	1,350	1,873	13,816
County Clerk Election	4,545	49,335	41,435	12,445
Focus on Kids	897	0	897	0
Emergency Planning	0	1,715	1,715	0
Total	\$ 1,048,911	6,016,540	5,684,713	1,380,738

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

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 6,568,635	6,735,046	166,411	5,947,057	5,925,695	(21,362)
DISBURSEMENTS	7,149,849	5,922,882	1,226,967	6,466,243	5,605,701	860,542
RECEIPTS OVER (UNDER) DISBURSEMENTS	(581,214)	812,164	1,393,378	(519,186)	319,994	839,180
CASH, JANUARY 1	1,335,556	1,335,556	0	1,002,152	1,002,152	0
CASH, DECEMBER 31	754,342	2,147,720	1,393,378	482,966	1,322,146	839,180
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Sales taxes	1,501,800	1,546,465	44,665	1,411,300	1,409,427	(1,873)
Intergovernmental	543,850	374,901	(168,949)	255,425	104,468	(150,957)
Charges for service:	526,885	610,970	84,085	480,997	519,558	38,561
Interest	7,000	3,916	(3,084)	10,000	7,737	(2,263)
Other	111,875	201,646	89,771	42,730	41,605	(1,125)
Transfers in	94,768	73,072	(21,696)	76,599	163,529	86,930
Total Receipts	2,786,178	2,810,970	24,792	2,277,051	2,246,324	(30,727)
DISBURSEMENTS						
County Commissior	130,182	129,787	395	122,677	125,087	(2,410)
County Clerk	121,621	114,799	6,822	123,901	113,899	10,002
Elections	57,008	23,711	33,297	21,734	17,199	4,535
Buildings and grounds	615,062	459,535	155,527	130,278	124,673	5,605
County Treasurer	43,897	41,495	2,402	42,244	43,452	(1,208)
County Collector	131,888	128,700	3,188	130,220	134,636	(4,416)
Recorder of Deeds	134,061	130,094	3,967	118,959	116,641	2,318
Circuit Clerk	14,314	11,802	2,512	15,639	11,235	4,404
Circuit Judge	6,200	3,581	2,619	6,200	3,507	2,693
Associate Circuit and Probate Cour	41,212	38,154	3,058	42,526	41,874	652
Court administration	400	0	400	400	0	400
Public Administrator	65,552	67,808	(2,256)	74,419	73,265	1,154
Sheriff	403,025	397,881	5,144	391,868	381,965	9,903
Jail	453,618	616,168	(162,550)	562,851	543,386	19,465
Prosecuting Attorney	250,255	256,201	(5,946)	232,296	236,963	(4,667)
Juvenile Offices	28,697	14,672	14,025	26,178	14,764	11,414
County Coroner	27,957	25,872	2,085	25,109	28,461	(3,352)
Planning and Zoning	63,257	55,052	8,205	68,645	60,527	8,118
Law Library	10,550	12,212	(1,662)	9,550	9,613	(63)
Court Reporter	2,050	612	1,438	0	2,004	(2,004)
Other	122,819	128,311	(5,492)	182,875	122,520	60,355
Transfers out	0	2,783	(2,783)	0	42,558	(42,558)
Emergency func	40,500	43,030	(2,530)	0	0	0
Total Disbursements	2,764,125	2,702,260	61,865	2,328,569	2,248,229	80,340
RECEIPTS OVER (UNDER) DISBURSEMENTS	22,053	108,710	86,657	(51,518)	(1,905)	49,613
CASH, JANUARY 1	42,728	42,728	0	44,633	44,633	0
CASH, DECEMBER 31	64,781	151,438	86,657	(6,885)	42,728	49,613

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	490,300	475,543	(14,757)	428,100	485,811	57,711
Intergovernmental	785,375	863,536	78,161	775,000	772,473	(2,527)
Interest	10,000	6,858	(3,142)	17,000	10,015	(6,985)
Other	26,000	38,458	12,458	25,000	34,107	9,107
Transfers in	0	0	0	0	35,600	35,600
Total Receipts	1,311,675	1,384,395	72,720	1,245,100	1,338,006	92,906
<b>DISBURSEMENTS</b>						
Salaries	414,692	354,432	60,260	434,555	345,753	88,802
Employee fringe benefit	103,713	90,182	13,531	91,315	97,737	(6,422)
Supplies	126,000	87,868	38,132	127,000	117,299	9,701
Insurance	85,200	99,249	(14,049)	48,000	48,000	0
Road and bridge materials	205,000	149,564	55,436	90,000	168,706	(78,706)
Equipment repairs	110,000	80,245	29,755	100,000	106,567	(6,567)
Equipment purchases	40,000	0	40,000	44,100	46,492	(2,392)
CART Distributions to road district	183,000	194,670	(11,670)	198,000	181,793	16,207
Other	147,070	24,874	122,196	144,750	46,026	98,724
Transfers out	0	32,557	(32,557)	0	98,298	(98,298)
Total Disbursements	1,414,675	1,113,641	301,034	1,277,720	1,256,671	21,049
RECEIPTS OVER (UNDER) DISBURSEMENTS	(103,000)	270,754	373,754	(32,620)	81,335	113,955
CASH, JANUARY 1	115,505	115,505	0	34,170	34,170	0
CASH, DECEMBER 31	12,505	386,259	373,754	1,550	115,505	113,955
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	224,200	226,950	2,750	208,962	230,767	21,805
Interest	9,000	3,624	(5,376)	11,000	9,587	(1,413)
Other	1,300	2,092	792	5,755	5,367	(388)
Total Receipts	234,500	232,666	(1,834)	225,717	245,721	20,004
<b>DISBURSEMENTS</b>						
Assessor	282,960	235,944	47,016	270,926	228,898	42,028
Total Disbursements	282,960	235,944	47,016	270,926	228,898	42,028
RECEIPTS OVER (UNDER) DISBURSEMENTS	(48,460)	(3,278)	45,182	(45,209)	16,823	62,032
CASH, JANUARY 1	171,720	171,720	0	154,897	154,897	0
CASH, DECEMBER 31	123,260	168,442	45,182	109,688	171,720	62,032
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	4,600	5,279	679	3,300	4,218	918
Total Receipts	4,600	5,279	679	3,300	4,218	918
<b>DISBURSEMENTS</b>						
Sheriff	6,000	4,343	1,657	3,300	6,028	(2,728)
Total Disbursements	6,000	4,343	1,657	3,300	6,028	(2,728)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	936	2,336	0	(1,810)	(1,810)
CASH, JANUARY 1	6,614	6,614	0	8,424	8,424	0
CASH, DECEMBER 31	5,214	7,550	2,336	8,424	6,614	(1,810)
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
<b>RECEIPTS</b>						

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Charges for service:	1,500	938	(562)	3,700	1,283	(2,417)
Total Receipts	1,500	938	(562)	3,700	1,283	(2,417)
DISBURSEMENTS						
Prosecuting Attorney	1,500	485	1,015	3,700	1,091	2,609
Total Disbursements	1,500	485	1,015	3,700	1,091	2,609
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	453	453	0	192	192
CASH, JANUARY 1	333	333	0	141	141	0
CASH, DECEMBER 31	333	786	453	141	333	192
<b>SPECIAL ROAD AND BRIDGE SALES TAX FUND</b>						
<b>RECEIPTS</b>						
Sales tax	720,000	773,236	53,236	680,800	704,271	23,471
Intergovernmental	251,000	289,950	38,950	314,000	41,538	(272,462)
Interest	7,000	7,087	87	28,000	6,915	(21,085)
Other	0	0	0	2,000	0	(2,000)
Total Receipts	978,000	1,070,273	92,273	1,024,800	752,724	(272,076)
DISBURSEMENTS						
Professional	125,000	130,817	(5,817)	125,000	95,640	29,360
Road and bridge materials	300,000	117,045	182,955	300,000	127,099	172,901
Road and bridge constructor	500,000	119,320	380,680	518,900	268,706	250,194
Sales tax distribution to road district	234,000	255,091	(21,091)	219,000	232,705	(13,705)
Transfers out	33,500	17,981	15,519	100,000	54,031	45,969
Total Disbursements	1,192,500	640,254	552,246	1,262,900	778,181	484,719
RECEIPTS OVER (UNDER) DISBURSEMENTS	(214,500)	430,019	644,519	(238,100)	(25,457)	212,643
CASH, JANUARY 1	214,690	214,690	0	240,147	240,147	0
CASH, DECEMBER 31	190	644,709	644,519	2,047	214,690	212,643
<b>NOXIOUS WEED FUND</b>						
<b>RECEIPTS</b>						
Property taxes	0	9,600	9,600	0	0	0
Intergovernmental	0	93	93	0	0	0
Interest	2,000	1,120	(880)	4,000	3,448	(552)
Total Receipts	2,000	10,813	8,813	4,000	3,448	(552)
DISBURSEMENTS						
Salary and fringe benefit	14,024	9,863	4,161	13,038	10,197	2,841
Supplies	5,750	1,596	4,154	8,250	5,228	3,022
Equipment repair	1,000	182	818	1,000	1,068	(68)
Mileage	1,200	132	1,068	1,200	133	1,067
Insurance	1,300	222	1,078	1,200	0	1,200
Transfer out	750	0	750	750	1,919	(1,169)
Total Disbursements	24,024	11,995	12,029	25,438	18,545	6,893
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,024)	(1,182)	20,842	(21,438)	(15,097)	6,341
CASH, JANUARY 1	51,101	51,101	0	66,198	66,198	0
CASH, DECEMBER 31	29,077	49,919	20,842	44,760	51,101	6,341
<b>RECORDER'S USER FEES FUND</b>						
<b>RECEIPTS</b>						
Intergovernmental	0	0	0	0	10,855	10,855
Charges for service:	85,000	41,625	(43,375)	20,000	20,628	628
Interest	0	652	652	0	1,695	1,695

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Other	0	0	0	0	41,373	41,373
Transfers in	0	2,783	2,783	0	6,958	6,958
Total Receipts	85,000	45,060	(39,940)	20,000	81,509	61,509
DISBURSEMENTS						
Recorder of Deeds	63,000	68,396	(5,396)	20,000	62,759	(42,759)
Total Disbursements	63,000	68,396	(5,396)	20,000	62,759	(42,759)
RECEIPTS OVER (UNDER) DISBURSEMENTS	22,000	(23,336)	(45,336)	0	18,750	18,750
CASH, JANUARY 1	38,928	38,928	0	20,178	20,178	0
CASH, DECEMBER 31	60,928	15,592	(45,336)	20,178	38,928	18,750
<b>DOMESTIC VIOLENCE FUND</b>						
<b>RECEIPTS</b>						
Charges for services	2,800	2,314	(486)			
Interest	400	234	(166)			
Total Receipts	3,200	2,548	(652)			
DISBURSEMENTS						
Domestic violence shelte	2,880	2,879	1			
Total Disbursements	2,880	2,879	1			
RECEIPTS OVER (UNDER) DISBURSEMENTS	320	(331)	(651)			
CASH, JANUARY 1	3,325	3,325	0			
CASH, DECEMBER 31	3,645	2,994	(651)			
<b>SHERIFF'S EXTRADITION FUND</b>						
<b>RECEIPTS</b>						
Intergovernmental	2,000	5,384	3,384			
Total Receipts	2,000	5,384	3,384			
DISBURSEMENTS						
Sheriff	2,000	6,239	(4,239)			
Total Disbursements	2,000	6,239	(4,239)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(855)	(855)			
CASH, JANUARY 1	1,590	1,590	0			
CASH, DECEMBER 31	1,590	735	(855)			

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SHERIFF'S ACCOUNT FUND</u></b>						
RECEIPTS						
Charges for service:	50,000	27,102	(22,898)	65,500	28,025	(37,475)
Interest	0	116	116	0	431	431
Other	0	4,200	4,200	0	5,256	5,256
Total Receipts	50,000	31,418	(18,582)	65,500	33,712	(31,788)
DISBURSEMENTS						
Sheriff	50,000	31,814	18,186	50,000	38,414	11,586
Total Disbursements	50,000	31,814	18,186	50,000	38,414	11,586
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(396)	(396)	15,500	(4,702)	(20,202)
CASH, JANUARY 1	11,777	11,777	0	16,479	16,479	0
CASH, DECEMBER 31	11,777	11,381	(396)	31,979	11,777	(20,202)
<b><u>EMERGENCY SHELTER FUND</u></b>						
RECEIPTS						
Intergovernmental	12,000	13,872	1,872	12,000	10,780	(1,220)
Total Receipts	12,000	13,872	1,872	12,000	10,780	(1,220)
DISBURSEMENTS						
Emergency shelter	12,000	13,872	(1,872)	12,000	10,780	1,220
Total Disbursements	12,000	13,872	(1,872)	12,000	10,780	1,220
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
<b><u>SHERIFF'S POST CERTIFICATION FUND</u></b>						
RECEIPTS						
Intergovernmental	2,000	1,973	(27)			
Total Receipts	2,000	1,973	(27)			
DISBURSEMENTS						
Sheriff	1,500	1,806	(306)			
Total Disbursements	1,500	1,806	(306)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	167	(333)			
CASH, JANUARY 1	528	528	0			
CASH, DECEMBER 31	1,028	695	(333)			

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>PROSECUTING ATTORNEY BAD CHECK FUND</b>						
<b>RECEIPTS</b>						
Charges for service:	26,500	35,553	9,053			
Total Receipts	26,500	35,553	9,053			
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	26,500	8,591	17,909			
Transfers out	0	22,534	(22,534)			
Total Disbursements	26,500	31,125	(4,625)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	4,428	4,428			
CASH, JANUARY 1	7,967	7,967	0			
CASH, DECEMBER 31	7,967	12,395	4,428			
<b>HEALTH CENTER FUND</b>						
<b>RECEIPTS</b>						
Property taxes	200,000	213,663	13,663	193,000	217,164	24,164
Intergovernmental	151,770	177,281	25,511	217,275	199,927	(17,348)
Charges for service:	55,700	55,325	(375)	58,380	61,356	2,976
Interest	7,000	6,556	(444)	7,000	11,198	4,198
Other	18,600	37,053	18,453	18,100	17,650	(450)
Total Receipts	433,070	489,878	56,808	493,755	507,295	13,540
<b>DISBURSEMENTS</b>						
Salaries	272,000	245,566	26,434	300,000	255,933	44,067
Office expenditures:	41,000	51,723	(10,723)	43,980	50,972	(6,992)
Equipment	10,000	9,667	333	10,000	8,818	1,182
Mileage and training	15,000	9,947	5,053	15,000	12,537	2,463
Other	143,650	151,950	(8,300)	124,775	87,139	37,636
Total Disbursements	481,650	468,853	12,797	493,755	415,399	78,356
RECEIPTS OVER (UNDER) DISBURSEMENTS	(48,580)	21,025	69,605	0	91,896	91,896
CASH, JANUARY 1	287,610	287,610	0	195,714	195,714	0
CASH, DECEMBER 31	239,030	308,635	69,605	195,714	287,610	91,896

Exhibit B

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>EMERGENCY 911 FUND</b>						
<b>RECEIPTS</b>						
911 phone tax	186,000	191,495	5,495	164,600	201,892	37,292
Intergovernmental	40,000	2,866	(37,134)	40,000	488	(39,512)
Interest	2,000	2,180	180	4,200	4,067	(133)
Other		30	30	23,334	1,983	(21,351)
Total Receipts	228,000	196,571	(31,429)	232,134	208,430	(23,704)
<b>DISBURSEMENTS</b>						
Salaries and fringe benefit:	50,461	50,454	7	67,694	45,850	21,844
Office expenditures:	10,902	8,673	2,229	13,902	11,239	2,663
Building	12,657	12,656	1	12,657	12,657	0
Equipment	80,570	56,510	24,060	32,570	30,210	2,360
Mileage and training	6,000	4,653	1,347	5,500	3,912	1,588
Network and database maintenance	52,000	36,812	15,188	49,500	47,676	1,824
Reserve capital	107,345	17,847	89,498	99,612	247	99,365
Insurance	1,400	699	701	1,400	1,033	367
Other	53,200	14,347	38,853	48,300	8,072	40,228
Total Disbursements	374,535	202,651	171,884	331,135	160,896	170,239
RECEIPTS OVER (UNDER) DISBURSEMENTS	(146,535)	(6,080)	140,455	(99,001)	47,534	146,535
CASH, JANUARY 1	146,535	146,535	0	99,001	99,001	0
CASH, DECEMBER 31	0	140,455	140,455	0	146,535	146,535
<b>SENATE BILL 40 FUND</b>						
<b>RECEIPTS</b>						
Property taxes	400,000	384,941	(15,059)	330,000	390,998	60,998
Interest	8,412	12,514	4,102	10,000	8,412	(1,588)
Other	0	0	0	0	92,835	92,835
Total Receipts	408,412	397,455	(10,957)	340,000	492,245	152,245
<b>DISBURSEMENTS</b>						
Office	2,400	2,200	200	1,800	2,000	(200)
Equipment	78,000	43,842	34,158	70,000	83,938	(13,938)
Mileage and training	153,000	142,740	10,260	138,000	136,273	1,727
Mental Health Trust	80,200	76,173	4,027	80,000	66,836	13,164
Insurance	28,000	27,144	856	20,000	24,639	(4,639)
Other	108,400	94,226	14,174	77,000	66,124	10,876
Total Disbursements	450,000	386,325	63,675	386,800	379,810	6,990
RECEIPTS OVER (UNDER) DISBURSEMENTS	(41,588)	11,130	52,718	(46,800)	112,435	159,235
CASH, JANUARY 1	234,605	234,605	0	122,170	122,170	0
CASH, DECEMBER 31	193,017	245,735	52,718	75,370	234,605	159,235

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

Notes to the Financial Statements

RAY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Ray 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, the Health Center Board, the Senate Bill 40 Board, the Noxious Weed Board, or the Emergency 911 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>
Domestic Violence Fund	2001
Sheriff's Extradition Fund	2001
Sheriff's POST Certification Fund	2001
Prosecuting Attorney Bad Check Fund	2001
Circuit Clerk's Interest Fund	2002 and 2001
Associate Circuit Division Interest Fund	2002 and 2001

Election Services Fund	2002 and 2001
Cemetery Trusts Fund	2002 and 2001
School Trusts Fund	2002 and 2001
County Clerk Election Fund	2002 and 2001
Focus on Kids Fund	2001
Emergency Planning Fund	2001
Tax Maintenance Fund	2002

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	2001
Recorder's User Fees Fund	2002 and 2001
Sheriff's Extradition Fund	2002
Emergency Shelter Fund	2002
Sheriff's POST Certification Fund	2002
Prosecuting Attorney Bad Check Fund	2002

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 General Revenue Fund for the year ended December 31, 2001.

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 did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Emergency 911 Fund	2002 and 2001
Circuit Clerk's Interest Fund	2002 and 2001
Associate Circuit Division Interest Fund	2002 and 2001
Election Services Fund	2002 and 2001
County Clerk Election Fund	2002 and 2001
Emergency Planning Fund	2001
Tax Maintenance Fund	2002

Additionally, for the Health Center Fund, and the Senate Bill 40 Fund, the county's published financial statements for the years ended December 31, 2002 and 2001, included only those amounts that passed through the County Treasurer.

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.

Cash includes both deposits and investments. In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The county's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance, by commercial insurance provided through a surety bond, or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's, Emergency 911 Board's, and Senate Bill 40 Board's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance or by collateral securities held by the board's custodial bank in the boards' name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed for the county, the Health Center Board, the Emergency 911 Board, and the Senate Bill 40 Board's at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

### Investments

The only investment of the various funds was a U.S. Government Security Bond with a reported amount of \$13,206 with a fair value at December 31, 2002 and 2001 of \$14,125 and \$13,792, respectively. This investment was held by the county's brokerage firm in the county's name.

### 3. Contingencies

In September 1999, former employees of the Ray County Sheriff's department filed a lawsuit in federal court against Ray County alleging uncompensated overtime and various other personnel issues. The plaintiff is asking for damages of approximately \$1 million from the county. The potential liability to the county cannot be determined at this time.

### 4. Prior Period Adjustments

The Election Services Fund's cash balance of \$3,773 at January 1, 2001, was not previously reported, but has been added.

The Cemetery Trusts Fund's cash balance of \$1,162 at January 1, 2001, was not previously reported, but has been added.

The School Trust Fund's cash balance of \$14,339 at January 1, 2001, was not previously reported, but has been added.

The County Clerk Election Fund's cash balance of \$4,545 at January 1, 2001, was not previously reported, but has been added.

Supplementary Schedule

Schedule

RAY COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state				
Department of Social Services -				
10.550	Food Distribution	N/A	\$ 399	786
Department of Health and Senior Services				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-3189W ERS045-2189W ERS045-1189W	10,752 36,990 0	0 10,284 53,134
	Program Total		47,742	63,418
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state				
Department of Economic Development -				
14.228	Community Development Block Grants/State' Program	2001-PF-11	184,926	0
Department of Social Services -				
14.231	Emergency Shelter Grants Program	ERO1640486 ERO1640437 ERO1640387	8,135 5,737 0	0 6,982 3,798
	Program Total		13,872	10,780
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.710	Public Safety Partnership and Community Policing Grant	96UMWX0491	0	6,973
Passed through				
State Department of Public Safety -				
16.554	National Criminal History Improvement Program	95-RU-RX-K011(452)	0	1,265
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-089(013) BRO-089(017) BRO-089(018)	23,165 0 117,880	20,332 1,226 14,090
	Program Total		141,045	35,648

Schedule

RAY COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant	N/A	2,339	2,203
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety				
83.544	Public Assistance Grant	1412-DR-MO	36,722	0
		1403-DR-MO	25,103	0
	Program Total		<u>61,825</u>	<u>0</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services				
93.268	Immunization Grant:	PGA064-3189A	3,330	0
		PGA064-1189I	0	2,999
	Program Total	N/A	<u>38,727</u>	<u>28,955</u>
Department of Social Services -				
93.563	Child Support Enforcement	N/A	22,863	35,368
Department of Health and Senior Services				
93.575	Child Care and Development Block Grant	PGA067-3189C	420	0
		PGA067-2189C	2,458	125
		PGA067-1189C	0	3,215
	Program Total		<u>2,878</u>	<u>3,340</u>
93.991	Preventive Health and Health Services Block Grant	C100078001	0	5,000
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-3189M	4,741	0
		ERS146-2189M	14,315	0
		ERS146-1189M	0	18,493
		N/A	365	2,379
	Program Total		<u>19,421</u>	<u>20,872</u>
	Total Expenditures of Federal Awards		<u>\$ 539,367</u>	<u>217,607</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Notes to the Supplementary Schedule

RAY COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ray County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Food Distribution Program (CFDA number 10.550) represent dollar value assigned to commodities based on prices provided by the state Department of Social Services.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

Federal CFDA Number	Program Title	Amount Provided	
		Year Ended December 31, 2002	2001
14.231	Emergency Shelter Grants Program	\$ 13,872	10,780
20.205	Highway Planning and Construction	117,880	35,648

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

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

To the County Commission  
and  
Officeholders of Ray County, Missouri

Compliance

We have audited the compliance of Ray County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Ray County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. However, the results of our auditing procedures disclosed an

instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 02-1.

### Internal Control Over Compliance

The management of Ray County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, finding number 02-01, to be a material weakness.

This report is intended for the information and use of the management of Ray County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

September 12, 2003 (fieldwork completion date)

Schedule

RAY COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2002 AND 2001

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?        yes   x   no

Reportable condition identified that is not considered to be material weakness?        yes   x   none reported

Noncompliance material to the financial statements noted?        yes   x   no

Federal Awards

Internal control over major programs:

Material weakness identified?   x   yes        no

Reportable conditions identified that are not considered to be material weaknesses?        yes   x   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   x   yes        no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grants/State's Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes      x   no

**Section II - Financial Statement Findings**

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

**Section III - Federal Award Findings and Questioned Costs**

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

<b>02-1.</b>	<b>Schedule of Expenditures of Federal Awards</b>
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Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	State Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity Identifying Numbers:	ERS045-3189W, ERS045-2189W, and ERS045-1189W
Award Years:	2002 and 2001
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	State Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grants/State's Program
Pass-Through Entity Identifying Numbers:	2001-PF-11
Award Years:	2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity Identifying Numbers:	BRO-089(13), BRO-089(17), and BRO-089(18)
Award Years:	2002 and 2001
Questioned Costs:	Not applicable

The county does not adequately track or report federal assistance on the schedule of expenditures of federal awards (SEFA) which could result in loss of federal funds. Section .310(b) of Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a SEFA for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials.

The overall incompleteness and inaccuracies contained in the SEFA indicates that the County Clerk's efforts were inadequate. The Health Center expenditures for several federal programs were not included on the schedule prepared by the County Clerk because the information was not requested. The 2002 SEFA included only four of the eleven programs administered by the county and the reported amounts for each of the four programs included were inaccurate. The 2002 and 2001 SEFA schedules prepared by the County Clerk understated total expenditures by \$81,209 and \$157,370, respectively. We obtained various information related to federal programs omitted by the County Clerk and updated the county's SEFA schedule.

Without an accurate SEFA, federal financial activity cannot be properly audited and reported in accordance with federal audit requirements.

A similar condition was noted in our two prior reports.

**WE AGAIN RECOMMEND** the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

#### **AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*In the past, I have not received all required information from other officials. I will try to obtain the required information from each elected official. If I am unable to obtain the required information, I will ensure this is documented in the minutes.*

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

RAY 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 Ray County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2000.

00-1. Budgetary Practices

- A. When the ending cash balances for the Special Road and Bridge Fund were reconciled to the Treasurer's records, a difference of approximately \$125,000 was noted. Rather than determine the cause of the discrepancy, the County Clerk increased disbursements by \$125,000 to reconcile to the Treasurer's cash balance. Additionally, total actual receipts for 2000 presented in the Noxious Weed Fund were shown as \$(702), while the same document showed approximately \$3,500 in interest.
- B. In comparing the 2000 and 2001 budgets, the reporting of the same year's receipts and disbursements differed between years for several funds.
- C. The county's budgets contained numerous misclassifications of actual receipts and disbursements.

Recommendation:

The County Commission ensure that budget documents contain complete and accurate information about the county's finances and agree to the County Treasurer's records. In addition, the County Commission and County Clerk should thoroughly review the budget document before it is finalized and made public.

Status:

Partially Implemented. While we did see some improvement in the overall budget procedures, some problems similar to those cited above still exist. See Management Advisory Report (MAR) finding number 1.

00-2. County Expenditures

During the two years ended December 31, 2000, the County Commission authorized expenditures totaling \$71, 200 from the Special Road and Bridge Fund for the purchase of sheriff patrol cars.

Recommendation:

The County Commission reimburse the Special Road and Bridge Fund \$71,200 and ensure all future expenditures from the Special Road and Bridge Fund comply with statutes.

Status:

Partially Implemented. The County Commission reimbursed half of the \$71,200 to the Special Road and Bridge Fund during 2001. However, the remaining \$35,600 has not been repaid. Although not repeated in the current report, our recommendation remains as stated above.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

RAY COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

00-3. Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-089(17)
Award Year:	1997
Questioned Costs:	N/A
Federal Grantor:	Federal Emergency Management
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	83.534
Program Title:	Emergency Management - State and Local Assistance
Pass-Through Entity	
Identifying Number:	1253-DR-MO
Award Year:	1998
Questioned Costs:	N/A

The county did not have procedures in place to track federal assistance for preparation of the schedule of federal awards (SEFA). For the years ended December 31, 2000 and 1999, the county's SEFA did not include expenditures related to the majority of its federal grants.

Recommendation:

The County Clerk prepare a complete and accurate schedule of federal awards and submit the schedule to the State Auditor's Office as part of the annual budget.

Status:

Not Implemented. See finding number 02-1.

00-4. Engineering Costs

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-089(17)
Award Year:	1997
Questioned Costs:	\$59,015
Federal Grantor:	Federal Emergency Management
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	83.534
Program Title:	Emergency Management - State and Local Assistance
Pass-Through Entity	
Identifying Number:	1253-DR-MO
Award Year:	1998
Questioned Costs:	\$27,450

The county incurred engineering costs related to the county bridge project and two Federal Emergency Management Association projects. There was no documentation to indicate that the County Commission considered other engineering firms when procuring these services. As a result, we had questioned costs of \$86,465, which was the federal share of the engineering cost paid during the audit period.

Recommendation:

The County Commission resolve the questioned costs with the grantor agency. For future projects, obtain information as required by law when contracting for professional services.

Status:

Partially implemented. The County Commission obtained information as required by law when contracting for professional services. However, the County Commission did not

resolve the questioned costs with the grantor agency. Although not repeated in the current report, our recommendation remains as stated above.

00-5. Cash Management

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-089(17)
Award Year:	1997
Questioned Costs:	N/A

The county received \$5,840 in reimbursement for engineering costs, which was not disbursed to the engineers. The County had paid half of the disputed amount, \$2,920, but the remaining amount was still in dispute and had not been paid.

Recommendation:

The County Commission repay \$2,920 to the grantor agency and ensure only actual expenses are claimed for reimbursement in the future.

Status:

Implemented.

00-6. Child Support Enforcement

Federal Grantor:	U.S. Department of Health and Human Services
Pass-Through Grantor:	Department of Social Services
Federal CFDA Number:	93.563
Program Title:	Child Support Enforcement
Pass-Through Entity	
Identifying Number:	N/A
Award Year:	1999 and 2000
Questioned Costs:	\$10,023

- A. The claims submitted reporting total hours worked by the employees of the Prosecuting Attorney did not agree to the timesheets submitted by the employees to the county, which resulted in excess reimbursement to the county of \$360 for personnel costs.
  
- B.1. The amounts claimed for reimbursement in July and August 1999 exceeded actual payments by approximately \$4,300 for telephone service and by approximately

\$4,350 for utilities. Telephone bills paid for the other five test months were also significantly less than the amounts claimed. The Prosecuting Attorney was unable to provide support for the amounts claimed, and for the seven months reviewed, operating costs claimed exceeded actual payments, which resulted in questioned costs of \$3,397.

2. The percentages of time spent on IV-D activities was overstated for all seven months reviewed (see part A) and telephone and utility costs are reimbursed based on that percentage. The percentage of reimbursement used by the Prosecuting Attorney was higher than allowed, which resulted in questioned costs of \$540.
- C. Had 180 total monthly hours worked been used when calculating monthly salary reimbursements for the Prosecuting Attorney during the seven months reviewed, the reimbursement would have been \$7,456, rather than the \$13,182 received. By not reporting total hours worked, the county received a larger reimbursement for the salary and fringe benefits. As a result of the above estimates, we had questioned costs of \$5,726.

Recommendation:

The County Commission and Prosecuting Attorney work with the grantor agency to resolve the questioned costs. The Prosecuting Attorney should retain all supporting documentation and ensure Title IV-D claim forms are accurate and report all hours worked by the employees of his office.

Status:

Not Implemented. The County Commission and Prosecuting Attorney have not contacted the grantor agency regarding these questioned costs. See Management Advisory Report finding number 4.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

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

We have audited the financial statements of various funds of Ray County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated September 12, 2003. We also have audited the compliance of Ray County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001, and have issued our report thereon dated September 12, 2003.

We also have audited the operations of elected officials with funds other than those presented in the 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.

Because the Ray County Memorial Hospital Board is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed those audit reports and other applicable information for the years ended October 31, 2002 and 2001.

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 and Questioned Costs. These findings resulted from our audit of the financial statements of Ray 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*.

<b>1. Budgetary Practices</b>
-------------------------------

The actual receipt and disbursement amounts shown in county budgets contained incorrect amounts and numerous misclassifications. In addition, budget preparation procedures need improvement and expenditures were in excess of budgeted amounts for various funds.

- A. The actual receipt and disbursement amounts shown in the county budgets contained incorrect amounts and numerous misclassifications. The actual receipts and disbursements for 2001 and 2002 shown in the county budgets differed between years for several funds. As a result, such actual amounts did not agree with the County Treasurer's records. The county budgets also contained numerous misclassifications for both budgeted and actual amounts, such as transfers classified as other revenues and intergovernmental revenues classified as charges for services. In addition, the county's financial records did not have adequate descriptions for receipts and disbursements. The Sheriff's Account Fund and Recorder's User Fees Fund budgeted and actual receipts were reported in total and the Special Road and Bridge Fund and the Special Road and Bridge Sales Tax Fund were combined on the county budgets, although the County Commissioner's require two separate funds.

As a result of the errors, it was necessary to make numerous adjustments and reclassifications to the amounts presented in the financial statements. Considering the various errors and omissions noted, the approved budgets did not provide Ray County citizens with reliable information about the county's finances. These errors could have been detected had an adequate review of the amounts presented in the budget been performed by the County Clerk or County Commission.

Section 50.540, RSMo 2000, requires all revenues to be by source and all expenditures to be by character, object, function, or activity. The county's budgets should include accurate classifications of receipts and disbursements to ensure the county's financial information is more consistently presented, to properly identify receipt and disbursement items, and to increase the effectiveness of the budgets as management tools. In addition to being required by state law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate county operations and to project the anticipated needs of the county for the upcoming year. Complete and accurate budgets are also necessary to properly inform the county's citizens about the county's finances.

A similar condition was noted in our three prior reports.

- B. The county does not have adequate procedures to ensure budgets are prepared for all county funds, and as a result, budgets were not prepared for various county funds for the years ended December 31, 2002 and 2001. In addition, the county's annual published financial statements presented no information for some county funds.

The County Commission is responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000. Section 50.800, RSMo 2000, requires the County Commission to prepare and publish in the local newspaper a detailed financial statement of the county and provides that the financial statements show receipts, disbursements, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

- C. The County Commission approved expenditures in excess of budgeted amounts for various funds for the years ended December 31, 2002 and 2001. Procedures have not been established to monitor budget to actual amounts, which allowed some funds to overspend their budgets. According to the County Commission, monthly budget to actual reports are provided to them. However, it appears the County Commission is not using these reports as an effective monitoring tool.

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo.1122, 273 S.W.2d 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 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 its budget.

**WE AGAIN RECOMMEND** the County Commission:

- A. Ensure that budget documents contain complete and accurate information about the county's finances, agree to the County Treasurer's records, and have adequate descriptions. In addition, the County Commission and County Clerk should thoroughly review the budget document before it is finalized and made public.
- B. And the County Clerk ensure budgets are prepared for all county funds and include all county funds in the published financial statements as required by state law.

- C. Refrain from incurring expenditures in excess of budget amounts. If the county receives additional funds which could not be anticipated when the budget was adopted, the County Commission should amend its budget by following procedures required by state law.

**AUDITEE'S RESPONSE**

*A&B. In the past, the County Clerk has not received budgets from all officials. Considering the budget is a compilation of information from various officials, we will continue to work with the County Clerk to obtain the information necessary to provide complete and accurate information in budget. In the future, the Commission and Clerk will do a more thorough review of the budget.*

- C. We will work to ensure the budgets are not overspent, but we will have to delegate more of the responsibility for not overspending budgets to the other elected officials.*

<b>2. Officials' Salaries and Payroll Procedures</b>
--

The County Commission did not obtain written legal opinions regarding officials' salaries and may not be complying with the Fair Labor Standards Act (FLSA).

- A. While the County Commission has adopted a resolution not requiring repayment of raises given to Associate Commissioners in 1999, this action was not supported by a written legal opinion. On May 15, 2001, the Missouri Supreme Court handed down an opinion that challenged the validity of Section 50.333.13, RSMo. This section of law allowed county salary commissions in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The Supreme Court held that this section of law violated Article VII, Section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. On June 5, 2001, the State Auditor notified all third class counties of the Supreme Court decision and recommended that each county document its review of the impact of the opinion, as well as plans to seek repayment.

As noted in the prior report, the 1997 salary commission voted to give elected officials a salary increase mid-term. The County Commission indicated they would ask the county's legal counsel to review this matter and discuss it at the 2001 salary commission meeting. However, a salary commission meeting was not held in 2001 and there is no documentation this situation was reviewed.

- B. In 2002, the salary commission did not meet or authorize the use of an alternative higher salary schedule for the County Treasurer. Although the County Commission did not obtain a written legal opinion, they increased the County Treasurer's salary by \$10,710 annually, starting in 2003. House Bill 2137, effective August 28, 2002,

provided for an increase in the compensation paid to the County Treasurer. It established an alternative, higher salary schedule and stated the salary commission may authorize the use of the alternative salary schedule. As a result, without a documented legal opinion, it is unclear whether the salary increase provided to the County Treasurer is in accordance with state law.

- C. The County Commission and the former Prosecuting Attorney approved a policy exempting the Prosecuting Attorney's employees from the Fair Labor Standards Act (FLSA). It is unclear how these employees are exempt from the FLSA. Written job descriptions prepared by the former Prosecuting Attorney and approved by the County Commission describe each of the positions in the office as supervisory. The employees agreed to be salaried and managerial and not be paid overtime in exchange for being paid for unused vacation and sick leave, which is contrary to county policy. While unpaid leave payments were only made in 1999, the Prosecuting Attorney's employees' monthly salaries were increased \$150 to \$250 in 2000 pursuant to an agreement between the County Commission and the Prosecuting Attorney. In 2001 and 2002 it did not appear any raises were given related to this agreement; however, the former Prosecuting Attorney approved employees' timesheets with approximately 2,290 hours of overtime during 2002 and 2001.

This policy may not comply with the FLSA, which states that overtime will be given at the rate of time and a half. The FLSA also states that covered employees may accumulate a maximum of 240 hours of compensatory time and amounts over these limits will be compensated in pay. The county is required to account for and pay either overtime or allow compensatory time off for nonexempt employees. The county should review its personnel policy for all employees and adopt overtime and compensatory time policies that comply with the FLSA.

**WE RECOMMEND** the County Commission:

- A&B. Consult with legal counsel and review the situation to ensure the actions taken were in accordance with state law.
- C. Review the current overtime and compensatory time policies to ensure such policies comply with the FLSA.

**AUDITEE'S RESPONSE**

*A&B. The County Commissioners will obtain a written legal opinion from the Prosecuting Attorney regarding these actions. Although the County Commission requested a written legal opinion from the former Prosecuting Attorney, only a verbal opinion was provided regarding these issues.*

- C. *The former Prosecuting Attorney's policies on salary, overtime, and payment for accrued leave and vacation time were terminated when the current Prosecuting Attorney took office. All staff employees are now treated like other county employees.*

<b>3. Microfilm Sales</b>
---------------------------

Amounts charged by the former Recorder of Deeds for microfilm sales were not always consistent and accurate. Receipt slips were not issued for microfilm purchases and bids were not solicited and a written contract was not entered into for microfilming services. The sale of microfilm to one local title company was not handled consistent with other sales.

Deeds and other recorded documents in the Recorder of Deeds office are periodically microfilmed. The company that produces the microfilm maintains a copy for the county for preservation purposes. The Recorder of Deeds determines the selling policies of microfilm to local title companies, including the price to be charged. Payments for the microfilm were made to the county, except in one instance when the microfilm company charged for the microfilm. During the two years ended December 31, 2002, microfilm sales totaled approximately \$15,000.

- A. The amounts charged and collected by the former Recorder of Deeds for microfilm sales did not always appear correct. She indicated the price charged for rolls of microfilm was based on the cost of the microfilm divided by the number of purchasers, plus \$100 per roll. For sales made to title companies during 2001 and 2002, the amount charged was higher in one instance and lower in five instances, than what should have been charged based on the method described by the former Recorder of Deeds. No documentation was provided to show how the amounts actually charged for the microfilm were determined. The current Recorder of Deeds is charging \$220 per roll of microfilm purchased.

To ensure proper amounts are charged and collected for microfilm sales, adequate documentation should be maintained to support the amounts charged.

- B. Receipt slips were not issued by the former Recorder of Deeds for payments received from microfilm sales. Payments received were forwarded to the County Treasurer for deposit and copies of the checks were maintained in the Recorder's User Fees Fund file. The current Recorder of Deeds found a copy of a \$405 check for microfilm sales that the County Treasurer had not received. The current Recorder of Deeds contacted this title company for the \$405 payment which was then received and deposited by the County Treasurer.

To adequately account for all microfilm sales, prenumbered receipt slips should be issued for all payments received and the numerical sequence of receipt slips should be accounted for. In addition, a receipt slip should be obtained by the Recorder of Deeds for any payments transmitted directly to the County Treasurer.

- C. Bids were not solicited and a written contract was not entered into for microfilming services. Approximately \$28,500 and \$4,000 was spent for microfilming services during the years ended December 31, 2002 and 2001, respectively. Much of this cost is related to a large microfilming project (\$18,000) that started in August 2002, to microfilm older records not previously microfilmed. The former Recorder of Deeds had purchased microfilming services from the same company for several years without obtaining bids and without a contract for the services.

Section 50.660, RSMo 2000, requires the advertisement for bids for all purchases of \$4,500 or more 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 assures all parties are given an equal opportunity to participate in county business. Section 432.070, RSMo 2000, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents.

- D. The sale of microfilm to one title company was not handled consistent with sales to other title companies. The microfilming company sold all microfilm on hand (198 rolls) to only one of the local title companies, and rather than the county receiving payment for this sale, the microfilming company charged the title company for these rolls, which is not consistent with how previous sales were handled. No explanation was provided to explain why this sale was handled differently than others and it is unclear why the microfilm company billed for this sale, whereas the county billed for all others, and whether these rolls of microfilm are considered public documents in the hands of the microfilm company. The microfilm sold included older records microfilmed in August 2002 along with more current documents. The microfilm of the older records was apparently not offered for sale or given to the other local title companies.

According to the invoice from the microfilming company, this title company was charged \$2,079, which was \$10.50 per roll, significantly less than the amount the county would have charged. The county did not receive any monies from this microfilm sale. Based on calculations from the current Recorder of Deeds, had the film sold to this title company been charged using the method adopted by the former Recorder of Deeds, the cost could have exceeded \$40,000.

Circumstances surrounding these late 2002 transactions appear questionable. Given that the county had not done significant microfilming before the August 2002 election, that the county and not the microfilming company usually billed these title companies, that other title companies were apparently not offered the same deal, and that the former Recorder of Deeds is currently employed with the title company raises questions about the whole situation.

These actions do not appear to be consistent with past sales to local title companies, and did not maximize revenues to the county. To ensure consistent treatment to all title companies, the current Recorder of Deeds and County Commission should develop written procedures dictating how microfilm will be sold and the amount that will be charged, as well as determining whether the microfilm stored by the microfilm company can be sold to the public without the county's consent.

**WE RECOMMEND** the Recorder of Deeds:

- A. Ensure adequate documentation is maintained to support the amounts charged for microfilm sales.
- B. Issue receipt slips to account for all microfilm sales. In addition, the Recorder of Deed's should obtain receipts from the County Treasurer for monies forwarded to the County Treasurer or issue payment by official check to account for the ultimate disposition of all microfilm receipts received.
- C. Solicit bids for all items in accordance with state law and ensure all contracts are in writing and signed by each of the parties involved.
- D. Ensure microfilm sales are consistently handled and attempt to determine why payment for one sale of microfilm was billed by the microfilm company, rather than the Recorder of Deeds. In addition, the County Commission should review this situation with the Prosecuting Attorney and determine any action to be taken.

**AUDITEE'S RESPONSE**

*The current Recorder of Deeds provided the following response:*

- A. *I have already implemented this.*
- B. *I am now issuing prenumbered invoices for the sale of microfilm. I document payment information on the invoice and transmit it to the County Treasurer, who issues a receipt slip.*
- C. *I agree and will plan to solicit bids next year if I expect the cost to exceed the bid requirement. I will enter a written agreement for these services in the future.*
- D. *We will be taking bids at the first of the year on microfilming for a period of two years with a signed contract that states the microfilm company cannot and will not sell any of the film they store to anyone without the written approval of the Ray County Commissioners, the Prosecuting Attorney, and the Recorder. I will also require the title companies who are currently purchasing microfilm to sign and notarize a disclaimer stating that they will not make any copies of the film or sell any copies of the film to any other person or title company.*

*The County Commission responded:*

D. *This situation was identified by the county in January 2003 and was brought to the attention of the State Auditor's Office at that time. We plan to request the Prosecuting Attorney forward this finding to the Attorney General's Office for an opinion regarding the ethical, financial, and legal ramifications of this situation. Furthermore, we hope that this finding, which has been compiled by the county and the State Auditor's Office, is forwarded to the Attorney General's Office by the State Auditor as well.*

*The former Recorder of Deeds responded:*

*A-D. I have been associated with the Office of Recorder of Deeds during the following periods:*

- 1. 1949 through 1954 Assistant Recorder*
- 2. 1983 through 1990 Chief Deputy Recorder*
- 3. 1991 through 2002 Elected Recorder of Deeds.*

*I consider it an honor to have been trusted by the citizens of Ray County to protect the property records and other important documents as their elected Recorder of Deeds. Ray County has been my home my entire lifetime. During my time in public office, I have always acted as a public servant for all members of the public and in the best interest of the citizens. I welcome this opportunity to correct the record. At no time during my tenure was any document lost, improperly recorded or damaged. No public funds were ever misplaced or misappropriated.*

*All persons and businesses that purchased copies from my office were billed at the same rate. If my costs changed, the prices I charged changed. I deny there was ever a different billing rate for different purchasers. The allegation is still baffling to me. Specifically, if the microfilm company changed its method of charging the office, purchasers from my office were billed accordingly.*

*The records in the office are copies of originals. The records are public, are not copyrighted and are available to the entire public for inspection and copying at their election. This is provided by state statute, Section 109.190 RSMo. As recorder, I could not and never sought to prohibit any Ray County entity or person from making or securing any records in my office at any time.*

*Receipts for purchases have never been necessary as purchases have always been by check. This has been the accepted practice in Ray County for over the past fifty years. The state auditor has never seen this as an issue in the past. It has never been a problem.*

*Bids for microfilming are not required as the microfilming is done typically on a monthly basis. Therefore, the amount at issue is below any statutory requirement as provided in Section 50.660 RSMo. Again, this practice has been ongoing for decades, all with the full knowledge of this auditor and prior state auditors. If it was ever an issue, it could have been mentioned to me or earlier recorders during the past fifty years. This is a most curious statement by the auditor.*

*If a person, including any microfilm company elects to sell its copies of public records, I cannot prohibit it from doing so. These records are only copies of the originals and are public documents, not private or copyrighted. The auditor cites no authority for its speculation or conjecture about treatment of public documents. Since the records are public, any person or company can make all the copies it wants and do with the copies of copies of documents as it pleases. Section 109.190 RSMo, specifically provides "any person interested has a right to inspect or make copies from any public records, instruments or documents, ...any person has the right of access to the records documents or instruments."*

#### **AUDITOR'S COMMENT**

While microfilm sales were billed at the same rate, the amount billed was not always calculated correctly or consistently based on the method described by the former Recorder.

Bidding requirements contained in Section 50.660, RSMo 2000, would apply to the microfilming of documents and since the amount spent in the latter part of 2002 was over the bidding threshold of \$4,500 in a period of ninety days, it appears bids were required by law.

Distribution of copies of public documents by a microfilm company that has been paid by the county to make and store the copies was inconsistent with the normal procedures used by the former Recorder of Deeds. The statute cited by the former Recorder, Section 109.190, RSMo 2000, also states that any person may make copies of public records, instruments or documents "while in the possession, custody and control of the lawful custodian thereof or his authorized deputy. The work shall be done under the supervision of the lawful custodian of the records who may adopt and enforce reasonable rules governing the work." Since the Recorder of Deeds is the lawful custodian of the records filed in her office, it appears this statute may only apply to records in her possession.

**4.**

#### **Child Support Enforcement**

Child Support Enforcement (Title IV-D) reimbursements claimed by the former Prosecuting Attorney during 2002 and 2001 were inaccurate. Our prior report included findings related to the reimbursements submitted for IV-D expenditures and reported questioned costs totaling \$10,023. During our current audit, we noted similar procedures were used to prepare the reimbursement requests and similar problems were noted. Total hours worked by the former Prosecuting Attorney were again understated on the reimbursement requests we reviewed, resulting in additional questioned costs. Total hours worked by employees of the Prosecuting Attorney were also understated on the reimbursement requests compared to the hours reported on the timesheets submitted to the county. As a result of the Prosecuting Attorney and the employee's percentage of time spent on IV-D being overstated, the county was again reimbursed too much for monthly operating expenditures. Total questioned costs identified during our current audit totaled \$3,756, although this amount would have likely been higher had we reviewed all reimbursements submitted during our audit period.

The county responded to our previous finding that they would contact the grantor agency to resolve the questioned costs and Child Support Enforcement was provided a copy of our findings, but it appears no action has been taken by the state or county.

**WE AGAIN RECOMMEND** the County Commission and Prosecuting Attorney work with the grantor agency to resolve the questioned costs. The Prosecuting Attorney should ensure Title IV-D claim forms are accurate and report all hours worked by the employees of his office.

**AUDITEE'S RESPONSE**

*The County Commission responded:*

*The County Commission and Prosecuting Attorney will contact the grantor agency to resolve these questioned costs which arose during the previous prosecutor's term of office.*

*The Prosecuting Attorney responded:*

*I took office on January 1, 2003. The child support claims are now being accurately and correctly prepared. Only actual hours worked by staff and genuine expenses incurred are being reported.*

<b>5. County Treasurer's Controls and Procedures</b>
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For some official's restricted funds maintained in the county treasury, checks are signed only by the County Treasurer. Adequate supporting documentation was not always obtained for some expenditures from these funds and others had insufficient detail to support the expenditure. In one instance, the former Prosecuting Attorney prepared a written request for a blank signed check to purchase office supplies. With no supporting documentation for this purchase, other than the payee and the amount (\$636), the County Treasurer contacted the vendor (Wal-Mart) for details. Items purchased included soda, candles, silverware, and candy, totaling \$358, which do not appear to be necessary for the operation of the office. The remaining items, totaling \$278, appeared to be reasonable expenditures. In addition, no invoice was obtained for \$41,300 paid on shelving in the Recorder of Deed's office.

Without obtaining and properly reviewing adequate supporting documentation, the County Treasurer cannot determine the validity and propriety of the expenditures. To adequately safeguard assets, checks should not be signed until all pertinent information is completed and supporting documentation for the disbursement is reviewed.

**WE RECOMMEND** the County Treasurer ensure adequate supporting documentation is obtained for all expenditures and checks are not signed in advance. In addition, the Prosecuting Attorney should ensure all future expenditures represent a prudent use of public monies.

**AUDITEE'S RESPONSE**

*The County Treasurer responded:*

*In the future, no checks will be written without adequate supporting documentation.*

*The Prosecuting Attorney responded:*

*That expenditure was made by the former Prosecuting Attorney. Since January 1, 2003 all Prosecuting Attorney Bad Check expenses comply with statute.*

<b>6. Expenditures</b>
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Bids were not always solicited for all purchases made by the county and sole source procurement was not adequately documented. Some of the emergency planning monies received by the county were not adequately monitored by the County Commission, nor were they maintained in a bank account controlled by the County Treasurer. In addition, payments were made to road districts without proper written contracts.

A. Bids were not always solicited by the County Commission nor was bid documentation always retained for some purchases. Examples of the items purchased without documentation of bids and/or advertisement included truck repairs for approximately \$7,520, clock chimes for the courthouse for approximately \$5,635, and equipment repairs for approximately \$5,380. The County Commission indicated each of these purchases was a sole source procurement, but this was not documented in the commission minutes.

Section 50.660, RSMo 2000, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for the economical management of county resources and helps to assure the county receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested parties are given an equal opportunity to participate in county business. To show full compliance with state law, documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.

B. Some emergency planning monies made payable to the county were not maintained in a bank account controlled by the County Treasurer. The former Presiding

Commissioner forwarded five checks, totaling approximately \$12,280, directly to the Mid-America Regional Council (MARC).

All monies received on behalf of the county should be in the custody of the County Treasurer and disbursed through the county's expenditure system. Supporting documentation should be obtained and reviewed for all expenditures prior to approval of the disbursements.

- C. Payments were made to road districts without proper written contracts. During the two years ended December 31, 2002, the county distributed a portion of its County Aid Road Trust (CART) revenues and road and bridge sales tax revenues to the six special road districts within the county. Payments totaling \$376,463 and \$487,796 were made from the Special Road and Bridge Fund and Special Road and Bridge Sales Tax Fund, respectively, to the special road districts during this period. Written statements were obtained from the special road districts regarding how these monies were to be used; however, such statements do not constitute proper contracts.

There appears to be no statutory authority for the County Commission to make these distributions to the special road districts without some type of contractual agreement. Written agreements would help ensure that monies distributed to other entities are expended in compliance with constitutional and statutory provisions and as intended by the County Commission.

Conditions similar to A and C were also noted in the two previous audit reports.

**WE RECOMMEND** the County Commission:

- A. Solicit bids for all purchases in accordance with state law and maintain documentation of bids. If bids cannot be obtained and sole source procurement is necessary, the official commission minutes should reflect the necessitating circumstances.
- B. Ensure all county funds are in the custody of the County Treasurer and disbursed through the county's expenditure system.
- C. Enter into proper written contracts, which specifically state what services are to be provided to the county.

**AUDITEE'S RESPONSE**

- A. *We regularly bid purchases as required by the law. In the future, sole source procurement will be documented in the minutes.*
- B. *The current County Commission now ensures all money runs through the County Treasurer.*

C. *We will enter into contracts for these payments to the Special Road Districts.*

7.

### **County Vehicles**

Vehicle logs are not maintained for county vehicles. While a gasoline log is maintained, it does not include the mileage, destination, and purpose of each trip taken. As a result, the County Commission cannot effectively monitor the use of county owned vehicles. Two Road and Bridge employees are allowed to use county vehicles to commute to and from work. Although the commuting miles are a reportable fringe benefit, the county did not include the value of the commuting miles or vehicles on these employee's W-2. The County Commission indicated these employees are on-call 24 hours a day for emergency situations. The County Commission estimated that one of the employees commutes approximately 26 miles per day and the other employee commutes approximately 20 miles a day in their county owned vehicles. If the County Commission believes these two employees should be exempt from taxable fringe benefits due to their 24 on-call status, this decision should be adequately documented in the minutes.

Vehicle logs should be maintained which document the date, destination, purpose of trip, odometer readings, and the employee driving the vehicle. Complete and detailed vehicle logs are necessary to monitor mileage and evaluate the usage of vehicles. In addition, Internal Revenue Service (IRS) reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs which distinguish between business and personal usage. The county does not require such usage logs for these vehicles. Because procedures have not been established to ensure the IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

**WE RECOMMEND** the County Commission require vehicle logs be maintained for all county vehicles. If applicable, these logs should reflect business and personal miles driven and should be reviewed periodically for reasonableness. In addition, the county should comply with IRS guidelines for reporting fringe benefits relating to personal vehicle use, or adequately document their reasoning for exempting these individuals.

### **AUDITEE'S RESPONSE**

*We will ensure vehicle logs are maintained for the Sheriff's, Assessor's, and Planning and Zoning vehicles, and Road and Bridge supervisors' vehicles. We will consult the Prosecuting Attorney regarding IRS guidelines for reporting fringe benefits.*

8.

**Property Tax Controls**

The County Clerk does not maintain an account book with the County Collector. An account book would summarize all taxes charged to the County Collector, monthly collections, additions and abatements, 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.

**WE RECOMMEND** County Commission ensure the County Clerk establish and maintain an account book of the County Collector's transactions, and the County Commission make use of this account book to verify the County Collector's annual settlements.

**AUDITEE'S RESPONSE**

*We will ensure this is done.*

9.

**Senate Bill 40 Board**

The Senate Bill 40 (SB40) Board did not adequately monitor contracts, solicit bids, maintain vehicle logs, or maintain general fixed asset records.

- A. The SB40 Board did not adequately monitor monies paid for contracts. Although the SB40 Board reimburses not-for-profit organizations for all expenses, supporting documentation is not always received for these reimbursements. For example, the SB40 Board did not obtain adequate supporting documentation from a not-for-profit for a \$9,460 expenditure for additional salaries and a \$925 expenditure for painting services. Without monitoring these contracts, the SB40 Boards has no assurance that these not-for-profit organizations are spending monies as intended by the SB40 Board. In addition, without obtaining and properly reviewing adequate supporting documentation, the SB40 Board cannot determine the validity or propriety of the expenditures.
- B. Bids were not solicited for four different vehicle purchases, with a total cost of \$101,238, during the year ended December 31, 2002. Section 50.660, RSMo 2000, requires the advertisement for bids for all purchases of \$4,500 or more 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 assures all parties are given an equal opportunity to participate in county business.

- C. Vehicle logs are not maintained for the five vehicles owned and maintained by the SB40 Board. The vehicles are driven by employees of a not-for-profit organization which provides sheltered workshop services. Complete and detailed mileage logs are necessary to monitor mileage and evaluate the usage of the vehicles.

Vehicle logs should be maintained which document the date, destination, purpose of trip, odometer readings, and the employee driving the vehicle. Without adequate vehicle logs, the SB40 Board cannot effectively monitor the use of county owned vehicles.

- D. General fixed asset records are not maintained and property tags are not affixed to all assets. Adequate general fixed asset records are necessary to secure better internal control over SB40 Board property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on property. In addition, property control tags should be affixed to all fixed asset items to help improve accountability over these items and help ensure that assets are not lost or stolen.

**WE RECOMMEND** the Senate Bill 40 Board:

- A. Adequately monitor contracts to ensure not-for-profit organizations are spending monies as intended by the SB40 Board and ensure adequate supporting documentation is obtained and reviewed for all expenditures.
- B. Solicit bids for all items in accordance with state law.
- C. Require detailed vehicle logs be maintained for all vehicles and review this log periodically for reasonableness.
- D. Establish records to account for general fixed assets, and identify all fixed assets with a number, tag, or similar identifying device.

**AUDITEE'S RESPONSE**

- A. *We have noted the discrepancies pointed out by the auditors and have corrected these already. The additional salary payments noted above have been discontinued. We have recently updated the contracts with the not-for-profit organizations we support to more adequately detail the services provided.*
- B. *Bids will be taken in the future when required.*

- C. *Logs are maintained for some vehicles now and we will ensure logs are maintained for all vehicles in the future.*
- D. *We will update our fixed asset records and tag all property by March 1, 2004.*

<b>10. County Clerk's Controls and Procedures</b>
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The County Clerk maintains the County Clerk Election Fund instead of remitting these monies to the County Treasurer. Adequate oversight of accounting functions is not provided, and documented reviews are not performed by the County Clerk. Clerk fees are not kept in a secured location until transmitted to the County Treasurer and checks are not restrictively endorsed upon receipt. In addition, fees received are not transmitted timely to the County Treasurer.

- A. The County Clerk maintains custody of the County Clerk Election Fund which is used for paying most of the county election costs. Monies received on behalf of the county should be in the custody of the County Treasurer and disbursed through the county's expenditure system. Section 54.140, RSMo 2000, requires the county treasurer to separate and divide the revenues of the county and to pay out the revenues on warrants issued by the county commission.
- B. Adequate oversight of accounting functions is not provided by the County Clerk. All employees in the County Clerk's office collect receipts and have access to monies received. The election clerk records transactions, prepares deposits, disburses monies, and prepares bank reconciliations. The clerk responsible for the school and cemetery trusts records transactions, prepares deposits, disburses monies, and prepares bank reconciliations. There are no documented reviews of the accounting records performed by the County Clerk.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- C. Monies received are not transmitted to the County Treasurer on a timely basis. During the audit period, transmittals were made approximately once a month, averaging \$1,700. Receipts are kept in an unlocked office until transmitted to the County Treasurer. In addition, checks and money orders are not restrictively endorsed until the deposit is prepared. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be transmitted intact daily or when accumulated receipts exceed \$100, restrictively endorsed upon receipt, and kept in a secure location until deposited.

**WE RECOMMEND** the County Clerk:

- A. Ensure all county funds are held in the custody of the County Treasurer and are disbursed through the county's expenditure system.
- B. Provide adequate oversight for the accounting functions performed by employees.
- C. Transmit monies intact daily or when accumulated receipts exceed \$100. In addition, the County Clerk should keep receipts in a secure location until deposited and restrictively endorse checks and money orders immediately upon receipt.

**AUDITEE'S RESPONSE**

- A. *This has already been implemented.*
- B. *I will document my reviews in the future.*
- C. *I have begun making transmittals twice monthly and will do so more often if deemed necessary. All monies are now locked up at all times and checks are restrictively endorsed upon receipt.*

<b>11. Circuit Clerk's Controls and Procedures</b>
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The monthly listing of open items (liabilities) is not reconciled with the cash balance. The Circuit Clerk did not maintain a centralized record of interest monies earned, spent, and the balance of these monies. A listing of accrued costs owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate.

- A. The monthly open items listing is not reconciled with the cash balance. The \$3,400 cash balance at December 31, 2002 was approximately \$1,600 more than the identified open items, with such difference fluctuating each month of the audit period.

Preparing accurate listings of open items and agreeing the total with the reconciled cash balance helps ensure sufficient assets exist to cover liabilities and all monies are properly recorded and handled. Any unidentified differences between the cash balance and open items should be investigated and resolved.

- B. The Circuit Clerk did not maintain a centralized record of interest monies earned, spent, and the balance of the interest account. Ledgers were maintained documenting all interest expenditures from the various accounts, but interest earned on the accounts and the interest balances were not posted to these same ledgers. In addition, maintaining multiple bank accounts with interest monies requires additional record keeping and increases the likelihood of errors. At our request, the Circuit Clerk

prepared interest ledgers from the various accounts. However, they did not agree with the balances of the interest accounts.

An interest ledger is necessary to track the current balance of interest monies and ensure interest income and expenditures are accurately recorded. In addition, overall efficiency could be improved by reducing the number of accounts and combining funds in as few accounts as possible. Consolidating existing accounts would also allow funds to be pooled for increased investment opportunities.

- C. A listing of accrued costs owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate. The Circuit Clerk's office sends a statement to the appropriate party requesting payment, but no additional follow-up action is taken if payment is not made.

A complete and accurate listing of accrued costs would allow the Circuit Clerk to more easily review the amounts due to the court and to take appropriate steps to ensure amounts owed are collected. Without adequate procedures for the collection of accrued court costs lost revenues may result. In addition, Section 546.870, RSMo 2000, requires the clerk to issue executions/warrants on amounts not collected at the end of each term.

**WE RECOMMEND** the Circuit Clerk:

- A. Ensure monthly listing of open items reconciles to the cash balance. All differences should be investigated and resolved on a timely basis. In addition, the Circuit Clerk should establish and implement procedures to ensure monies are disbursed in a timely manner on cases that have been resolved.
- B. Maintain an interest ledger to record interest earned and expenditures of interest fund monies for all accounts. The ledger should be reconciled to the available cash balance monthly. In addition, the Circuit Clerk should reduce the number of bank accounts maintained.
- C. Maintain a listing of accrued costs and establish procedures to routinely follow-up and pursue timely collection.

**AUDITEE'S RESPONSE**

- A. *I believe that since I have converted to JIS I have met this recommendation.*
- B. *I am in the process of closing the excess bank accounts and all interest money will also be kept in JIS.*
- C. *I will do my best to comply with this recommendation by creating a costs due folder that will be monitored monthly.*

Sheriff department employees have been provided meals at no cost from the jail. Adequate oversight of accounting functions has not been provided and the petty cash fund is not maintained on an imprest basis. Adequate control over evidence has not been established and some items were not disposed of in a timely manner.

- A. Sheriff's department employees have been provided meals at no cost from the jail. The Sheriff indicated that typically employees who are at the jail during the noon hour are provided lunch, but that employees are rarely provided other meals. The Sheriff does not maintain any documentation of how many meals were provided to employees. The county's personnel policy does not address whether employees of the sheriff's department are to be provided meals by the county. A written personnel policy addressing this issue is necessary to provide assurance all employees are treated equitably and to prevent misunderstandings.
- B. Adequate oversight of accounting functions is not provided by the Sheriff. A different clerk performs all cash custody and record-keeping for civil, criminal, and bonds. Each clerk collects monies, records transactions, prepares deposits, disburses monies, and prepares bank reconciliations. There are no documented reviews of the accounting records performed by the Sheriff.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- C. The petty cash fund is not maintained on an imprest basis. According to the Sheriff, there is no set balance for the petty cash fund, but it would not be more than \$100. We counted approximately \$59 and identified \$126 of paid receipts. During the year ended December 31, 2002, the county paid approximately \$700 to reimburse the petty cash fund. While the Sheriff periodically submits requests and supporting documentation to the county, the reimbursement does not bring the balance of the fund to an established amount. To provide proper accountability over cash on hand, these monies should be kept on an imprest basis.

Good internal controls require petty cash to be set at an established amount and to be reimbursed when it has been expended. An imprest basis petty cash fund would improve accountability over petty cash monies.

- D. Adequate controls over evidence have not been established. An evidence log is not maintained and periodic inventories of the property on hand are not conducted. In

addition, several items on the evidence inventory listing have been on hand for more than eighteen years and do not appear to be necessary for a pending trial.

Considering the often sensitive nature of the evidence, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. An inventory control record should include information such as description, persons involved, current location, case number, and disposition of such property. Officers should be required to sign the inventory record each time evidence is removed from the room. In addition, periodic physical inventories should be performed and the results compared to the inventory records to ensure that evidence is accounted for properly. Section 542.301 RSMo, 2000 states seized property may be ordered sold or destroyed by a judge if not claimed within one year from the date of seizure. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft and the related potential liability of the county for such possible improper access or use.

**WE RECOMMEND** the Sheriff:

- A. And County Commission review whether sheriff department employees should be provided meals at county expense and if necessary, update the county personnel policy.
- B. Provide adequate oversight for the accounting functions performed by employees.
- C. Maintain the petty cash fund on an imprest basis and ensure the monies are adequately accounted for.
- D. Maintain an inventory record of all evidence seized, including information such as description, current location, case number and disposition of such property. A periodic inventory of all items on hand should be performed to ensure that items are properly identified, tagged, and logged. In addition, the Sheriff should make timely and appropriate dispositions of evidence.

**AUDITEE'S RESPONSE**

*The Sheriff responded:*

- A. *I agree. Department employees who eat at the jail are currently paying for those meals.*
- B. *I will begin performing documented quarterly reviews.*
- C. *I have implemented this recommendation already.*

- D. *I have recently purchased and implemented a tracking system for evidence. I will work with the Prosecuting Attorney and Circuit Judge to determine which items can be disposed of in accordance with state law.*

*The County Commission responded:*

- A. *We are currently updating the County policy, which will be completed by July 1, 2004, and will ensure this issue is addressed in the update.*

<b>13. Assessor's Controls and Procedures</b>
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Receipt slips are not issued for some monies received and transmittals to the County Treasurer totaling approximately \$1,300 annually are not made intact. Receipt slips are not issued for some cash receipts which are used to put into the petty cash fund. Because these cash receipts are not recorded and transmitted to the Treasurer, there is less assurance that all monies received are properly accounted for. In addition, cashiers' checks and money orders received are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied by the Treasurer when the monies are transmitted.

Prenumbered receipt slips should be issued for all monies received to ensure monies are properly accounted for and transmitted intact. If a petty cash fund is necessary, it should be maintained at a constant amount and replenished by requesting a check from the Assessment fund. In addition, cashiers' checks and money orders should be restrictively endorsed immediately upon receipt.

**WE RECOMMEND** the Assessor issue prenumbered receipt slips for all monies received and reconcile the composition of the receipts to transmittals to the County Treasurer. If a petty cash fund is needed, it should be maintained at a constant amount. In addition, the Assessor should restrictively endorse cashiers' checks and money orders immediately upon receipt.

**AUDITEE'S RESPONSE**

*I agree and will begin issuing prenumbered receipt slips for all monies received effective January 1, 2004. I will also maintain the petty cash fund on an imprest basis in the future.*

<b>14. Juvenile Office's Controls and Procedures</b>
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An adequate system to account for restitution payments due to and received by the Juvenile Office has not been established. A fee sheet is maintained in each case file showing amounts due and payments made, but a control listing detailing amounts due, paid, and transmitted to victims is not maintained. A complete and accurate listing would allow the Juvenile Office

to more easily review the amounts due and payments made and to take appropriate steps to ensure amounts owed are collected.

To ensure all payments made to the Juvenile Office are handled and accounted for properly, a listing should be maintained showing each payment and its disposition, as well as the amount owed and date due. Inadequate procedures for the collection of accrued court costs may result in lost revenues.

**WE RECOMMEND** the Juvenile Office maintain a control listing of amounts due, paid, and transmitted to victims.

**AUDITEE'S RESPONSE**

*We agree and will work to implement a control listing by April 1, 2004.*

<b>15. Planning and Zoning Controls and Procedures</b>
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Adequate oversight of accounting functions is not provided and monies were not transmitted timely to the County Treasurer.

- A. Adequate oversight of the accounting functions performed by the Planning and Zoning administrator is not provided by the County Commission. The Administrator collects monies, records transactions, and prepares transmittals. There are no documented reviews of the accounting records performed by the County Commissioners.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- B. Monies were not transmitted timely to the County Treasurer or restrictively endorsed immediately upon receipt. Transmittals are made once or twice a week, and averaged \$700 per transmittal, and approximately \$50,000 a year. In addition, cashier's checks and money orders received are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied when transmitted to the County Treasurer. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, transmittals should be made daily or when the cash on hand exceeds \$100. In addition, cashiers' checks and money orders should be restrictively endorsed immediately upon receipt.

**WE RECOMMEND** the County Commission:

- A. Provide adequate oversight of the accounting functions performed by employees.
- B. Ensure all monies received are transmitted daily or when receipts exceed \$100. In addition, the County Commission should ensure cashiers' checks and money orders are restrictively endorsed immediately upon receipt.

**AUDITEE'S RESPONSE**

- A. *We will start comparing the monthly summary we currently receive from the Planning and Zoning Administrator to the amounts transmitted to the County Treasurer.*
- B. *We will ensure transmittals are made daily and that restrictive endorsement is applied upon receipt.*

## Follow-Up on Prior Audit Findings

RAY 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 Ray County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 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. Financial Condition

During the two years ended December 31, 1998, the financial condition of the county's General Revenue Fund declined significantly.

Recommendation

The County Commission continue to monitor the financial condition of the General Revenue Fund and consider ways of increasing revenues and/or reducing expenditures.

Status:

Implemented.

2. County Expenditures

- A. The County Commission approved expenditures in excess of budgeted amounts in various funds during the two years ended December 31, 1998.
- B. The county did not solicit bids or maintain bid documentation related to various significant purchases.
- C. In addition to the expenditures discussed above, county officials authorized contract work totaling \$37,570 related to a flood project based only upon one bid proposal obtained. It appeared this work was not properly authorized by the County Commission, was not documented in the commission minutes, nor did the county enter into a written contract with the applicable contractor. In 1999, the Federal Emergency Management Agency determined that the project was not eligible for federal reimbursement and the county's reimbursement claim was initially denied.
- D. During the two years ended December 31, 1998, the county distributed a portion of its County Aid Road Trust (CART) revenues and road and bridge sales tax revenues to the six special road districts within the county. These payments were made without proper written contracts being prepared.

Recommendation:

The County Commission:

- A. Keep expenditures within the amounts budgeted. If additional expenditures are necessary, the extenuating circumstances should be fully documented and the budgets properly amended.
- B. Solicit bids for all expenditures in excess of \$4,500 as required by state law and retain documentation of these bids and justification for bid awards.
- C. Continue to pursue the possible recovery of federal reimbursements related to the applicable project. Also, the county should ensure such a situation does not reoccur. This would include ensuring written authorization to proceed has been received from the applicable grantor agency and that all grant requirements have been met. Further, written contracts should be entered into for any contracted work and bids should be solicited to the extent possible.
- D. Enter into proper written contracts, which specifically state what services are to be provided to the county, for any distribution of CART or road and bridge sales tax monies to the special road districts.

Status:

- A. Not Implemented. See MAR finding number 1.
- B&D. Not Implemented. See MAR finding number 6.
- C. Implemented. The county did receive federal reimbursement for this project.

3. Special Road Projects

- A. All of the special road projects entered into by the county were based upon verbal agreements. No written contracts were entered into to formalize these agreements.
- B. The county had not established adequate procedures to account for the related project costs and reimbursements nor was a written policy established regarding the handling of special road projects or to clarify when other entities or citizens will be asked to pay a portion of road projects.
- C. In 1996, the county entered into an agreement with a citizens group and a city to chip and seal a particular road. The county paid the contractor and received payment from the citizens' group; however, the county had not received the city's share of the costs (\$2,633).

- D. In 1997, a citizens group and the county entered into a written agreement to equally share the cost of chipping and sealing several roads in a particular subdivision. The county did not require the citizens group to reimburse the county for its portion of the costs until after the project was completed. The county paid an additional \$6,528 on this project which was the responsibility of the citizens group.

Recommendation:

The County Commission:

- A. Ensure arrangements such as this are formalized in written contracts as required by state law.
- B. Ensure adequate procedures are established to account for the project costs and reimbursements and adopt a formal policy regarding the handling of road projects and clarifying when other entities or citizens may be asked to pay a portion of the costs.
- C. Ensure that all amounts owed the county are collected in a timely manner.
- D. Take steps to ensure outside parties properly pay their share of costs related to such road projects. The Commission should consider requiring these parties to contribute their share of the costs before the road project is started.

Status:

- A. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.
- C. Implemented. The county collected the \$2,633 in April 1999.

B&D. Implemented.

4. General Fixed Asset Records and Procedures

- A. The county's general fixed asset records had not been kept current. Additions and deletions had not been reflected in the records on a perpetual basis. In addition, an annual inspection and inventory of all personal property items owned by the county and quarterly inspections of county-owned land and buildings were not performed by the County Clerk.
- B. The Sheriff maintained some county-owned assets at his personal residence, including two boats with motors, two boat trailers, two trucks, and a passenger van. The county did not maintain any detailed record of the assets stored by the Sheriff, nor does the county receive reports on the usage of these assets.

- C. Information recorded in the general fixed asset records was incomplete.
- D. While it appeared the County Clerk had tagged many road and bridge items belonging to the county, many other county general fixed asset items were not numbered, tagged, or otherwise identified as county property.

Recommendation:

The County Clerk:

- A. Bring the general fixed asset records up-to-date and maintain them on a perpetual basis by reflecting all fixed asset additions and retirements as they occur. In addition, an annual inspection and inventory of county-owned personal property and quarterly inspections of county owned land and buildings should be performed as required by statute.
- B. Prepare and maintain a record of all county assets stored at the Sheriff's residence and periodically compare that record to a physical inventory of the assets. In addition, reports detailing the date and purpose of the use of the assets should also be received on a periodic basis.
- C. Include the following information in the general fixed asset records for each item:
  - 1) Identification number;
  - 2) Description of the item to include name, make, model, and serial number, where appropriate;
  - 3) Physical location in sufficient detail to readily locate the item;
  - 4) Date of acquisition;
  - 5) Original cost and current market value;
  - 6) Source of acquisition by fund; and,
  - 7) Date and method of disposition, if applicable.
- D. Identify all general fixed asset items with an original cost of \$250 or more with a number, tag, or similar device.

Status:

- A. Partially Implemented. General fixed asset records are up-to-date and maintained on a perpetual basis. Although an annual inventory was performed in 2001, an annual inventory was not performed in 2002. In addition, quarterly inspections of county owned lands and buildings are not performed. Although not repeated in the current report, our recommendations remain as stated above.

B, C  
&D. Implemented.

5. Meal Expenses Paid From Bad Check Fund

In March 1998, the former Prosecuting Attorney established a formal travel policy for his office. This policy allowed himself and each of his employees a meal allowance of \$65 per day while attending training seminars without any receipts or other supporting documentation being required. This policy was not in accordance with the county's policy.

Recommendation:

The current Prosecuting Attorney ensure all travel expenses claimed for reimbursement are adequately documented and are in accordance with the county's travel policy. If additional expenses are deemed necessary, the circumstances should be documented.

Status:

Implemented.

6. Circuit Clerk Child Support Records and Procedures

- A. Accounting duties were not adequately segregated. In addition, it appeared the Circuit Clerk did not perform a periodic review of the cash receipt and disbursement functions in this office nor review the monthly bank reconciliations.
- B. Receipts were not always recorded on the MACSS system or deposited intact in a timely manner. In addition, a number of checks had not been restrictively endorsed.
- C. The numbers assigned to the prenumbered receipt slips used to record over-the-counter receipts were not recorded on the one-write ledger. Consequently, the numerical sequence of the receipt slips issued was not accounted for properly.
- D. Although total receipts recorded on the MACCS system were agreed to total deposits on a daily basis, cash receipts received over-the-counter and recorded on the one-write ledger were not reconciled to the amount of cash deposited per MACSS reports. The lack of this control allowed a \$300 shortage to occur and not be detected in a timely manner. The Missouri State Highway Patrol (MSHP) was contacted regarding this shortage in November 1998.

Recommendation:

The Circuit Clerk:

- A. Adequately segregate the duties of receiving, recording, depositing, and disbursing child support monies. At a minimum, the Circuit Clerk should perform a documented review of these functions on a periodic basis, including a review of the monthly bank reconciliations.
- B. Ensure that all monies are recorded on the MACSS system and deposited intact in a timely manner. In addition, checks should be restrictively endorsed immediately upon receipt.
- C. Ensure the receipt slip numbers are recorded on the one-write ledger and that their numerical sequence is accounted for properly.
- D. Ensure the composition of recorded receipts is reconciled to the composition of deposits on a periodic basis.

In addition, the Circuit Clerk should continue to cooperate with the MSHP in its investigation of the missing monies.

Status:

A&C. Implemented.

- B. Partially implemented. Although receipts are recorded and deposited intact, checks are still not endorsed immediately upon receipt. Although not repeated in the current report, our recommendation remains as stated above.
- D. Partially implemented. The composition of the recorded receipts is reconciled to the composition of deposits on a periodic basis. While the Circuit Clerk indicated the MSHP investigation has been resolved, the county was unable to provide any documentation to support this. The Circuit Clerk should request information from the MSHP regarding the resolution of this matter.

7. Noxious Weed Board

- A. The Noxious Weed Board authorized expenditures of \$5,775 in excess of the approved budget for the year ended December 31, 1997. There was no budget amendment filed to authorize these additional expenditures, nor was there documentation maintained noting the circumstances for exceeding the budget.

- B. Mileage reimbursements were made to one Noxious Weed Board member during the two years ended December 31, 1998. The mileage claims were for a one year period and only detailed the total miles driven by month.
- C. A 1997 chemical purchase of \$11,956 was not supported by adequate bid documentation. A board member indicated that phone bids were solicited related to this purchase; however, no documentation of this was retained.

Recommendation:

The Noxious Weed Board:

- A. Keep the expenditures within the amounts budgeted. If additional expenditures are necessary, the extenuating circumstances should be fully documented and the budgets properly amended.
- B. Ensure all mileage reimbursement claims are submitted on a timely basis and are supported by adequate documentation.
- C. Advertise bids for purchases in accordance with state law and retain documentation of these bids and justification for bid awards. If bids cannot be obtained or sole source procurement is necessary, the board should retain documentation of these circumstances.

Status:

A, B  
& C. Implemented.

8. Senate Bill 40 Board Budgetary Practices

The Senate Bill 40 Board of Directors authorized expenditures of \$18,143 in excess of the approved budget for the year ended December 31, 1998. There was no amended budget filed to authorize these additional expenditures, nor was there documentation maintained noting the circumstances for exceeding the budget.

Recommendation:

The Senate Bill 40 Board keep expenditures within the amounts budgeted. If additional expenditures are necessary, the extenuating circumstances should be fully documented and the budgets properly amended.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

RAY COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1820, the county of Ray was named after John Ray, a member of the state constitutional convention of 1820. Ray County is a county-organized, third-class county and is part of the Eighth Judicial Circuit. The county seat is Richmond.

Ray 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 approximately 495 miles of county roads and 109 county 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 important to the county's citizens.

The county's population was 21,378 in 1980 and 23,354 in 2000. The following chart shows the county's change in assessed valuation since 1980:

	Year Ended December 31,					
	2002	2001	2000	1999	1985*	1980**
	(in millions)					
Real estate	\$ 146.7	140.7	119.8	117.4	71.8	39.6
Personal property	55.3	51.4	49.7	45.6	15.1	9.9
Railroad and utilities	28.5	30.6	30.0	30.3	19.1	15.3
Total	\$ 230.5	222.7	199.5	193.3	106.0	64.8

\* First year of statewide reassessment.

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

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

	Year Ended December 31,			
	2002	2001	2000	1999
Class III Road and Bridge Fund*	.2464	.4739	.5000	.5000
Noxious Weed Fund	.0473	.0000	.0000	.0000
Health Center Fund	.0947	.0940	.1000	.1000
Senate Bill 40 Board Fund	.1704	.1692	.1800	.1800
Hospital	.1704	.1692	.1800	.1800
Tri-County Mental Health	.0948	.0941	.0998	.1000

\* The county retains all tax proceeds from areas not within road districts. The county has six road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. Five special road districts also have an additional levy approved by the voters.

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),			
	2003	2002	2001	2000
State of Missouri	\$ 69,416	66,700	59,768	58,698
General Revenue Fund	29,445	30,235	29,593	25,795
Class III Road and Bridge Fund	697,877	847,384	743,302	822,812
Assessment Fund	132,805	124,258	115,498	115,744
Noxious Weed Fund	98,285	0	4	41
Health Center Fund	216,730	207,740	196,930	193,529
Senate Bill 40 Board Fund	389,985	373,915	353,723	344,492
Tri-County Mental Health	216,946	207,910	202,932	193,194
Hospital	389,985	373,915	353,723	344,495
School districts	9,248,995	8,606,178	7,604,515	7,494,973
Library district	238,694	228,715	216,646	212,893
Ambulance districts	324,845	311,602	294,695	286,473
Fire protection districts	431,474	301,151	265,348	276,053
Nursing home districts	324,737	311,489	294,664	286,312
Drainage and levee districts	480,335	453,060	428,908	432,579
Cities	54,978	63,701	51,270	66,607
County Clerk	303	315	309	295
County Employees' Retirement	109,134	100,607	95,340	89,014
Tax Sale Surplus Fund	5,845	4,396	263	916
Surtax	101,429	99,087	97,436	98,086
Investment Interest	10,225	9,421	9,953	11,050
Commissions and fees:				
General Revenue Fund	236,799	205,266	191,315	188,486
County Collector	7,610	7,026	6,785	6,783
Total	\$ 13,816,877	12,934,071	11,612,920	11,549,320

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),			
	2003	2002	2001	2000
Real estate	92	92	92	92 %
Personal property	85	85	86	86
Railroad and utilities	100	99	100	99

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

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ .0050	None	50 %
General	.0050	None	*
Road and bridge capital improvements	.0050	None	None

\*This sales tax eliminated the property tax levy of the General Revenue Fund.

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

Officeholder	2003	2002	2001	2000	1999
<b>County-Paid Officials:</b>					
Curtis Proffitt, Presiding Commissioner	\$	29,390	29,390	29,390	29,060
Clifford Crist, Associate Commissioner		27,390	27,390	27,390	27,060
Allen Dale, Associate Commissioner		27,390	27,390	0	0
John Crouch, Associate Commissioner		0	0	27,390	27,060
Mary Jo Davis, Recorder of Deeds		41,500	41,500	41,500	41,000
Paul Lynn Rogers, County Clerk		41,500	41,500	41,500	41,000
Stanley Thompson, Prosecuting Attorney		51,000	51,000	51,000	49,000
Samuel E. Clemens, Sheriff		46,000	46,000	0	0
Gary Holloway, Sheriff		0	0	46,000	45,000
JoAnn Burnine, County Treasurer		30,710	30,710	30,710	30,340
Dale Dean Snow, County Coroner		14,000	14,000	14,000	13,000
Kenneth A. Nolker, Public Administrator (1)		44,697	51,500	35,914	16,540
Margie Bowman, County Collector (2), year ended February 28 (29),	55,018	54,434	54,193	54,191	
Kent H. Wollard, County Assessor (3), year ended August 31,		41,500	41,500	41,333	41,000
Terry McCanless, County Surveyor (4)		0	0	0	0

- (1) Includes fees received from probate cases.
- (2) Includes \$7,610, \$7,026, \$6,785 and \$6,783, respectively, of commissions earned for collecting city property taxes.
- (3) Includes \$900 annual compensation received from the state.
- (4) Compensation on a fee basis.

<b>State-Paid Officials:</b>					
Carolynne Conner, Circuit Clerk		47,300	47,300	46,127	44,292
David L. Busch, Associate Circuit Judge		96,000	96,000	97,382	87,235