



LINN COUNTY, MISSOURI

EX-OFFICIO COUNTY COLLECTOR

PERIOD MARCH 1, 1999 TO MARCH 25, 1999
AND THE YEAR ENDED FEBRUARY 28, 1999

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

Report No. 99-48
July 30, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

A vacancy of the Linn County Collector was created when David Long resigned as Treasurer Ex-Officio Collector and was appointed Linn County Assessor on March 25, 1999. Pamela Reed was appointed the Linn County Ex-Officio Collector effective March 25, 1999.

Missouri state law 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 the costs of the audit.

State law requires the auditor to:

- Determine the financial condition of the accounts of the office.
- Determine the proper compensation that should have been paid to the replaced Ex-Officio County Collector in the past three years and the compensation actually paid during that period.
- File a report of the auditor's findings with the county governing body and the person appointed to fill the vacancy in the office.

The Ex-Officio County Collector's compensation was in accordance with statutory provisions receiving \$32,742 during the three years ended February 28, 1999, and \$2,099 for the period March 1, 1999 to March 25, 1999.

YELLOW SHEET

LINN COUNTY, MISSOURI
EX-OFFICIO COUNTY COLLECTOR
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State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENT

To the County Commission
and
Ex-Officio County Collector
Linn County, Missouri

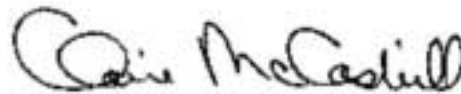
We have audited the accompanying statement of revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, for the period March 1, 1999 to March 25, 1999 and the year ended February 28, 1999, as identified in the table of contents. This statement is the responsibility of the Ex-Officio County Collector. Our responsibility is to express an opinion on this statement based on our audit.

Except as discussed in the following paragraph, 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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and 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.

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues--as amended by GASB Technical Bulletin 99-1*, requires disclosure of certain matters regarding the year 2000 issue. The Linn County Ex-Officio Collector has included such disclosures in Note 2. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the county's disclosures with respect to the year 2000 issue made in Note 2. Further, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, for the period March 1, 1999 to March 25, 1999 and the year ended February 28, 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 23, 1999, on our consideration of the Ex-Officio County Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 23, 1999 (fieldwork completion date)



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
Ex-Officio County Collector
Linn County, Missouri

We have audited the statement of revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, for the period March 1, 1999 to March 25, 1999 and the year ended February 28, 1999, and have issued our report thereon dated April 23, 1999. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, 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

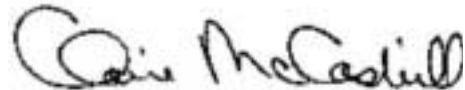
As part of obtaining reasonable assurance about whether the statement of revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, is free of material misstatement, we performed tests of the Ex-Officio Collector's compliance with certain provisions of laws, regulations, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit of the statement of revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, we considered the Ex-Officio 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 over financial reporting 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 statement of revenues and expenditures 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 Ex-Officio County Collector and the management of Linn 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 dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 23, 1999 (fieldwork completion date)

Financial Statements

Exhibit

LINN COUNTY, MISSOURI
EX-OFFICIO COUNTY COLLECTOR
SCHEDULE OF REVENUES AND EXPENDITURES

	Period March 1, 1999 to March 25, 1999	Year Ended February 28, 1999
REVENUES		
Property taxes	\$ 49,946	5,585,172
Interest	107	48,991
Other	576	158,366
Less Provision for Uncollectible Accounts	-194	-416,695
Total Revenues	<u>50,435</u>	<u>5,375,834</u>
EXPENDITURES		
State of Missouri	275	29,817
General Revenue Fund	875	96,518
Special Road and Bridge Fund	4,274	43,390
Assessment Fund	0	63,962
Health Center Fund	2,059	223,673
Senate Bill 40 Board	1,735	184,043
Schools	32,029	3,544,466
Special Road Districts	0	67,189
Township Road and Bridge Fund	0	432,865
Townships	872	96,667
Fire Districts	202	32,840
Jefferson Township Bond	165	24,197
Locust Creek Township Bond	212	25,134
Ambulance District	2,571	276,003
Yellow Creek Watershed	0	1,699
Cities	0	104,553
County Clerk	24	233
County Employees' Retirement	2,262	14,755
Other	0	13,148
Commissions and fees:		
General Revenue Fund	2,880	56,670
Township Collectors	0	44,012
Total Expenditures	<u>50,435</u>	<u>5,375,834</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ <u>0</u>	<u>0</u>

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

Notes to the Financial Statements

LINN COUNTY, MISSOURI
EX-OFFICIO COUNTY COLLECTOR
NOTES TO THE STATEMENT OF
REVENUES AND EXPENDITURES

1. Summary of Significant Accounting Policies

The Ex-Officio 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 March 1, 1999 to March 25, 1999 and the year ended February 28, 1999, reflects amounts as shown on the records of the Ex-Officio County Collector on the modified accrual basis.

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

2. Year 2000 Compliance

Research has been done on year 2000 issues through the internet and various other resources in order to be better prepared. Documentation has been collected and developed assessing the problem of year 2000 specifically to County Government. Linn County upgraded the computer system used in the Ex-Officio Collector's office in 1998 and have been assured by the upgrading vendor that the system is year 2000 compliant. Testing of the main frame computer system and individual computers has been done and satisfactory results were obtained. Should the computer system in the Treasurer/Collector office fail, operations could continue on a manual basis.

Management Advisory Report

LINN COUNTY, MISSOURI
EX-OFFICIO COUNTY COLLECTOR
MANAGEMENT ADVISORY REPORT

We have audited the statement of revenues and expenditures of the Ex-Officio County Collector's Fund of Linn County, Missouri, for the period March 1, 1999 to March 25, 1999 and the year ended February 28, 1999, and have issued our report thereon dated April 23, 1999. That report expressed a qualified opinion on the statement of revenues and expenditures.

A vacancy in this office was created when David Long resigned as Treasurer Ex-Officio Collector and was appointed County Assessor on March 25, 1999. Pamela Reed was appointed the Linn County Ex-Officio Collector effective March 25, 1999.

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 the costs 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 Ex-Officio County Collector.
2. Determine the proper compensation that should have been paid to the replaced Ex-Officio 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 Ex-Officio 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 Ex-Officio County Collector.

The Ex-Officio County Collector received \$32,742 annually during the three years ended February 28, 1999, and \$2,099 for the period March 1, 1999 to March 25, 1999, in accordance with statutory provisions.

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