

OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY

JASPER COUNTY, MISSOURI
COUNTY COLLECTOR

PERIOD JANUARY 1, 1998 TO
OCTOBER 16, 1998

MARGARET KELLY, CPA



Report No. 99-09
January 7, 1999

JASPER COUNTY, MISSOURI
COUNTY COLLECTOR

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STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENT

To the County Commission
and
County Collector
Jasper County, Missouri

We have audited the accompanying statement of revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, for the period January 1, 1998 to October 16, 1998, as identified in the table of contents. This statement is the responsibility of the County Collector. Our responsibility is to express an opinion on this statement based on our audit.

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

In our opinion, the statement of revenues and expenditures referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, for the period January 1, 1998 to October 16, 1998, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated December 15, 1998, on our consideration of the County Collector's internal control over financial reporting and on our tests of his compliance with certain provisions of laws, regulations, and contracts.

A handwritten signature in black ink that reads "Margaret Kelly". The signature is fluid and cursive.

Margaret Kelly, CPA
State Auditor

December 15, 1998



STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the County Commission
and
County Collector
Jasper County, Missouri

We have audited the statement of revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, for the period January 1, 1998 to October 16, 1998, and have issued our report thereon dated December 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the statement of revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, is free of material misstatement, we performed tests of the County Collector's compliance with certain provisions of laws, regulations, and contracts, 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 material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain other instances of noncompliance which are presented in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the statement of revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, we considered the County Collector's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the statement of revenues and expenditures 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 to the financial statement being audited may occur.

and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Margaret Kelly". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Margaret Kelly, CPA
State Auditor

December 15, 1998

FINANCIAL STATEMENT

Exhibit

JASPER COUNTY, MISSOURI
COUNTY COLLECTOR'S FUND
STATEMENT OF REVENUES AND EXPENDITURES

	Period January 1, 1998, to October 16, 1998
REVENUES	
Property taxes	\$ 4,331,563
Interest	42,387
Other	45,674
Less provision for uncollectible accounts	(1,068,855)
Net Revenues	<u>3,350,770</u>
EXPENDITURES	
State of Missouri	24,275
General Revenue Fund	80,720
Special Road and Bridge Fund	185,853
Special Road Districts	4,629
Fire Districts	72,125
Crowder College	1,252
Sheltered Facilities	71,959
Mental Health	71,959
Cities	165,649
Schools	2,352,965
Assessment Fund	14,520
County Clerk	4,895
County Employees Retirement Fund	26,992
Commissions and fees:	
General Revenue Fund	272,797
Other	<u>180</u>
Total Expenditures	<u>3,350,770</u>
REVENUES OVER EXPENDITURES	\$ <u><u>0</u></u>

The accompanying Note to the Financial Statement is an
integral part of this statement.

NOTE TO THE FINANCIAL STATEMENT

JASPER COUNTY, MISSOURI
COUNTY COLLECTOR
NOTE TO THE FINANCIAL STATEMENT

Summary of Significant Accounting Policies

The County Collector's Fund is an agency fund which is custodial in nature and does not involve measurement of results of operations.

The statement of revenues and expenditures for the period January 1, 1998 to October 16, 1998, reflects amounts as shown on the records of the County Collector on the modified accrual basis.

The County Collector had not yet been charged with 1998 current taxes as of October 16, 1998.

The statement included in this report does not include any of the operating costs of the County Collector's office other than commissions retained. Operating costs are paid from the General Revenue Fund of the county.

MANAGEMENT ADVISORY REPORT

JASPER COUNTY, MISSOURI
COUNTY COLLECTOR
MANAGEMENT ADVISORY REPORT

We have audited the statement of revenues and expenditures of the County Collector's Fund of Jasper County, Missouri, for the period January 1, 1998 to October 16, 1998, and have issued our report thereon dated December 15, 1998.

A vacancy was created when Stephen H. Holt forfeited the office of County Collector on October 16, 1998. Art Wilson was appointed Jasper County Collector effective October 23, 1998.

Section 52.150, RSMo 1994, requires the state auditor to conduct an audit of the office of County Collector after being notified of a vacancy in that office. The county is responsible for paying for the cost of this audit.

Section 52.150, RSMo 1994, specifically outlines the state auditor's responsibilities as follows:

1. Determine the financial condition of the accounts of the office of the County Collector.
2. Determine the proper compensation that should have been paid to the replaced County Collector in the past three years and the compensation actually paid during such period; and
3. File a report of her findings with the county governing body and the person appointed to fill the vacancy in the office of the County Collector.

Section 52.150, RSMo 1994, provides the county commission shall accept the report of the state auditor and take, if necessary, certain specific actions if the state auditor finds any monies owing to the county or the past County Collector.

County Collector's Compensation
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On August 19, 1993, the County Collector and County Commission entered into a written agreement with the City of Joplin for the collection of city property taxes. The original term of this agreement began on September 1, 1992 and provided for the County Collector to be compensated four percent of the total amount of taxes and penalties collected for the city less an assessment fee. The County Collector billed the city and was paid the following amounts for collection of city taxes:

Collector's Year Ended	Commissions Received
2/28/93	\$ 12,557
2/28/94	20,948
2/28/95	22,842
2/29/96	22,727
2/28/97	23,372
2/28/98	24,022
Total	\$ <u>126,468</u>

The legality of this arrangement with the City of Joplin was questioned during 1998 based on Section 52.320.2, RSMo 1994, which limits the collector to \$3,000 per year from all such contracts. A petition was filed in the Circuit Court by the Jasper County Prosecuting Attorney on August 28, 1998, charging the County Collector with conduct contrary to law by keeping payment from the City of Joplin in excess of \$3,000 per year. On September 8, 1998, the County Collector reimbursed the Jasper County Treasurer \$129,266 for commissions received in excess of \$15,000 (5 years' commissions) plus interest of \$17,798. On October 16, 1998, the Circuit Judge ordered the County Collector had forfeited his office for violation of receiving compensation other than allowed by law under Section 52.430, RSMo.

There is some question as to how much commission should have been allowed for the period under the contract. The County Collector collected city taxes from November 1992 through February 1998 (six tax years) under this contract. The statute allows the County Collector to be compensated \$3,000 per year, but the term is not specified. The original contract with the City of Joplin began on September 1, 1992 and continued until March 31, 1993 and provided for a term of April 1 through March 31 for each succeeding year. Based on the worksheet provided by the county, the County Collector was not given credit (\$3,000) for the 1997 tax year. As a result, it appears the County Collector is entitled to additional compensation of \$3,000.

In addition to his commission for collection of city taxes, the County Collector was paid an annual salary of \$38,000 established by the salary commission in 1988. Based on this annual amount, the Collector was also paid \$23,750 for the period March 1, 1998 to October 16, 1998.

WE RECOMMEND the County Collector review the commissions allowed to be retained with the appropriate officials and determine if he is due an additional \$3,000 in allowable compensation for collection of city taxes for the period November 1992 through February 1998.

AUDITEE'S RESPONSE

The County Collector stated he agrees with the interpretation that six tax years instead of five were involved and, if the \$3,000 limit applies, he should get credit for \$18,000 instead of \$15,000. He contacted the County Counselor and will await the county's response. No action is planned at this time.

The County Counselor stated the county does not necessarily disagree with the State Auditor that the County Collector should have been given credit for six years of contracts with the city of Joplin since he completed the collections for the calendar years 1992-97, inclusive.

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

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