



Nicole Galloway, CPA  
Missouri State Auditor

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# Office of Secretary of State



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January 2016

Report No. 2016 - 001

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<http://auditor.mo.gov>



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Office of Secretary of State

Business Services Division Electronic Payment Collections	The Business Services Division of the Secretary of State's office (SOS) did not have adequate procedures to ensure electronic payments for business filings were correctly allocated to two state funds. Net allocation errors resulted in at least \$120,000 wrongly allocated to the General Revenue Fund rather than the SOS's Technology Trust Fund. After auditors alerted SOS personnel to the errors; in July 2015, the office implemented procedures to address the issue.
Incomplete Documentation	The SOS did not maintain complete documentation to support salary increases provided to many employees. Auditors reviewed documents and spoke with SOS personnel regarding a sampling of raises and found that the office did not always adequately document the reasons increases were given. Memos written to support raises for reasons other than promotion did not contain critical information, including who prepared and reviewed the memos and the dates they were written. For many raises, the documentation was inadequate, lacking clear detail and/or conflicting with other documentation or explanations provided by SOS personnel. For example, 10 raises for increased workload, additional duties and/or responsibilities were not supported by documentation detailing the workload increases or specific additional duties/responsibilities.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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## **NICOLE GALLOWAY, CPA**

### **Missouri State Auditor**

Honorable Jason Kander, Secretary of State  
Jefferson City, Missouri

We have audited certain operations of the Office of Secretary of State in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015, 2014 and 2013. The objectives of our audit were to:

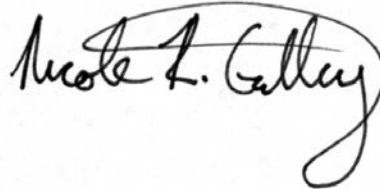
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, contracts, and other pertinent documents; interviewing various personnel of the office; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Secretary of State.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA  
State Auditor

The following auditors participated in the preparation of this report:

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# Office of Secretary of State

## Management Advisory Report

### State Auditor's Findings

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#### **1. Business Services Division Electronic Payment Collections**

The Secretary of State's office (SOS) did not have adequate controls and procedures over Business Services Division (BSD) collections of electronic payments (e-payments) and amounts collected were not allocated between state funds correctly. The net result of the errors caused the General Revenue Fund (GRF) to receive at least \$120,000 that should have gone to the SOS's Technology Trust Fund (TTF).

The BSD collects fees totaling approximately \$10 million per year for numerous types of business filings. BSD customers file documents and make payments through the SOS online business filing system, by mail, or at the BSD office. The BSD accepts e-payments (credit cards and e-checks), cash, checks, and ACH payments. The SOS began accepting e-checks for Uniform Commercial Code (UCC) filings in November 2011 and all other business filing types, except notaries, in June 2014. In fiscal year 2015, BSD collections were approximately 60 percent e-payments, 30 percent cash/check, and 10 percent ACH.

Business filing fees range from \$2 to more than \$200, depending on the filing type. Various state statutes authorize business filing fee amounts and require the fees to be deposited into the state GRF. Pursuant to the authorizing statutes, the BSD collects an additional \$5 per filing (\$10 per biennial filing) to be deposited into the TTF. Annual deposits into the TTF by the BSD and other divisions averaged \$2.5 million during the 3 years ended June 30, 2015.

Business filing fee receipts are recorded in the computerized business filing system. The BSD began utilizing the current system for UCC filings in November 2011; and all other business filing types, except notaries, were moved from the old system to the current system in June 2014.

A BSD supervisor prepares daily deposits of cash and checks received. The BSD receives daily electronic remittance reports of e-payment collections from the e-payment services vendor. The supervisor records and allocates all BSD receipt amounts by fund in the statewide accounting system. Fiscal and Facilities Division personnel review BSD receipt and deposit documentation, and approve the related entries in the statewide accounting system.

##### **1.1 Fund allocation errors**

The SOS did not have effective procedures and oversight to ensure deposits of BSD e-payment collections were allocated between state funds correctly. As a result, amounts were allocated between the TTF and the GRF incorrectly.

BSD personnel made the errors when manually calculating e-payment allocations. During the audit period, BSD personnel used daily filing system closeout report information to allocate cash, check, and ACH collections between state funds. For e-payment collections, BSD personnel manually



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calculated allocation amounts based on e-payment remittance reports rather than system closeout reports because of timing differences between the reports (system closeout reports generate at 3 p.m. each day, while e-payment remittance reports generate at 12 a.m.). BSD reconciliations and Fiscal and Facilities Division personnel reviews of manual allocations did not detect the errors.

SOS personnel quantified amounts for miscalculations identified by the audit; however, because these amounts did not include all errors, the full impact is unknown. Though miscalculations were made in allocations to both funds, the net result was an over-allocation to the GRF and an under-allocation to the TTF.

Procedural weaknesses

The allocation errors resulted from the following weaknesses in manual calculation procedures:

E-checks

SOS personnel allocated e-check collections 50 percent to the TTF and 50 percent to the GRF, instead of \$5 per filing (\$10 per biennial filing) to the TTF and the remainder to the GRF. (The 50/50 allocation was correct for single \$10 UCC filings, but incorrect for all other filings.) The error amount increased substantially in June 2014, when non-UCC filings were added to the current business filing system; and again in January 2015, when many customers began paying by e-check rather than credit card.<sup>1</sup>

Credit Card Prepayments

SOS personnel allocated most of one customer's credit card prepayments based on the number of prepayments, rather than number of filings. Each month, the customer made one or two prepayments for business filings throughout the month. For the prepayments incorrectly allocated during the period January 2012 through May 2015, allocations were based on 50 prepayment transactions rather than the related 36,494 filings, according to SOS records. SOS personnel indicated the error began in January 2012, when adjustments previously made to correctly allocate this customer's prepayments were inadvertently discontinued due to a change in personnel.

Biennial Reports

For each credit card transaction, SOS personnel allocated \$5 to the TTF and the remainder to the GRF. However, biennial filings should have been allocated \$10 to the TTF and the remainder to the GRF. SOS personnel indicated the error began in June 2014, when non-UCC business filings

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<sup>1</sup> Beginning in January 2015, pursuant to Section 37.007, RSMo, the SOS requires customers to pay for credit card and e-check administration fees charged by the department's e-payment services vendor. These fees were previously paid by the SOS. Since January 2015, the SOS experienced increased e-check payments and decreased credit card payments because the e-check fees are lower.



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were added to the current business filing system. They stated prior to June 2014, monthly adjustments for biennial filings were made; however, these adjustments were inadvertently discontinued when the current system was implemented.

Error amounts quantified by  
SOS

After we informed SOS personnel of the allocation errors, SOS personnel reviewed BSD e-payment activity dating back to fiscal year 2012. The quantified amounts reflect a net over-allocation to the GRF and under-allocation to the TTF.

BSD fund allocation errors<sup>1</sup>

Fiscal Year		E-checks	Credit Card Prepays	Biennial Reports	Net Total
		Over-allocated TTF/ Under-allocated GRF	Under-allocated TTF/ Over-allocated GRF	Under-allocated TTF/ Over-allocated GRF	Under-allocated TTF
2012	\$	3,203	15,719	0	12,516
2013		4,297	51,927	0	47,630
2014		6,917	55,296	1,360	49,739
2015		164,970	59,278	116,690	10,998
Total	\$	179,387	182,220	118,050	120,883

<sup>1</sup> As noted below, additional error amounts have not been quantified.

Error amounts not quantified  
by SOS

The above BSD amounts quantified by SOS personnel, except for credit card prepayments, did not include all allocation errors because SOS personnel calculated amounts based on the number of transactions rather than number of filings. This method assumed each e-payment transaction included only one filing, and did not consider those with more than one filing. As a result, we estimate the SOS understated the net total under-allocation to the TTF by at least \$40,000 for e-check and credit card biennial report transactions. Information was not readily available to estimate additional error amounts for other credit card transactions.

SOS personnel could have accounted for transactions with multiple filings when quantifying the error amounts. Staff indicated they did not because (1) system reports of the number of e-payment filings did not include refunds issued, (2) system data had not been reconciled to e-payment vendor remittances or the statewide accounting system, (3) the process would be labor intensive and time consuming, (4) the calculations were consistent for all error types, and (5) the TTF balance is near its \$5 million statutory maximum. Staff indicated quantification of these additional errors would result in additional amounts due to the TTF from the GRF, and any amounts that cause the TTF balance to exceed the maximum would have to be returned to the GRF.

Conclusions

Each day, BSD personnel reconciled e-payment collections per BSD business filing systems to e-payment remittances and the statewide accounting system in total, but not by fund. This weakness contributed to





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the SOS's inability to detect the fund allocation errors. Additionally, Fiscal and Facilities Division personnel reviewed and approved all deposits and statewide accounting system records of BSD collections, but these reviews did not detect the allocation errors.

Beginning in July 2015, SOS personnel implemented various procedures to address the allocation issues identified in the audit. System closeout reports are prepared daily at 12 a.m. to coincide with the remittance reports from the e-payment services vendor; and BSD personnel now allocate all deposits, including e-payments, based on system closeout report information. Fiscal and Facilities Division personnel now ensure daily system closeout reports have been reconciled to e-payment remittance reports and the statewide accounting system, and receipts have been allocated between state funds in accordance with the daily system closeout reports. SOS officials indicated they worked with the customer paying by credit card prepayments to pay by ACH effective July 1, 2015, simplifying the allocation process.

On June 22, 2015, the SOS notified the Office of Administration (OA) of the allocation errors and the needed transfer(s) from the GRF to the TTF to correct the errors. As of September 2015, corrections totaling \$37,600 had been made by the OA and the SOS, and the remaining \$83,283 net quantified error amount had not been corrected. SOS personnel indicated a full correction could not be made due to limitations of OA appropriation amounts for making such corrections.

To ensure future BSD collections are properly allocated in accordance with state law, the SOS should ensure newly established allocation procedures are followed. The SOS should further review BSD deposits and determine additional error amounts not quantified. In addition, the SOS should continue to work with the OA to transfer the remaining \$83,283 due from the GRF to the TTF, plus any additional error amounts identified.

## 1.2 System reports

SOS personnel do not generate reports from the BSD business filing system to monitor BSD activities and collections.

SOS personnel indicated, other than daily system closeout reports, they do not routinely or periodically generate reports from the business filing system. During the audit, we made various requests for system data. SOS personnel initially indicated they could not provide the requested data because the system was not capable of generating reports or they did not know how to pull the information from the system. For some requests, SOS personnel subsequently provided the requested data.

To adequately monitor BSD activities, collections, and deposits, periodic reports of transactions processed in the system should be generated and reviewed. Such reports could be used to perform various monitoring procedures such as reconciling, analyzing, and validating system data.



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Monitoring of system data is necessary to ensure compliance with BSD procedures and state law.

## Recommendations

The Office of Secretary of State:

- 1.1 Continue to perform the new procedures to ensure all BSD receipts are properly allocated between state funds. The SOS should further review BSD activity and determine additional error amounts not quantified. In addition, the SOS should continue to work with the OA to transfer the remaining \$83,283 due from the GRF to the TTF plus any additional error amounts identified.
- 1.2 Work with the business filing system programmer to generate reports of BSD business filing system data and utilize the reports to monitor BSD activities and collections.

## Auditee's Response

- 1.1 *The SOS has implemented and will continue the new procedures to ensure that all BSD receipts are allocated between the TTF and the GRF. This under allocation to the SOS TTF began prior to this administration and once it was identified, it was immediately addressed by this office. Ultimately, the error resulted in the SOS sending too much money to the GRF instead of keeping those funds for the office. Our office has requested that the OA transfer \$120,883 from GRF to the TTF. Our office will continue to work with the OA to transfer the remaining \$83,283 from GRF to TTF. The State Auditor's Office (SAO) also recommended that this office continue to quantify and reallocate funds for this time period. However, such a determination would likely continue to be an under allocation to the SOS's TTF and not to GRF.*
- 1.2 *The SOS has developed and will continue to utilize reports to monitor BSD activities and collections. The SOS will continue to review whether any future reports are necessary and will work with the contracted maintenance provider to ensure any such reports are created, tested, and utilized.*

## 2. Incomplete Documentation

The SOS did not completely document salary increases provided to many employees. The SOS lacked a complete record of the reasons for some salary increases given. SOS salaries and wages totaled approximately \$9 million annually during the 3 years ended June 30, 2015. As of June 30, 2015, the SOS had 239 employees.

In addition to cost of living adjustments,<sup>2</sup> the SOS provided 239 additional salary increases to 161 employees during the period July 2012 to April 2015, according to records provided by SOS personnel. We reviewed

<sup>2</sup> Cost of living increases of 2 percent in July 2012, \$500 in January 2014, and 1 percent in January 2015 were provided to most state employees.



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supporting documentation and interviewed the Human Resources Director and other SOS personnel regarding raises provided to 27 employees that received 60 raises.

SOS personnel and/or documentation provided indicated these 60 raises were granted for the following reasons: 16 for employee promotions to new positions, 33 for additional job duties and/or responsibilities, 4 for salary equalization/retention of director-level employees, 6 for increased workloads, and 1 for taking the bar exam. Of these 60 raises, 13 were second and third phase raises provided to employees 1 to 14 months after their initial raise.

SOS personnel provided personnel action request forms, memos, and/or signed job descriptions for the raises; however, this documentation was not adequate for many of the salary increases reviewed. While documentation supporting all 16 promotions reviewed was sufficient; we identified weaknesses in the documentation for the remaining 44 raises reviewed. None of the memos prepared to support the 44 raises were dated or included the name of the preparer, or reviewer if applicable. SOS personnel could not tell us when the memos were prepared.

For 18 of these 44 raises, the documentation to support the reasons for the raise was inadequate. Because the documentation lacked clear detail regarding the reasons for the raises and/or contained conflicting information, we had to obtain additional information from SOS personnel. In some cases, the verbal explanations they provided differed from the written documentation.

- Documentation for each of the 6 raises for increased workloads only indicated that the employee's workload increased (due to experience gained in some instances), but provided no specific information supporting the workload increase.
- Documentation for 3 of 4 raises to equalize salaries of or retain director-level employees either did not state the reason for the raise or stated "want to keep on staff."
- Documentation for 4 raises for additional duties and/or responsibilities indicated the duties of eliminated positions had been reassigned to various employees; however, no documentation detailing the specific job duties assigned to these employees was prepared. Documentation for one raise also indicated the employee would have additional responsibilities associated with the utilization of new computer software, but did not explain how these responsibilities warranted the raise given.



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- For 6 raises (1 raise also had another documentation weakness and was included in one of the previous bullet points), the reasons for the raise included in the memos conflicted with the reasons per personnel action request forms prepared and approved at the time of the raise, entered in the statewide accounting system, and/or provided by SOS personnel. For an employee that received a promotion in August 2013, a second phase raise in November 2013, and a promotion in October 2014, the personnel action request for the second phase raise indicated the employee "will be taking on additional cases and more specialized cases" while the memo indicated the raise was "second step of salary raise due to August 2013 promotion." In addition, the promotions were classified in the statewide accounting system as additional duties, rather than promotions. For another employee, memos indicated the employee received raises for additional duties assumed during reorganizations in October 2013 and May 2014, and a second phase raise in December 2014; however, the personnel action request forms stated the October 2013 raise was because the employee "does an excellent job in her duties" and the December 2014 raise was due to "increased responsibilities in current position." SOS personnel indicated they do not believe the documentation for the raises provided these employees conflicted because the employees took on additional responsibilities/workload as part of the second phase raise and/or due to their excellent work performance. However, no documentation linking these various reasons was maintained.
- For each of the 13 second and third phase raises, SOS personnel did not prepare documentation at the time the initial raise was given to indicate a second or third raise would be given if requirements were met. Instead, for most of these raises, memos prepared after the raises were given indicated employees successfully implemented the additional duties or responsibilities for which they received their initial raise. SOS personnel indicated requirements for the second/third phase raises would have been verbally communicated to the employees when the initial raises were given, but not documented. For 2 Information Technology department employees that each received 3 raises, SOS personnel told us the employees received raises in 3 steps due to changes in duties during the department reorganization. However, documentation supporting these raises did not indicate the raises were in phases or provide requirements for each phase.

Section 28.030, RSMo, grants the SOS the authority to establish employee compensation. The SOS should prepare and maintain adequately detailed documentation to support the reasons for providing each pay increase. Such documentation should be prepared and approved prior to awarding the raise and should clearly document the reason(s) for the raise. Salary increases for increased workload and additional duties and/or responsibilities should be supported by documentation detailing the workload increases or specific



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additional duties/responsibilities. For salary increases provided in phases, documentation outlining the requirements of each phase should be prepared when the initial raise is given, and documentation supporting that requirements were met should be prepared for each phase of the raise.

## Recommendation

The Office of Secretary of State prepare and maintain clearly detailed documentation supporting the reasons for providing pay increases to employees.

## Auditee's Response

*The SOS disagrees with this finding. Since fiscal year 2013, the SOS has reduced its GRF personal services (PS) operating budget by \$203,747, returned over \$30,000 in PS to GRF, reduced positions (FTE) by 11, reorganized work load, and reinvested savings in existing personnel through salary adjustments. During Secretary Kander's administration, 67 percent of the salary adjustments were to staff making \$40,000 or less.*

*According to the SAO, the SOS needed to provide more documentation to justify some of the salary adjustments, including additional and increased job duties, and salary equalization or retention of qualified staff. SOS requested that the SAO provide an example of what is considered complete documentation. While the SOS agrees that what is considered complete documentation is a judgment call, SOS will enhance its already existing process.*

*The audit states that the SOS provided personnel action request forms, memos, and/or signed job descriptions for each salary adjustment. The SAO did not find any issue with the reasons provided for the adjustments; rather just wanted more detail in the documentation created. For each salary adjustment, proposals are discussed by applicable management staff to ensure that the changes are justified. Then, personnel action request forms, which include the reason for each adjustment, are completed, approved, and dated by multiple management staff. Further, memos that are either attached to the request form or maintained separately are completed to provide justification when necessary. To enhance this already existing process, the SOS will attach the memo which is currently prepared for each personnel action containing management that approved the salary adjustment and the date of such approval, both of which are currently on the request form.*

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# Office of Secretary of State

## Organization and Statistical Information

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The Office of Secretary of State is an elective office as provided in the Missouri Constitution. Article IV, Section 14, established the duties of the Secretary of State to (1) be custodian of the state seal, (2) keep a register of the official acts of the governor, (3) be custodian of records and documents, and (4) perform such duties in relation to elections and corporations as provided by law.

To accommodate the responsibilities of record keeping, registration, and administration, the Secretary of State's office is divided into the following major divisions: Business Services, Elections, Securities, State Library, Records Services, and Administrative Rules. Some areas are composed of separate sections that perform specific functions.

**Business Services Division:** This division is comprised of three sections: Commissions, Corporation, and Uniform Commercial Code (UCC). The Commissions section maintains the oath of office and official signature of each notary, as well as their official bond; authenticates official acts of the governor; maintains the Great Seal of the State of Missouri; maintains bonds and oaths of office for state officials; and is responsible for the official signature, facsimile signature filings, resident agent filings, and trademark and service mark filings. The Corporations section handles the registration and maintenance of over 562,000 active businesses registered in Missouri. Businesses file various documents required by law such as creation documents, annual reports, amendments, mergers, consolidations, dissolutions, terminations, withdrawals, and conversions. The UCC section is responsible for perfecting personal property liens and other creditor interests. These liens are perfected by filing a financing statement in the accepted national format.

The division oversees regional offices for business filings in St. Louis, Kansas City, and Springfield, and the Safe at Home address confidentiality program. The Safe at Home program was created in 2007 to help protect survivors of domestic violence, rape, sexual assault or stalking, and their minors, through the use of a substitute mailing address through the Secretary of State's office.

**Elections Division:** This division oversees all statewide elections for both candidates and issues; prepares statewide ballots for primary, general, and certain special elections; and certifies and publishes election results. In addition, the division certifies statewide ballot measures that are proposed by the General Assembly or through the initiative and referendum petition process, including the oversight of signature verification. The division assists Missouri's 116 local election authorities in administering elections and promulgating rules governing elections and electronic voting systems; cooperates with other officials, schools, and civic organizations to provide materials to support voter registration, responsibility, and education; and



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oversees the statewide poll worker recruitment initiative. The division is also responsible for coordinating Missouri's compliance with federal election law, including the Help America Vote Act of 2002 (HAVA).

Securities Division: This division is responsible for ensuring compliance with state securities laws. This responsibility includes enforcement of the law when violations occur, and the registration of securities, broker-dealers, agents, investment advisers and investment advisor representatives. State securities laws are intended to protect investors from unsuitable investment recommendations, dishonest or unethical practices, and fraudulent investment schemes. The division is composed of the Enforcement and Registration sections. The Enforcement section receives and investigates complaints. Each year this section fields hundreds of investor complaints, many of which result in cease and desist orders, licensing revocations, civil penalties, criminal prosecutions, or investor restitution. The Registration section regulates the registration of individuals, firms, and securities. This section performs routine and for-cause inspections and pre-registration exams of the offices of broker-dealers and investment advisers to ensure compliance with Missouri securities laws. In addition, this section reviews proposed securities offerings to ensure that offerings are "fair, just, and equitable." The division also oversees the Missouri Investor Protection Center, which creates and promotes investor education initiatives designed to educate and assist both current and future investors.

Missouri State Library: The library is responsible for providing library and reference services to Missouri state government; providing library services to the blind and visually impaired; and promoting the development and improvement of library services throughout the state. To fulfill these responsibilities, the library is composed of three sections: Library Development, Reference Services, and the Wolfner Library. The Library Development section supports libraries through consulting, administration of grant programs, continuing education, and statewide programs. Through research, publications, and personal contacts, consultants provide assistance on general library issues and needs, promote the organization and development of library services, manage statewide projects, and maintain statistics on public library services in the state. The Reference Services section delivers library services to meet the informational and research needs of state government through current awareness services, library materials collections in multiple formats, electronic publications, and online databases provided to state employees. The Wolfner Library serves as the public library for Missourians unable to use standard print because of visual or physical disability. Wolfner services are available to qualified Missourians at no charge.

Records Services Division: This division is responsible for maintaining the current and historical records of the state to ensure those records are



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preserved and accessible to Missouri citizens, and for assisting local governments in records preservation and management. The division is composed of three sections: Missouri State Archives, Local Records, and Records Management. Missouri State Archives is the official repository for government records of enduring value. The Local Records section advises, educates, and encourages the custodians of local records in the use of sound records management and archival practices. The Records Management section helps state agencies to effectively and efficiently manage their official records; provides state agencies storage for inactive records; and provides state agencies and local governments micrographic and digital imaging services.

Administrative Rules Division: This division is charged with setting uniform standards, procedures, and guidelines for the preparation and publishing of rules in the Missouri Register and the Missouri Code of State Regulations.

The office also includes the following divisions: Information Technology, Communications and Publications, Fiscal and Facilities, and Human Resources. The Information Technology Division coordinates, develops, implements, and supports information technology solutions for the office. The Communications and Publications Division handles a variety of printing and graphic arts responsibilities for the office, including the publication of the Official Manual. The Fiscal and Facilities Division provides fiscal, budget, procurement, and facilities management support and general office services. The Human Resources Division supports personnel recruitment, compensation, benefits, training, and performance evaluation for the office.

On January 14, 2013, Jason Kander was inaugurated as the state's thirty-ninth Secretary of State. His term expires in January 2017. Robin Carnahan served as Secretary of State from January 10, 2005 to January 14, 2013.

At June 30, 2015, the office employed 224 full-time and 15 part-time employees.

## Financial Activity

A summary of the office's operating financial activity and capital assets is presented in the following Appendixes.



Appendix A-1

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Federal Funds  
Year Ended June 30, 2015

	Records- Federal Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS						
Federal grants	\$ 15,025	0	29,000	0	2,966,834	3,010,859
Investment income	0	63,795	4	2	0	63,801
Court awards	0	322	0	0	0	322
Refunds	0	0	0	0	11,628	11,628
Miscellaneous	0	82	0	0	76	158
Total Receipts	15,025	64,199	29,004	2	2,978,538	3,086,768
DISBURSEMENTS						
Personal service	0	256,856	0	0	198,107	454,963
Employee fringe benefits	0	121,187	0	0	104,803	225,990
Expense and equipment	0	1,232,856	0	0	56,602	1,289,458
Public assistance grants	0	0	0	0	2,657,502	2,657,502
Federal grant programs	15,025	0	0	7	0	15,032
Federal election reform	0	2,042,403	29,000	0	0	2,071,403
Total Disbursements	15,025	3,653,302	29,000	7	3,017,014	6,714,348
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	0	(3,589,103)	4	(5)	(38,476)	(3,627,580)
TRANSFERS						
Transfers from State Election Subsidy Fund	0	3,996,820	0	0	0	3,996,820
RECEIPTS OVER (UNDER)						
DISBURSEMENTS AND TRANSFERS	0	407,717	4	(5)	(38,476)	369,240
CASH AND INVESTMENTS, JULY 1	0	11,751,732	11	5	68,188	11,819,936
CASH AND INVESTMENTS, JUNE 30	\$ 0	12,159,449	15	0	29,712	12,189,176

Appendix A-1

Office of Secretary of State

Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Other Funds

Year Ended June 30, 2015

	Technology Trust Fund	Local Records Preservation Fund	State Election Subsidy Fund	Investor Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
<b>RECEIPTS</b>										
Fees	\$ 2,449,675	1,072,851	0	0	21	0	0	0	0	3,522,547
Investment income	20,427	0	0	0	11	1,260	26,526	32	3,857	52,113
Donations	0	0	0	0	0	0	0	362	1,350	1,712
Court awards	6,382	0	0	0	0	0	545,070	0	0	551,452
Refunds	0	0	8,232	0	0	0	0	0	0	8,232
Recovery costs	4,718	0	0	718,184	0	633	60,175	0	0	783,710
Miscellaneous	34,934	123	0	0	0	21	247	0	43	35,368
Total Receipts	<u>2,516,136</u>	<u>1,072,974</u>	<u>8,232</u>	<u>718,184</u>	<u>32</u>	<u>1,914</u>	<u>632,018</u>	<u>394</u>	<u>5,250</u>	<u>4,955,134</u>
<b>DISBURSEMENTS</b>										
Personal service	282,774	576,320	0	0	0	0	430,407	0	0	1,289,501
Employee fringe benefits	126,554	283,927	0	0	0	0	190,053	0	0	600,534
Expense and equipment	2,272,395	59,372	0	0	0	0	381,292	0	19,093	2,732,152
Election costs	0	0	1,193,489	0	0	0	0	0	0	1,193,489
Library networking grants	0	0	0	0	0	793,851	0	0	0	793,851
Investor restitution	0	0	0	634,283	0	0	0	0	0	634,283
Cost allocation plan	20,921	11,476	0	0	0	0	1,892	0	0	34,289
Leasing operations	0	1,917	0	0	0	0	0	0	0	1,917
Miscellaneous	6,400	0	0	0	0	0	0	0	0	6,400
Total Disbursements	<u>2,709,044</u>	<u>933,012</u>	<u>1,193,489</u>	<u>634,283</u>	<u>0</u>	<u>793,851</u>	<u>1,003,644</u>	<u>0</u>	<u>19,093</u>	<u>7,286,416</u>
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS</b>	<u>(192,908)</u>	<u>139,962</u>	<u>(1,185,257)</u>	<u>83,901</u>	<u>32</u>	<u>(791,937)</u>	<u>(371,626)</u>	<u>394</u>	<u>(13,843)</u>	<u>(2,331,282)</u>
<b>TRANSFERS</b>										
Transfers from General Revenue Fund	0	0	4,284,000	0	0	776,000	0	0	0	5,060,000
Transfers to Election Administration										
Improvement Fund	0	0	(3,996,820)	0	0	0	0	0	0	(3,996,820)
Total Transfers	<u>0</u>	<u>0</u>	<u>287,180</u>	<u>0</u>	<u>0</u>	<u>776,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,063,180</u>
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS AND TRANSFERS</b>	<u>(192,908)</u>	<u>139,962</u>	<u>(898,077)</u>	<u>83,901</u>	<u>32</u>	<u>(15,937)</u>	<u>(371,626)</u>	<u>394</u>	<u>(13,843)</u>	<u>(1,268,102)</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>4,398,133</u>	<u>1,686,285</u>	<u>3,996,820</u>	<u>5,352,361</u>	<u>2,328</u>	<u>31,334</u>	<u>2,624,200</u>	<u>6,647</u>	<u>787,693</u>	<u>18,885,801</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 4,205,225</u>	<u>1,826,247</u>	<u>3,098,743</u>	<u>5,436,262</u>	<u>2,360</u>	<u>15,397</u>	<u>2,252,574</u>	<u>7,041</u>	<u>773,850</u>	<u>17,617,699</u>

Appendix A-2

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Federal Funds  
Year Ended June 30, 2014

	Records- Federal Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS						
Federal grants	\$ 0	0	75,525	80,676	2,737,315	2,893,516
Investment income	0	75,241	13	17	0	75,271
Refunds	0	113,289	0	0	416	113,705
Miscellaneous	0	124	0	0	106	230
Total Receipts	<u>0</u>	<u>188,654</u>	<u>75,538</u>	<u>80,693</u>	<u>2,737,837</u>	<u>3,082,722</u>
DISBURSEMENTS						
Personal service	0	99,240	0	0	174,725	273,965
Employee fringe benefits	0	47,257	0	0	90,426	137,683
Expense and equipment	0	1,458,934	0	0	60,796	1,519,730
Public assistance grants	0	0	0	0	2,401,729	2,401,729
Federal grant programs	0	0	0	80,782	0	80,782
Federal election reform	0	1,920,032	75,637	0	0	1,995,669
Total Disbursements	<u>0</u>	<u>3,525,463</u>	<u>75,637</u>	<u>80,782</u>	<u>2,727,676</u>	<u>6,409,558</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	<u>0</u>	<u>(3,336,809)</u>	<u>(99)</u>	<u>(89)</u>	<u>10,161</u>	<u>(3,326,836)</u>
TRANSFERS						
Transfers from State Election Subsidy Fund	0	3,287,520	0	0	0	3,287,520
RECEIPTS OVER (UNDER)						
DISBURSEMENTS AND TRANSFERS	0	(49,289)	(99)	(89)	10,161	(39,316)
CASH AND INVESTMENTS, JULY 1	<u>0</u>	<u>11,801,021</u>	<u>110</u>	<u>94</u>	<u>58,027</u>	<u>11,859,252</u>
CASH AND INVESTMENTS, JUNE 30	\$ <u>0</u>	<u>11,751,732</u>	<u>11</u>	<u>5</u>	<u>68,188</u>	<u>11,819,936</u>

Appendix A-2

Office of Secretary of State  
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
 Other Funds  
 Year Ended June 30, 2014

	Technology Trust Fund	Local Records Preservation Fund	State Election Subsidy Fund	Investor Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
<b>RECEIPTS</b>										
Fees	\$ 2,386,564	1,117,083	0	0	167	0	0	0	0	3,503,814
Investment income	18,955	0	0	124	12	2,015	29,895	34	4,509	55,544
Donations	0	0	0	0	0	0	0	147	4,596	4,743
Court awards	0	0	0	0	0	0	868,840	0	0	868,840
Refunds	0	7,875	54,530	0	0	0	221	789	0	63,415
Recovery costs	4,761	0	0	27,235	0	700	29,991	0	0	62,687
Miscellaneous	10,109	87	0	0	0	0	364	9	35	10,604
Total Receipts	<u>2,420,389</u>	<u>1,125,045</u>	<u>54,530</u>	<u>27,359</u>	<u>179</u>	<u>2,715</u>	<u>929,311</u>	<u>979</u>	<u>9,140</u>	<u>4,569,647</u>
<b>DISBURSEMENTS</b>										
Personal service	116,589	600,797	0	0	0	0	459,398	0	0	1,176,784
Employee fringe benefits	52,814	293,784	0	0	0	0	205,283	0	0	551,881
Expense and equipment	1,008,535	173,694	0	0	0	0	796,646	790	28,424	2,008,089
Election costs	0	0	341,710	0	0	0	0	0	0	341,710
Library networking grants	0	0	0	0	0	805,368	0	0	0	805,368
Investor restitution	0	0	0	27,044	0	0	0	0	0	27,044
Cost allocation plan	21,792	10,632	0	0	0	0	8,732	0	0	41,156
Leasing operations	0	2,308	0	0	0	0	0	0	0	2,308
Miscellaneous	2,997	0	0	0	0	0	0	0	0	2,997
Total Disbursements	<u>1,202,727</u>	<u>1,081,215</u>	<u>341,710</u>	<u>27,044</u>	<u>0</u>	<u>805,368</u>	<u>1,470,059</u>	<u>790</u>	<u>28,424</u>	<u>4,957,337</u>
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS</b>	<u>1,217,662</u>	<u>43,830</u>	<u>(287,180)</u>	<u>315</u>	<u>179</u>	<u>(802,653)</u>	<u>(540,748)</u>	<u>189</u>	<u>(19,284)</u>	<u>(387,690)</u>
<b>TRANSFERS</b>										
Transfers from General Revenue Fund	0	0	4,284,000	0	0	800,000	0	0	0	5,084,000
Transfers to Election Administration										
Improvement Fund	0	0	(3,287,520)	0	0	0	0	0	0	(3,287,520)
Total Transfers	<u>0</u>	<u>0</u>	<u>996,480</u>	<u>0</u>	<u>0</u>	<u>800,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,796,480</u>
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS AND TRANSFERS</b>	<u>1,217,662</u>	<u>43,830</u>	<u>709,300</u>	<u>315</u>	<u>179</u>	<u>(2,653)</u>	<u>(540,748)</u>	<u>189</u>	<u>(19,284)</u>	<u>1,408,790</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>3,180,471</u>	<u>1,642,455</u>	<u>3,287,520</u>	<u>5,352,046</u>	<u>2,149</u>	<u>33,987</u>	<u>3,164,948</u>	<u>6,458</u>	<u>806,977</u>	<u>17,477,011</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 4,398,133</u>	<u>1,686,285</u>	<u>3,996,820</u>	<u>5,352,361</u>	<u>2,328</u>	<u>31,334</u>	<u>2,624,200</u>	<u>6,647</u>	<u>787,693</u>	<u>18,885,801</u>

Appendix A-3

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Federal Funds  
Year Ended June 30, 2013

	Records- Federal Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS						
Federal grants	\$ 6,790	24,162	176,331	0	2,937,691	3,144,974
Investment income	0	107,464	24	88	0	107,576
Refunds	0	8,514	0	0	7,878	16,392
Recovery costs	0	0	0	0	9,498	9,498
Miscellaneous	0	295	0	0	220	515
Total Receipts	<u>6,790</u>	<u>140,435</u>	<u>176,355</u>	<u>88</u>	<u>2,955,287</u>	<u>3,278,955</u>
DISBURSEMENTS						
Personal service	0	132,042	0	0	446,793	578,835
Employee fringe benefits	0	57,447	0	0	218,309	275,756
Expense and equipment	0	3,707,687	0	0	117,614	3,825,301
Public assistance grants	0	0	0	0	2,232,299	2,232,299
Federal grant programs	6,790	0	0	20,388	0	27,178
Federal election reform	0	2,625,167	176,330	0	0	2,801,497
Total Disbursements	<u>6,790</u>	<u>6,522,343</u>	<u>176,330</u>	<u>20,388</u>	<u>3,015,015</u>	<u>9,740,866</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	<u>0</u>	<u>(6,381,908)</u>	<u>25</u>	<u>(20,300)</u>	<u>(59,728)</u>	<u>(6,461,911)</u>
CASH AND INVESTMENTS, JULY 1	<u>0</u>	<u>18,182,929</u>	<u>85</u>	<u>20,394</u>	<u>117,755</u>	<u>18,321,163</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 0</u>	<u>11,801,021</u>	<u>110</u>	<u>94</u>	<u>58,027</u>	<u>11,859,252</u>

Appendix A-3

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Other Funds  
Year Ended June 30, 2013

	Technology Trust Fund	Local Records Preservation Fund	State Election Subsidy Fund	Investor Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
<b>RECEIPTS</b>										
Fees	\$ 2,378,999	1,318,165	0	0	524	0	0	0	0	3,697,688
Investment income	16,393	0	0	0	12	307	35,548	41	5,323	57,624
Donations	0	0	0	0	0	0	0	2,767	4,870	7,637
Court awards	0	0	0	0	0	0	142,561	0	0	142,561
Refunds	0	0	81,764	0	0	0	31	0	0	81,795
Recovery costs	4,800	0	0	272,066	0	7,714	39,150	0	0	323,730
Miscellaneous	23,621	97	0	0	0	47	191	0	20	23,976
Total Receipts	<u>2,423,813</u>	<u>1,318,262</u>	<u>81,764</u>	<u>272,066</u>	<u>536</u>	<u>8,068</u>	<u>217,481</u>	<u>2,808</u>	<u>10,213</u>	<u>4,335,011</u>
<b>DISBURSEMENTS</b>										
Personal service	165,996	625,357	0	0	0	0	493,788	0	0	1,285,141
Employee fringe benefits	70,150	291,926	0	0	0	0	206,586	0	0	568,662
Expense and equipment	1,243,008	173,914	0	0	0	0	533,370	1,609	13,065	1,964,966
Election costs	0	0	1,078,244	0	0	0	0	0	0	1,078,244
Library networking grants	0	0	0	0	0	113,646	0	0	0	113,646
Investor restitution	0	0	0	272,019	0	0	0	0	0	272,019
Cost allocation plan	39,505	11,311	0	0	1	0	16,062	1	199	67,079
Leasing operations	0	3,297	0	0	0	0	0	0	0	3,297
Miscellaneous	6,400	0	0	0	0	0	0	0	0	6,400
Total Disbursements	<u>1,525,059</u>	<u>1,105,805</u>	<u>1,078,244</u>	<u>272,019</u>	<u>1</u>	<u>113,646</u>	<u>1,249,806</u>	<u>1,610</u>	<u>13,264</u>	<u>5,359,454</u>
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS</b>	<u>898,754</u>	<u>212,457</u>	<u>(996,480)</u>	<u>47</u>	<u>535</u>	<u>(105,578)</u>	<u>(1,032,325)</u>	<u>1,198</u>	<u>(3,051)</u>	<u>(1,024,443)</u>
<b>TRANSFERS</b>										
Transfers from General Revenue Fund	0	0	4,284,000	0	0	100,000	0	0	0	4,384,000
<b>RECEIPTS OVER (UNDER)</b>										
<b>DISBURSEMENTS AND TRANSFERS</b>	<u>898,754</u>	<u>212,457</u>	<u>3,287,520</u>	<u>47</u>	<u>535</u>	<u>(5,578)</u>	<u>(1,032,325)</u>	<u>1,198</u>	<u>(3,051)</u>	<u>3,359,557</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>2,281,717</u>	<u>1,429,998</u>	<u>0</u>	<u>5,351,999</u>	<u>1,614</u>	<u>39,565</u>	<u>4,197,273</u>	<u>5,260</u>	<u>810,028</u>	<u>14,117,454</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 3,180,471</u>	<u>1,642,455</u>	<u>3,287,520</u>	<u>5,352,046</u>	<u>2,149</u>	<u>33,987</u>	<u>3,164,948</u>	<u>6,458</u>	<u>806,977</u>	<u>17,477,011</u>

## Appendix B

### Office of Secretary of State Comparative Statement of Receipts General Revenue Fund

	Year Ended June 30,		
	2015	2014	2013
Securities	\$ 15,921,055	15,425,391	14,529,184
Business services	8,178,071	8,061,300	7,991,366
Records services	16,265	17,777	34,168
Administrative rules	16,860	9,286	9,781
Elections	340	540	300
Missouri state library	163	84	155
Miscellaneous	4,682	652	876
Total	\$ 24,137,436	23,515,030	22,565,830

Appendix C-1

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2015

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 7,471,611	7,471,121	490
Expense and Equipment	1,619,809	1,564,786	55,023
Elections Public Notice	1,189,218	1,062,547	126,671
Refunds of securities, corporations, uniform □ commercial code and miscellaneous collections	50,000	31,030	18,970
Remote Electronics Access for Libraries Program	3,109,250	2,642,744	466,506
Absentee Ballots	151,000	57,517	93,483
Aid to Public Libraries	3,504,001	3,504,001	0
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	673,244	568,499	104,745
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	958,929	923,359	35,570
Total General Revenue Fund	<u>18,727,062</u>	<u>17,825,604</u>	<u>901,458</u>
<b>RECORDS-FEDERAL FUND</b>			
Re-Grant Program	50,000	15,025	34,975
Total Records-Federal Fund	<u>50,000</u>	<u>15,025</u>	<u>34,975</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES □</b>			
<b>SAVE AMERICA'S TREASURES GRANT FUND</b>			
Personal Service	159,678	0	159,678
Total National Endowment for the Humanities □ Save America's Treasures Grant Fund	<u>159,678</u>	<u>0</u>	<u>159,678</u>
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>			
Expense and Equipment	3,737,263	1,234,681	2,502,582
Personal Service	271,782	256,856	14,926
Federal Election Reform	5,229,232	2,042,403	3,186,829
Total Election Administration Improvement Fund	<u>9,238,277</u>	<u>3,533,940</u>	<u>5,704,337</u>
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>			
Federal Election Reform	396,185	29,000	367,185
Total Election Improvements Revolving Loan Fund	<u>396,185</u>	<u>29,000</u>	<u>367,185</u>
<b>FEDERAL AND OTHER FUND</b>			
Grants and Projects	200,000	7	199,993
Total Federal and Other Fund	<u>200,000</u>	<u>7</u>	<u>199,993</u>



Appendix C-1

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2015

	Appropriation Authority	Expenditures	Lapsed Balances
<b>FEDERAL FUNDS FUND</b>			
Personal Service	247,751	198,107	49,644
Expense and Equipment	227,574	56,602	170,972
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	4,125,000	2,657,502	1,467,498
Total Federal Funds Fund	4,600,325	2,912,211	1,688,114
<b>TECHNOLOGY TRUST FUND</b>			
Personal Service	341,670	282,774	58,896
Expense and Equipment	3,161,180	2,265,743	895,437
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	6,700	6,652	48
Total Technology Trust Fund	3,509,550	2,555,169	954,381
<b>SURPLUS REVENUE FUND</b>			
Personal Service	77,400	0	77,400
Expense and Equipment	2,500	0	2,500
Total Surplus Revenue Fund	79,900	0	79,900
<b>LOCAL RECORDS PRESERVATION FUND</b>			
Personal Service	1,029,422	576,320	453,102
Expense and Equipment	519,969	53,495	466,474
Local Records Preservation Grants	400,000	0	400,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	3,300	1,917	1,383
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	17,482	5,877	11,605
Total Local Records Preservation Fund	1,970,173	637,609	1,332,564
<b>STATE ELECTION SUBSIDY FUND</b>			
Special Election Costs	516,353	516,270	83
Ballot Reprint Costs	679,343	677,219	2,124
Total State Election Subsidy Fund	1,195,696	1,193,489	2,207
<b>INVESTOR RESTITUTION FUND</b>			
Investor Restitution	2,000,000	634,283	1,365,717
Total Investor Restitution Fund	2,000,000	634,283	1,365,717
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>			
Document Preservation	1	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	1

Appendix C-1

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2015

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
<b>LIBRARY NETWORKING FUND</b>			
Library Networking Grants	900,000	793,851	106,149
Total Library Networking Fund	<u>900,000</u>	<u>793,851</u>	<u>106,149</u>
<b>INVESTOR EDUCATION AND PROTECTION FUND</b>			
Personal Service	775,713	430,407	345,306
Expense and Equipment	947,964	368,159	579,805
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>13,227</u>	<u>13,133</u>	<u>94</u>
Total Investor Education and Protection Fund	<u>1,736,904</u>	<u>811,699</u>	<u>925,205</u>
<b>STATE DOCUMENT PRESERVATION FUND</b>			
Expense and Equipment	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total State Document Preservation Fund	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<b>WOLFNER LIBRARY TRUST FUND</b>			
Expense and Equipment	<u>30,000</u>	<u>19,093</u>	<u>10,907</u>
Total Wolfner Library Trust Fund	<u>30,000</u>	<u>19,093</u>	<u>10,907</u>
Total All Funds	<u>\$ 44,818,751</u>	<u>30,960,980</u>	<u>13,857,771</u>

The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2015</u>
<b>General Revenue Fund</b>	
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ 20,779
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>28,768</u>
Total General Revenue Fund	<u>\$ 49,547</u>

## Appendix C-2

### Office of Secretary of State Statement of Appropriations and Expenditures Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 7,427,292	7,417,741	9,551
Expense and Equipment	1,603,409	1,592,923	10,486
Elections Public Notice	100,000	0	100,000
Refunds of securities, corporations, uniform <input type="checkbox"/> commercial code and miscellaneous collections	50,000	43,876	6,124
Remote Electronics Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	50,000	50,000	0
Aid to Public Libraries	3,504,001	3,504,001	0
Literacy Investment for Tomorrow Program	69,450	0	69,450
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	626,437	566,898	59,539
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,035,260	1,035,259	1
Total General Revenue Fund	<u>17,575,099</u>	<u>17,319,948</u>	<u>255,151</u>
<b>RECORDS-FEDERAL FUND</b>			
Re-Grant Program	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total Records-Federal Fund	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES <input type="checkbox"/></b>			
<b>SAVE AMERICA'S TREASURES GRANT FUND</b>			
Personal Service	158,449	0	158,449
Total National Endowment for the Humanities <input type="checkbox"/> Save America's Treasures Grant Fund	<u>158,449</u>	<u>0</u>	<u>158,449</u>
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>			
Expense and Equipment	3,737,263	1,458,934	2,278,329
Personal Service	269,042	99,240	169,802
Federal Election Reform	5,229,232	1,920,032	3,309,200
Total Election Administration Improvement Fund	<u>9,235,537</u>	<u>3,478,206</u>	<u>5,757,331</u>
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>			
Federal Election Reform	<u>396,185</u>	<u>75,637</u>	<u>320,548</u>
Total Election Improvements Revolving Loan Fund	<u>396,185</u>	<u>75,637</u>	<u>320,548</u>
<b>FEDERAL AND OTHER FUND</b>			
Grants and Projects	<u>200,000</u>	<u>80,782</u>	<u>119,218</u>
Total Federal and Other Fund	<u>200,000</u>	<u>80,782</u>	<u>119,218</u>

Appendix C-2

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
<b>FEDERAL FUNDS FUND</b>			
Personal Service	242,421	174,725	67,696
Expense and Equipment	227,574	60,796	166,778
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	4,125,000	2,401,729	1,723,271
Total Federal Funds Fund	4,594,995	2,637,250	1,957,745
<b>TECHNOLOGY TRUST FUND</b>			
Personal Service	338,360	116,589	221,771
Expense and Equipment	3,161,180	1,001,261	2,159,919
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	7,275	7,274	1
Total Technology Trust Fund	3,506,815	1,125,124	2,381,691
<b>LOCAL RECORDS PRESERVATION FUND</b>			
Personal Service	1,069,760	600,797	468,963
Expense and Equipment	519,969	154,671	365,298
Local Records Preservation Grants	400,000	0	400,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	3,300	2,308	992
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	19,023	19,023	0
Total Local Records Preservation Fund	2,012,052	776,799	1,235,253
<b>STATE ELECTION SUBSIDY FUND</b>			
Special Election Costs	400,000	341,710	58,290
Total State Election Subsidy Fund	400,000	341,710	58,290
<b>INVESTOR RESTITUTION FUND</b>			
Investor Restitution	750,000	27,764	722,236
Total Investor Restitution Fund	750,000	27,764	722,236
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>			
Document Preservation	1	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	1
<b>LIBRARY NETWORKING FUND</b>			
Library Networking Grants	2,300,000	805,368	1,494,632
Total Library Networking Fund	2,300,000	805,368	1,494,632

Appendix C-2

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
INVESTOR EDUCATION AND PROTECTION FUND			
Personal Service	564,414	459,398	105,016
Expense and Equipment	945,364	782,279	163,085
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	14,367	14,367	0
Total Investor Education and Protection Fund	1,524,145	1,256,044	268,101
STATE DOCUMENT PRESERVATION FUND			
Expense and Equipment	25,000	790	24,210
Total State Document Preservation Fund	25,000	790	24,210
WOLFNER LIBRARY TRUST FUND			
Expense and Equipment	30,000	28,424	1,576
Total Wolfner Library Trust Fund	30,000	28,424	1,576
Total All Funds	\$ 42,723,278	27,953,846	14,769,432

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2014
General Revenue Fund	
Literacy Investment for Tomorrow Program	\$ 24,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	18,838
Total General Revenue Fund	\$ 42,838

Appendix C-3

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 7,371,129	7,350,943	20,186
Expense and Equipment	1,803,409	1,803,408	1
Elections Public Notice	2,165,100	2,165,100	0
Refunds of securities, corporations, uniform □ commercial code and miscellaneous collections	50,000	43,073	6,927
Remote Electronics Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	96,535	96,534	1
Aid to Public Libraries	3,504,001	3,504,001	0
Literacy Investment for Tomorrow Program	69,450	34,029	35,421
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	625,855	554,028	71,827
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,014,668	984,228	30,440
Total General Revenue Fund	<u>19,809,397</u>	<u>19,644,594</u>	<u>164,803</u>
<b>RECORDS-FEDERAL FUND</b>			
Re-Grant Program	<u>15,000</u>	<u>6,790</u>	<u>8,210</u>
Total Records-Federal Fund	<u>15,000</u>	<u>6,790</u>	<u>8,210</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES □</b>			
<b>SAVE AMERICA'S TREASURES GRANT FUND</b>			
Personal Service	157,949	0	157,949
Total National Endowment for the Humanities □ Save America's Treasures Grant Fund	<u>157,949</u>	<u>0</u>	<u>157,949</u>
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>			
Expense and Equipment	3,737,263	3,707,687	29,576
Personal Service	267,325	132,042	135,283
Federal Election Reform	<u>5,229,232</u>	<u>2,625,167</u>	<u>2,604,065</u>
Total Election Administration Improvement Fund	<u>9,233,820</u>	<u>6,464,896</u>	<u>2,768,924</u>
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>			
Federal Election Reform	<u>396,185</u>	<u>176,330</u>	<u>219,855</u>
Total Election Improvements Revolving Loan Fund	<u>396,185</u>	<u>176,330</u>	<u>219,855</u>
<b>FEDERAL AND OTHER FUND</b>			
Grants and Projects	<u>200,000</u>	<u>20,388</u>	<u>179,612</u>
Total Federal and Other Fund	<u>200,000</u>	<u>20,388</u>	<u>179,612</u>

Appendix C-3

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
<b>FEDERAL FUNDS FUND</b>			
Personal Service	639,832	446,793	193,039
Expense and Equipment	227,574	117,614	109,960
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	2,876,690	2,232,299	644,391
Total Federal Funds Fund	3,744,096	2,796,706	947,390
<b>TECHNOLOGY TRUST FUND</b>			
Personal Service	336,334	165,996	170,338
Expense and Equipment	3,161,180	1,235,945	1,925,235
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	7,086	7,063	23
Total Technology Trust Fund	3,504,600	1,409,004	2,095,596
<b>LOCAL RECORDS PRESERVATION FUND</b>			
Personal Service	1,062,096	625,357	436,739
Expense and Equipment	519,969	155,443	364,526
Local Records Preservation Grants	400,000	0	400,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	3,321	3,297	24
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	18,489	18,471	18
Total Local Records Preservation Fund	2,003,875	802,568	1,201,307
<b>STATE ELECTION SUBSIDY FUND</b>			
Special Election Costs	1,078,245	1,078,244	1
Total State Election Subsidy Fund	1,078,245	1,078,244	1
<b>INVESTOR RESTITUTION FUND</b>			
Investor Restitution	272,020	272,019	1
Total Investor Restitution Fund	272,020	272,019	1
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>			
Document Preservation	1	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	1
<b>LIBRARY NETWORKING FUND</b>			
Library Networking Grants	1,600,000	113,646	1,486,354
Total Library Networking Fund	1,600,000	113,646	1,486,354

Appendix C-3

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2013

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
<b>INVESTOR EDUCATION AND PROTECTION FUND</b>			
Personal Service	561,081	493,788	67,293
Expense and Equipment	645,364	519,420	125,944
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>13,989</u>	<u>13,950</u>	<u>39</u>
Total Investor Education and Protection Fund	<u>1,220,434</u>	<u>1,027,158</u>	<u>193,276</u>
<b>STATE DOCUMENT PRESERVATION FUND</b>			
Expense and Equipment	<u>25,000</u>	<u>1,609</u>	<u>23,391</u>
Total State Document Preservation Fund	<u>25,000</u>	<u>1,609</u>	<u>23,391</u>
<b>WOLFNER LIBRARY TRUST FUND</b>			
Expense and Equipment	<u>14,501</u>	<u>13,065</u>	<u>1,436</u>
Total Wolfner Library Trust Fund	<u>14,501</u>	<u>13,065</u>	<u>1,436</u>
Total All Funds	<u>\$ 43,275,123</u>	<u>33,827,017</u>	<u>9,448,106</u>

The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2013</u>
<b>General Revenue Fund</b>	
Literacy Investment for Tomorrow Program	\$ 3,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	18,776
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>30,440</u>
Total General Revenue Fund	<u>\$ 52,216</u>



## Appendix D

### Office of Secretary of State Comparative Schedule of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 9,215,584	8,868,489	9,214,920	8,974,013	9,130,581
Travel, in-state	60,946	68,351	88,198	95,257	91,434
Travel, out-of-state	22,529	19,781	21,751	14,784	6,386
Fuel and utilities	77,106	80,734	76,826	78,453	58,064
Supplies	624,516	730,727	889,299	957,527	836,751
Professional development	104,980	109,871	116,077	116,251	185,437
Communication service and supplies	270,417	249,946	277,515	365,934	312,990
Services:					
Professional	5,760,859	5,119,101	7,218,068	7,720,888	7,327,802
Housekeeping and janitorial	14,026	13,776	14,925	14,492	11,882
Maintenance and repair	2,595,384	2,318,932	2,572,342	1,707,583	1,692,517
Equipment:					
Computer	644,478	222,649	496,919	1,810,581	2,033,830
Motorized	28,049	11,220	20,645	57,718	24,774
Office	42,416	102,186	103,685	53,698	22,817
Other	113,193	28,414	57,802	38,240	70,434
Property and improvements	0	11,372	7,478	220	0
Building lease payments	1,478,655	1,607,575	1,544,604	1,542,683	1,675,625
Equipment rental and leases	3,184	6,997	5,302	24,392	6,137
Miscellaneous expenses	12,643	12,176	23,298	28,659	20,561
Refunds	31,030	43,876	237,139	66,108	58,342
Program distributions	9,860,985	8,327,673	10,840,224	16,564,007	10,939,331
Total Expenditures	\$ <u>30,960,980</u>	<u>27,953,846</u>	<u>33,827,017</u>	<u>40,231,488</u>	<u>34,505,695</u>

## Appendix E

### Office of Secretary of State Statement of Changes in General Capital Assets

All Funds	Furniture and Equipment	Software	Motor Vehicles	Total
Balance, July 1, 2012	\$ 6,315,960	13,268,814	223,621	19,808,395
Additions	244,317	711,421	23,600	979,338
Dispositions	(398,474)	0	0	(398,474)
Balance, June 30, 2013	6,161,803	13,980,235	247,221	20,389,259
Additions	355,268	43,722	21,400	420,390
Dispositions	(419,790)	0	(43,750)	(463,540)
Balance, June 30, 2014	6,097,281	14,023,957	224,871	20,346,109
Additions	627,030	598,629	14,900	1,240,559
Dispositions	(215,208)	0	(17,543)	(232,751)
Balance, June 30, 2015	\$ 6,509,103	14,622,586	222,228	21,353,917

Fund of Acquisition	Balance June 30, 2015
General Revenue Fund	\$ 4,039,236
Election Administration Improvement Fund	9,615,024
Federal and Other Fund	5,693
Federal Funds Fund	118,739
Technology Trust Fund	7,120,915
Local Records Preservation Fund	412,428
Investor Education and Protection Fund	11,563
Wolfner Library Trust Fund	30,319
Total All Funds	\$ 21,353,917