



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Osage County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Osage County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-114

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INDEPENDENT AUDITORS' REPORT

CASEY-BEARD-BOEHMER PC



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August 12, 2010

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Osage County, Missouri

We have audited the accompanying financial statements of Osage County, Missouri, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Osage County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinions.

As described more fully in Note 1, Osage County, Missouri, prepares its financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Osage County, Missouri, as of December 31, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, Osage County, Missouri, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

MEMBER
•
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OSAGE COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)

Osage County has included transfers in of \$38,545 to the General Revenue Fund in 2009 for transfers from other funds and for corrections with no total corresponding transfers out included within other county funds. The amount by which this transfer in would affect the receipts of the General Revenue Fund and the disbursements of other county funds is material but not readily determinable.

In our opinion, except for the matter as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Osage County, Missouri, as of December 31, 2009 and 2008, and comparisons of such information with the corresponding budgeted information for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2010 on our consideration of Osage County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Osage County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission and other applicable boards, others within the organization, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

FINANCIAL SECTION

OSAGE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

Fund	Cash			Cash			Cash
	January 1, 2008	Receipts	Disbursements	December 31, 2008	Receipts	Disbursements	December 31, 2009
General Revenue	\$ 195,171	1,272,534	1,394,827	72,878	1,479,013	1,359,794	192,097
Special Road and Bridge	228,820	1,329,844	1,251,542	307,122	1,002,897	990,138	319,881
Assessment	31,689	192,414	186,723	37,380	188,476	195,682	30,174
Emergency 911	156,769	559,436	651,130	65,075	528,351	552,646	40,780
Emergency Management	117,971	95,144	108,037	105,078	179,273	228,612	55,739
Law Enforcement Training	4,403	1,174	-	5,577	1,124	457	6,244
Prosecuting Attorney Training	403	289	565	127	286	160	253
Civil Fees	14,157	9,323	9,408	14,072	9,300	16,573	6,799
Bad Check	36,285	11,944	12,800	35,429	8,056	14,520	28,965
Help America Vote Act (HAVA)	-	1,282	1,282	-	-	-	-
Recorder Technology	29,006	10,875	12,018	27,863	9,356	6,771	30,448
Family Court	-	3,737	1,350	2,387	3,336	2,550	3,173
Special Elections	623	41,081	38,227	3,477	18,038	21,459	56
Election Services	7,665	624	1,135	7,154	4,247	903	10,498
Conceal and Carry	831	570	-	1,401	980	-	2,381
Domestic Violence	148	764	-	912	1,067	-	1,979
Annex Building	4,824	1,276,881	1,162,193	119,512	641,848	669,915	91,445
Use Tax	25,929	146	25,000	1,075	3	-	1,078
Prosecutor Tax Collection	690	1,301	920	1,071	749	350	1,470
Courthouse Renovation	-	434,688	-	434,688	369,834	606,952	197,570
Rollback Reserve	-	-	-	-	316,883	-	316,883
Lease Purchase	-	-	-	-	1,797,488	299,050	1,498,438
Tax Maintenance	6,456	11,688	5,657	12,487	10,574	18,105	4,956
Totals	\$ 861,840	5,255,739	4,862,814	1,254,765	6,571,179	4,984,637	2,841,307

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	General Revenue Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 436,040	435,834	(206)	\$ 306,950	438,110	131,160
Sales taxes	450,000	422,403	(27,597)	1,087,000	463,792	(623,208)
Intergovernmental	51,655	37,499	(14,156)	2,420	34,160	31,740
Charges for services	125,607	109,988	(15,619)	243,000	100,586	(142,414)
Interest	-	3,976	3,976	20,000	9,292	(10,708)
Other	24,059	80,768	56,709	13,030	31,594	18,564
Transfers in	350,000	388,545	38,545	195,928	195,000	(928)
Total Receipts	\$ 1,437,361	1,479,013	41,652	\$ 1,868,328	1,272,534	(595,794)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 76,200	76,564	364	\$ 73,400	72,513	(887)
County Clerk	73,760	77,934	4,174	77,110	71,025	(6,085)
Elections	27,300	16,205	(11,095)	109,125	82,853	(26,272)
Buildings and grounds	74,952	78,538	3,586	78,712	83,910	5,198
Employee fringe benefits	134,000	148,683	14,683	144,100	115,483	(28,617)
County Treasurer	41,390	39,620	(1,770)	37,690	37,697	7
County Collector	86,582	86,395	(187)	84,932	83,227	(1,705)
Recorder of Deeds	44,270	43,443	(827)	27,132	25,962	(1,170)
Circuit Clerk	12,700	11,503	(1,197)	12,700	10,265	(2,435)
Public Administrator	23,200	23,360	160	13,825	14,102	277
Public safety-						
Sheriff	309,842	346,058	36,216	339,898	361,379	21,481
Jail	133,712	107,954	(25,758)	140,044	125,700	(14,344)
Prosecuting Attorney	107,804	105,946	(1,858)	105,304	100,633	(4,671)
Juvenile Officer	38,129	25,641	(12,488)	37,768	27,074	(10,694)
County Coroner	19,900	18,613	(1,287)	18,020	14,148	(3,872)
Other	89,291	74,564	(14,727)	82,691	76,719	(5,972)
Health and Welfare	30,000	30,000	-	30,000	30,000	-
University Extension	42,173	42,173	-	48,113	55,537	7,424
Transfers out	6,600	6,600	-	6,600	6,600	-
Emergency Fund	48,654	-	(48,654)	48,360	-	(48,360)
Total Disbursements	\$ 1,420,459	1,359,794	(60,665)	\$ 1,515,524	1,394,827	(120,697)
RECEIPTS OVER (UNDER) DISBURSEMENTS	16,902	119,219	102,317	352,804	(122,293)	(475,097)
CASH, JANUARY 1	72,878	72,878	-	195,171	195,171	-
CASH, DECEMBER 31	\$ 89,780	192,097	102,317	\$ 547,975	72,878	(475,097)

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Special Road and Bridge Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 577,347	340,136	(237,211)	\$ 325,000	332,907	7,907
Sales taxes	-	-	-	102,500	3,825	(98,675)
Intergovernmental	798,463	519,815	(278,648)	807,090	807,437	347
Interest	-	3,565	3,565	10,150	-	(10,150)
Other	52,000	139,381	87,381	222,687	185,675	(37,012)
Total Receipts	<u>\$ 1,427,810</u>	<u>1,002,897</u>	<u>(424,913)</u>	<u>\$ 1,467,427</u>	<u>1,329,844</u>	<u>(137,583)</u>
DISBURSEMENTS						
Salaries	\$ 360,000	359,519	(481)	\$ 357,323	340,477	(16,846)
Employee fringe benefits	93,200	79,338	(13,862)	190,720	97,322	(93,398)
Supplies	223,200	188,836	(34,364)	189,450	226,122	36,672
Insurance	9,000	1,904	(7,096)	-	-	-
Road & bridge materials	140,000	106,430	(33,570)	140,000	144,164	4,164
Equipment purchases	300,000	-	(300,000)	122,500	30,452	(92,048)
Road & bridge construction	490,000	213,661	(276,339)	369,000	271,380	(97,620)
Other	500	450	(50)	177,827	101,625	(76,202)
Transfers out	40,000	40,000	-	40,000	40,000	-
Total Disbursements	<u>\$ 1,655,900</u>	<u>990,138</u>	<u>(665,762)</u>	<u>\$ 1,586,820</u>	<u>1,251,542</u>	<u>(335,278)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(228,090)	12,759	240,849	(119,393)	78,302	197,695
CASH, JANUARY 1	307,122	307,122	-	228,820	228,820	-
CASH, DECEMBER 31	<u>\$ 79,032</u>	<u>319,881</u>	<u>240,849</u>	<u>\$ 109,427</u>	<u>307,122</u>	<u>197,695</u>

Assessment Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 194,730	180,107	(14,623)	\$ 202,500	185,061	(17,439)
Interest	750	245	(505)	1,500	753	(747)
Other	-	1,524	1,524	-	-	-
Transfers in	6,600	6,600	-	6,600	6,600	-
Total Receipts	<u>\$ 202,080</u>	<u>188,476</u>	<u>(13,604)</u>	<u>\$ 210,600</u>	<u>192,414</u>	<u>(18,186)</u>
DISBURSEMENTS						
Salaries	\$ 155,997	132,942	(23,055)	\$ 122,274	131,793	9,519
Fringe benefits	17,500	24,854	7,354	13,100	17,430	4,330
Office expense	15,720	21,731	6,011	21,000	14,128	(6,872)
Equipment purchases	28,000	4,827	(23,173)	15,000	13,392	(1,608)
Mileage	6,000	5,217	(783)	6,000	2,624	(3,376)
Other	4,000	2,727	(1,273)	25,000	2,931	(22,069)
Workers' compensation insurance	5,000	3,384	(1,616)	7,400	4,425	(2,975)
Total Disbursements	<u>\$ 232,217</u>	<u>195,682</u>	<u>(36,535)</u>	<u>\$ 209,774</u>	<u>186,723</u>	<u>(23,051)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,137)	(7,206)	22,931	826	5,691	4,865
CASH, JANUARY 1	37,380	37,380	-	31,689	31,689	-
CASH, DECEMBER 31	<u>\$ 7,243</u>	<u>30,174</u>	<u>22,931</u>	<u>\$ 32,515</u>	<u>37,380</u>	<u>4,865</u>

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Emergency 911 Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 500,000	475,566	(24,434)	\$ 550,000	518,618	(31,382)
Intergovernmental	-	-	-	11,000	-	(11,000)
Charges for services	-	778	778	-	16,737	16,737
Other	33,580	42,007	8,427	22,157	24,081	1,924
Transfers in	-	10,000	10,000	-	-	-
Total Receipts	<u>\$ 533,580</u>	<u>528,351</u>	<u>(5,229)</u>	<u>\$ 583,157</u>	<u>559,436</u>	<u>(23,721)</u>
DISBURSEMENTS						
Salaries	\$ 312,500	303,579	(8,921)	\$ 341,316	341,683	367
Fringe benefits	45,400	43,583	(1,817)	45,900	42,044	(3,856)
Office expense	35,540	29,986	(5,554)	35,700	41,611	5,911
Equipment purchases	72,361	101,605	29,244	37,602	67,720	30,118
Mileage	9,166	10,237	1,071	12,586	9,769	(2,817)
Other	3,500	3,656	156	43,319	18,303	(25,016)
Transfers out	60,000	60,000	-	130,000	130,000	-
Total Disbursements	<u>\$ 538,467</u>	<u>552,646</u>	<u>14,179</u>	<u>\$ 646,423</u>	<u>651,130</u>	<u>4,707</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,887)	(24,295)	(19,408)	(63,266)	(91,694)	(28,428)
CASH, JANUARY 1	65,075	65,075	-	156,769	156,769	-
CASH, DECEMBER 31	<u>\$ 60,188</u>	<u>40,780</u>	<u>(19,408)</u>	<u>\$ 93,503</u>	<u>65,075</u>	<u>(28,428)</u>

Emergency Management Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	352	352	\$ 4,000	1,231	(2,769)
Other	80,400	178,921	98,521	73,400	93,913	20,513
Total Receipts	<u>\$ 80,400</u>	<u>179,273</u>	<u>98,873</u>	<u>\$ 77,400</u>	<u>95,144</u>	<u>17,744</u>
DISBURSEMENTS						
Salary	\$ 34,220	34,176	(44)	\$ 10,400	11,504	1,104
Fringe benefits	3,750	2,653	(1,097)	3,750	1,293	(2,457)
Office	21,076	42,766	21,690	13,970	26,764	12,794
Equipment expenditures	39,740	118,724	78,984	69,090	38,084	(31,006)
Mileage and training	11,525	4,044	(7,481)	12,300	10,379	(1,921)
Other	300	16,249	15,949	26,000	20,013	(5,987)
Transfers out	-	10,000	10,000	-	-	-
Total Disbursements	<u>\$ 110,611</u>	<u>228,612</u>	<u>118,001</u>	<u>\$ 135,510</u>	<u>108,037</u>	<u>(27,473)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,211)	(49,339)	(19,128)	(58,110)	(12,893)	45,217
CASH, JANUARY 1	105,078	105,078	-	117,971	117,971	-
CASH, DECEMBER 31	<u>\$ 74,867</u>	<u>55,739</u>	<u>(19,128)</u>	<u>\$ 59,861</u>	<u>105,078</u>	<u>45,217</u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Enforcement Training Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,200	1,124	(76)	\$ -	1,174	1,174
Total Receipts	\$ 1,200	1,124	(76)	\$ -	1,174	1,174
DISBURSEMENTS						
Office expense	\$ -	457	457	\$ -	-	-
Training expenditures	4,700	-	(4,700)	3,000	-	(3,000)
Total Disbursements	\$ 4,700	457	(4,243)	\$ 3,000	-	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,500)	667	4,167	(3,000)	1,174	4,174
CASH, JANUARY 1	5,577	5,577	-	4,403	4,403	-
CASH, DECEMBER 31	\$ 2,077	6,244	4,167	\$ 1,403	5,577	4,174

Prosecuting Attorney Training Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 300	286	(14)	\$ -	289	289
Total Receipts	\$ 300	286	(14)	\$ -	289	289
DISBURSEMENTS						
Training expenditures	\$ 427	160	(267)	\$ 850	565	(285)
Total Disbursements	\$ 427	160	(267)	\$ 850	565	(285)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(127)	126	253	(850)	(276)	574
CASH, JANUARY 1	127	127	-	403	403	-
CASH, DECEMBER 31	\$ -	253	253	\$ (447)	127	574

Civil Fees Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,500	9,300	(200)	\$ -	9,323	9,323
Total Receipts	\$ 9,500	9,300	(200)	\$ -	9,323	9,323
DISBURSEMENTS						
Supplies	\$ -	-	-	\$ 7,200	1,308	(5,892)
Equipment	5,000	9,673	4,673	-	-	-
Uniforms	6,600	6,900	300	6,600	8,100	1,500
Total Disbursements	\$ 11,600	16,573	4,973	\$ 13,800	9,408	(4,392)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,100)	(7,273)	(5,173)	(13,800)	(85)	13,715
CASH, JANUARY 1	14,072	14,072	-	14,157	14,157	-
CASH, DECEMBER 31	\$ 11,972	6,799	(5,173)	\$ 357	14,072	13,715

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Bad Check Fund

	2008			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 12,000	7,950	(4,050)	\$ -	11,575	11,575
Interest	500	106	(394)	1,000	369	(631)
Total Receipts	\$ 12,500	8,056	(4,444)	\$ 1,000	11,944	10,944
DISBURSEMENTS						
Supplies	2,000	2,598	598	\$ 1,500	5,619	4,119
Equipment	10,000	10,469	469	7,000	3,290	(3,710)
Seminar	4,000	536	(3,464)	5,000	191	(4,809)
Mileage	4,000	789	(3,211)	3,500	39	(3,461)
Investigation	4,000	-	(4,000)	3,000	1,141	(1,859)
Maintenance agreement	750	-	(750)	500	-	(500)
Services	2,000	-	(2,000)	2,000	220	(1,780)
Court costs	4,000	33	(3,967)	3,500	-	(3,500)
Case costs	2,000	-	(2,000)	1,500	116	(1,384)
Fees	2,000	95	(1,905)	1,500	2,184	684
Total Disbursements	\$ 34,750	14,520	(20,230)	\$ 29,000	12,800	(16,200)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,250)	(6,464)	15,786	(28,000)	(856)	27,144
CASH, JANUARY 1	35,429	35,429	-	36,285	36,285	-
CASH, DECEMBER 31	\$ 13,179	28,965	15,786	\$ 8,285	35,429	27,144

Help America Vote Act (HAVA) Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 4,000	-	(4,000)
Other	4,000	-	(4,000)	-	1,282	1,282
Total Receipts	\$ 4,000	-	(4,000)	\$ 4,000	1,282	(2,718)
DISBURSEMENTS						
Equipment	\$ 2,000	-	(2,000)	\$ 2,000	-	(2,000)
Training	-	-	-	2,000	1,282	(718)
Office expense	2,000	-	(2,000)	-	-	-
Total Disbursements	\$ 4,000	-	(4,000)	\$ 4,000	1,282	(2,718)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Recorder Technology Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	1,630	1,630
Charges for services	9,100	9,281	181	9,000	9,245	245
Other	-	75	75	-	-	-
Total Receipts	\$ 9,100	9,356	256	\$ 9,000	10,875	1,875
DISBURSEMENTS						
Maintenance and supplies	\$ 10,500	6,771	(3,729)	\$ 11,200	12,018	818
Total Disbursements	\$ 10,500	6,771	(3,729)	\$ 11,200	12,018	818
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	2,585	3,985	(2,200)	(1,143)	1,057
CASH, JANUARY 1	27,863	27,863	-	29,006	29,006	-
CASH, DECEMBER 31	\$ 26,463	30,448	3,985	\$ 26,806	27,863	1,057

Family Court Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,800	3,336	(464)	\$ 3,400	3,737	337
Total Receipts	\$ 3,800	3,336	(464)	\$ 3,400	3,737	337
DISBURSEMENTS						
Parent education	\$ 3,200	2,550	(650)	\$ 3,700	1,350	(2,350)
Total Disbursements	\$ 3,200	2,550	(650)	\$ 3,700	1,350	(2,350)
RECEIPTS OVER (UNDER) DISBURSEMENTS	600	786	186	(300)	2,387	2,687
CASH, JANUARY 1	2,387	2,387	-	-	-	-
CASH, DECEMBER 31	\$ 2,987	3,173	186	\$ (300)	2,387	2,687

Special Elections Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 30,000	18,038	(11,962)	\$ 90,000	41,081	(48,919)
Total Receipts	\$ 30,000	18,038	(11,962)	\$ 90,000	41,081	(48,919)
DISBURSEMENTS						
Salaries	\$ 8,000	4,042	(3,958)	\$ 26,000	10,834	(15,166)
Office expenses	19,100	13,940	(5,160)	60,950	27,393	(33,557)
Transfers out	3,871	3,477	(394)	3,050	-	(3,050)
Total Disbursements	\$ 30,971	21,459	(9,512)	\$ 90,000	38,227	(51,773)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(971)	(3,421)	(2,450)	-	2,854	2,854
CASH, JANUARY 1	3,477	3,477	-	623	623	-
CASH, DECEMBER 31	\$ 2,506	56	(2,450)	\$ 623	3,477	2,854

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Election Services Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	770	770	\$ -	624	624
Charges for services	3,476	-	(3,476)	-	-	-
Transfers in	-	3,477	3,477	4,285	-	(4,285)
Total Receipts	<u>\$ 3,476</u>	<u>4,247</u>	<u>771</u>	<u>\$ 4,285</u>	<u>624</u>	<u>(3,661)</u>
DISBURSEMENTS						
Election expenses	\$ 7,000	903	(6,097)	\$ 9,200	1,135	(8,065)
Total Disbursements	<u>\$ 7,000</u>	<u>903</u>	<u>(6,097)</u>	<u>\$ 9,200</u>	<u>1,135</u>	<u>(8,065)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,524)	3,344	6,868	(4,915)	(511)	4,404
CASH, JANUARY 1	7,154	7,154	-	7,665	7,665	-
CASH, DECEMBER 31	<u>\$ 3,630</u>	<u>10,498</u>	<u>6,868</u>	<u>\$ 2,750</u>	<u>7,154</u>	<u>4,404</u>

Conceal and Carry Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 600	980	380	\$ -	570	570
Total Receipts	<u>\$ 600</u>	<u>980</u>	<u>380</u>	<u>\$ -</u>	<u>570</u>	<u>570</u>
DISBURSEMENTS						
Office expenses	\$ 350	-	(350)	\$ 340	-	(340)
Total Disbursements	<u>\$ 350</u>	<u>-</u>	<u>(350)</u>	<u>\$ 340</u>	<u>-</u>	<u>(340)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	250	980	730	(340)	570	910
CASH, JANUARY 1	1,401	1,401	-	831	831	-
CASH, DECEMBER 31	<u>\$ 1,651</u>	<u>2,381</u>	<u>730</u>	<u>\$ 491</u>	<u>1,401</u>	<u>910</u>

Domestic Violence Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 800	1,067	267	\$ 600	764	164
Total Receipts	<u>\$ 800</u>	<u>1,067</u>	<u>267</u>	<u>\$ 600</u>	<u>764</u>	<u>164</u>
DISBURSEMENTS						
Reimbursement of funds	\$ 800	-	(800)	\$ 765	-	(765)
Total Disbursements	<u>\$ 800</u>	<u>-</u>	<u>(800)</u>	<u>\$ 765</u>	<u>-</u>	<u>(765)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,067	1,067	(165)	764	929
CASH, JANUARY 1	912	912	-	148	148	-
CASH, DECEMBER 31	<u>\$ 912</u>	<u>1,979</u>	<u>1,067</u>	<u>\$ (17)</u>	<u>912</u>	<u>929</u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Annex Building Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 216,000	237,554	21,554	\$ 283,493	216,160	(67,333)
Interest	-	429	429	-	721	721
Loan proceeds	-	380,000	380,000	-	1,060,000	1,060,000
Refunds	-	23,865	23,865	-	-	-
Total Receipts	\$ 216,000	641,848	425,848	\$ 283,493	1,276,881	993,388
DISBURSEMENTS						
Payment on administration building	\$ 216,000	669,915	453,915	\$ 100,000	1,162,193	1,062,193
Total Disbursements	\$ 216,000	669,915	453,915	\$ 100,000	1,162,193	1,062,193
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(28,067)	(28,067)	183,493	114,688	(68,805)
CASH, JANUARY 1	119,512	119,512	-	4,824	4,824	-
CASH, DECEMBER 31	\$ 119,512	91,445	(28,067)	\$ 188,317	119,512	(68,805)

Use Tax Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 150	3	(147)	\$ 500	146	(354)
Total Receipts	\$ 150	3	(147)	\$ 500	146	(354)
DISBURSEMENTS						
Transfers out	\$ -	-	-	\$ 25,928	25,000	(928)
Total Disbursements	\$ -	-	-	\$ 25,928	25,000	(928)
RECEIPTS OVER (UNDER) DISBURSEMENTS	150	3	(147)	(25,428)	(24,854)	574
CASH, JANUARY 1	1,075	1,075	-	25,929	25,929	-
CASH, DECEMBER 31	\$ 1,225	1,078	(147)	\$ 501	1,075	574

Prosecutor Tax Collection Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,500	749	(751)	\$ -	1,301	1,301
Total Receipts	\$ 1,500	749	(751)	\$ -	1,301	1,301
DISBURSEMENTS						
Salary	\$ 2,000	350	(1,650)	\$ 2,000	920	(1,080)
Total Disbursements	\$ 2,000	350	(1,650)	\$ 2,000	920	(1,080)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	399	899	(2,000)	381	2,381
CASH, JANUARY 1	1,071	1,071	-	690	690	-
CASH, DECEMBER 31	\$ 571	1,470	899	\$ (1,310)	1,071	2,381

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Courthouse Renovation Fund

	2009		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Sales taxes	\$ 500,000	368,228	(131,772)
Interest	-	1,606	1,606
Total Receipts	<u>\$ 500,000</u>	<u>369,834</u>	<u>(130,166)</u>
DISBURSEMENTS			
Courthouse renovation	\$ 367,344	146,952	(220,392)
Transfers out	254,017	460,000	205,983
Total Disbursements	<u>\$ 621,361</u>	<u>606,952</u>	<u>(14,409)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(121,361)	(237,118)	(115,757)
CASH, JANUARY 1	234,688	434,688	-
CASH, DECEMBER 31	<u>\$ 113,327</u>	<u>197,570</u>	<u>(115,757)</u>

Tax Maintenance Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 12,000	10,337	(1,663)	\$ 8,400	11,688	3,288
Interest	-	24	24	250	-	(250)
Other	-	213	213	-	-	-
Total Receipts	<u>\$ 12,000</u>	<u>10,574</u>	<u>(1,426)</u>	<u>\$ 8,650</u>	<u>11,688</u>	<u>3,038</u>
DISBURSEMENTS						
Equipment	\$ 12,000	16,950	4,950	\$ 3,000	-	(3,000)
Supplies	3,300	1,155	(2,145)	3,300	5,657	2,357
Total Disbursements	<u>\$ 15,300</u>	<u>18,105</u>	<u>2,805</u>	<u>\$ 6,300</u>	<u>5,657</u>	<u>(643)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	(7,531)	(4,231)	2,350	6,031	3,681
CASH, JANUARY 1	12,487	12,487	-	6,456	6,456	-
CASH, DECEMBER 31	<u>\$ 9,187</u>	<u>4,956</u>	<u>(4,231)</u>	<u>\$ 8,806</u>	<u>12,487</u>	<u>3,681</u>

NOTES TO FINANCIAL STATEMENTS

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials.

The financial statements referred to above include the primary government of Osage County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the county's legal entity.

The Senate Bill 40 Board Fund (Special Services), although a major fund of the county with a separate appointed board, is separately audited by an independent certified public accountant and, therefore, is not included in the audit report.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The administrative

**OSAGE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

officer of the Senate Bill 40 board submits a budget to the applicable board for review and approval, and forwards the approved budget to the County Commission.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The county budgeted a deficit cash balance in several funds in 2008.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission or the Senate Bill 40 board.
7. Subsequent to its formal approval of the budget, the County Commission or Senate Bill 40 board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended budgets for the Road & Bridge fund in 2008 and the Emergency 911 Fund in 2008 and 2009.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Senate Bill 40 board.
9. Adoption of a formal budget is required by state statute. However, the county did not include formal budgets for the Lease Purchase Fund or the Rollback Reserve Fund for the year ended December 31, 2009 and the Courthouse Renovation Fund for 2008.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2009 and 2008:

<u>Fund</u>	<u>Years Ended December 31,</u>
Emergency 911	2008 and 2009
Emergency Management	2009
Civil Fees Fund	2009
Annex Building Fund	2008 and 2009
Recorder Technology	2008
Tax Maintenance	2009

**OSAGE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1. F. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county.

The assessed valuation of the tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

	<u>2009</u>		<u>2008</u>
Real Estate	\$ 116,199,950	\$	112,383,750
Personal Property	38,776,679		42,011,189
Railroad and Utilities	<u>25,298,034</u>		<u>24,516,702</u>
 Total Assessed Valuation	 \$ <u>180,274,663</u>	 \$	 <u>178,911,641</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

	<u>2009</u>		<u>2008</u>
General Revenue Fund	\$.0909	\$.1777
Special Road and Bridge Fund	\$.2148	\$.2119
Special Services	\$.1000	\$.1000

The Special Road and Bridge Fund retains all tax proceeds from areas not within special road districts and also receives 20% of the tax proceeds of the general levies on five special road districts for administrative purposes.

1. G. CASH DEPOSITS AND INVESTMENTS

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2009 and 2008, the published financial statements included all funds.

NOTE 2. CASH AND INVESTMENTS

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

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the county's deposits were \$2,841,307 and \$1,254,765, respectively, and the bank balances for all accounts at the depository bank were \$7,160,662 and \$5,591,962, respectively. All bank balances at the depository bank at December 31, 2009 and December 31, 2008 were covered by \$250,000 of federal depository insurance and \$6,910,662 and \$5,341,962, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the county's name.

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, a pre-tax contribution of 2% is required. For part-time eligible employees hired on or after February 25, 2002, a pre-tax contribution of 6% is required. During 2009 and 2008, the county collected and remitted CERF employee contributions of approximately \$87,365 and \$84,397, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry five annual vacation leave days over to the following year. Any days accrued in excess of five days will be forfeited at the end of the year with an exception for those whose anniversary date falls in the last quarter and those whose workload does not permit vacation time. The county provides full-time county employees with up to 90 days of personal leave time that accrues at 8 hours monthly. Personal leave is not

**OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The County had the following debt outstanding at December 31, 2009 and 2008:

- A. The county has entered into a lease-purchase agreement with a local bank for the purchase of the Knoerr Annexation Building. The County has long-term debt outstanding for this note at December 31, 2009 and 2008 of \$1,526,555 and \$1,285,000, respectively. The interest rate on the loan varies between 4.5% and 5.0%.

The approximate annual debt service requirements for the Knoerr Annexation Building, including principal and interest as of December 31, 2009 are as follows:

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7. LONG-TERM DEBT (CONTINUED)

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2010	\$	156,918	\$	73,478
2011		165,027		65,369
2012		173,555		56,841
2013		182,523		47,873
2014		191,955		38,441
2015-2018		<u>656,577</u>		<u>53,809</u>
Totals	\$	<u><u>1,526,555</u></u>	\$	<u><u>335,811</u></u>

- B. In addition, the county has financed the Osage County courthouse renovations through Certificates of Participation funded by a regional bank in the amount of \$1,910,000 at December 31, 2009. The interest rate on the repayments varies from 3.5% to 5.125%.

The annual debt service requirements for the Osage County Courthouse, including principal and interest at December 31, 2009 are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2010	\$	75,000	\$	83,386
2011		80,000		80,761
2012		80,000		77,961
2013		85,000		75,161
2014		85,000		72,186
2015-2018		<u>1,505,000</u>		<u>257,118</u>
Totals	\$	<u><u>1,910,000</u></u>	\$	<u><u>646,573</u></u>

NOTE 8. SUBSEQUENT EVENTS

The county's one half cent sales tax dedicated to law enforcement and 911 expires March 31, 2011. The voters approved the extension of the sales tax on the August 2010 ballot.

SUPPLEMENTARY INFORMATION

OSAGE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U. S. DEPARTMENT OF COMMERCE				
Passed through state:				
11.468	State Emergency Management Agency- National Oceanic and Atmospheric Administration (NOAA) Alert FM Grant	NA08NWS4680C	\$ 62,500	\$ -
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
14.228	Department of Economic Development- Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	N/A	-	279,119
14.231	Department of Social Services- Emergency Shelter Grants Program	N/A	-	2,500
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-NBIL-076	5,979	269,379
ELECTION ASSISTANCE COMMISSION				
Passed through Office of Secretary of State-				
90.401	Help America Vote Act Requirements Payments	N/A	-	8,148
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state:				
97.036	Department of Public Safety- Disaster Grants - Public Assistance Grants		-	177,327
97.041	Emergency Management Performance Grant	2008-EP-E8-000	-	45,333
97.042	Emergency Management Performance Grant	2009-EP-E9-001	66,366	-
Total Expenditures of Federal Awards			\$ 134,845	\$ 781,806

N/A - Not applicable

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OSAGE COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION

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

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

Federal award means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Because Osage County expended no noncash awards for the years ended December 31, 2009 and 2008, the schedule includes expenditures of cash awards only.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2. SUBRECIPIENTS

The county provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

COMPLIANCE SECTION

CASEY-BEARD-BOEHMER PC



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August 12, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission
and Officeholders
of Osage County, Missouri

We have audited the financial statements of Osage County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Osage County's basic financial statements and have issued our report thereon dated August 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of Osage County, Missouri as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Osage County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the county's internal control described in the accompanying schedule of findings and questioned costs to be material weaknesses (09-01 and 09-02).

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osage County's financial statements are free of material misstatement, we performed tests of its 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 09-02 and 09-03.

Osage County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Osage County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of Osage County, Missouri, County Commission and other boards, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

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August 12, 2010

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

To the County Commission
and Officeholders
of Osage County, Missouri

Compliance

We have audited the compliance of Osage County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Osage County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Osage County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Osage County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Osage County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-04 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

Osage County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Osage County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to the financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>CFDA</u> <u>Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction
97.036	Disaster Grants – Public Assistance Grants
97.042	Emergency Management Performance Grants

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

Auditee qualified as a low-risk auditee? yes X no

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

09-01 County's Financial Statements (Budgets) Not Properly Stated

Condition:

- A. The budget documents for a few county funds for 2009 did not properly present the total cash balances in each fund as of December 31, 2008, thereby understating the cash available for each fund. The County Treasurer's settlements show cash and certificates of deposit separately for various funds; however, these were not totaled together for the budget document. The table below shows the cash balances inaccurately stated as of December 31, 2008:

<u>Fund</u>	<u>2009 Budget</u>	<u>2008 Actual</u>	<u>Difference</u>
General Revenue	\$ 22,878	\$ 72,878	\$ 50,000
Road & Bridge	207,122	307,122	100,000
Courthouse Renovation	234,688	434,688	200,000
Total	\$ <u>464,688</u>	\$ <u>814,688</u>	\$ <u>350,000</u>

The budget document adjusted out the certificates of deposits to show only the cash in bank and not the total cash available for each fund. This condition was adjusted on the 2010 budget document to properly state the total cash balance for each fund as of December 31, 2009.

- B. The financial statements (budgets) of the county present transfers between funds in the annual budget document. However, the county is not properly reconciling transfers in to transfers out during each year to properly state receipts and disbursements. We noted that some transfers were identified as expenditures and revenues within the funds. There were also costs identified as reimbursements that were shown as transfers in instead of a properly receipt classification. The General Revenue Fund showed a transfer in of \$38,545 for correcting entries from other funds but the corresponding funds did not properly show any transfer out.

Criteria: Good business practices require that financial statements be accurately stated and not be misleading or misstated for fair presentation.

Cause: County officials did not properly consider the effect on the financial statements by understating the cash balances and misstating the transfers between funds.

Effect: The balances of several funds were materially misstated on the county's financial statements.

Recommendation:

- A. The County Clerk should properly agree his financial statements (budgets) with the total cash balance for each fund with the County Treasurer to properly state total cash for each fund.
- B. The County Clerk should reconcile the transfers in and transfers out between all funds when preparing the annual budget.

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Response: We acknowledge your findings and procedural changes are in place to prevent a repeat of the errors you described.

09-02 Budgetary Controls not in Compliance with State Law

Condition: We noted the following issues with the county's budgeting process during our audit:

- A. The Family Court, Prosecuting Attorney Training, and Domestic Violence funds had a budgeted negative ending cash balance in the 2008 budget. State statutes prohibit the county from budgeting a negative cash balance for any county fund. These funds had a budgeted negative cash balance as follows:

<u>Fund</u>	<u>2008 Budget</u>
Prosecuting Attorney Training Fund	\$ (447)
Family Court Fund	(300)
Domestic Violence Fund	(17)
Prosecutor Tax Collection	<u>(1,310)</u>
 Total	 \$ <u><u>(2,074)</u></u>

- B. The county did not adopt a formal budget for the Lease Purchase and Rollback Reserve funds in 2009 and for the Courthouse Renovation Fund in 2008.
- C. The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Emergency 911	2008	\$ 4,707
Emergency 911	2009	14,179
Emergency Management	2009	118,001
Civil Fees	2009	4,973
Annex Building	2008	1,062,193
Annex Building	2009	453,915
Recorder Technology	2008	818
Tax Maintenance	2009	2,805

Criteria: Section 50.550, RSMo, requires that budget documents be prepared for all county funds and disallow a negative cash balance to be budgeted. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets and also requires a balanced budget. State law Section 50.650 states that the accounting officer (County Clerk) is personally liable on his/her bond for the amount of any obligation incurred by the erroneous certification as to the sufficiency of an appropriation or of a cash balance, or for any warrant drawn when there is not a sufficient amount unencumbered in the appropriation.

Cause: County officials did not consider the importance of preparing proper budgets for all county funds.

Effect: The Commission and the County Clerk did not follow state law on the preparation of budget documents and for overspending appropriations in various county funds.

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

- A. The county monitor the budgeting process more efficiently so that a negative cash balance is not budgeted.
- B. The county ensure that formal budgets are prepared for all funds.
- C. The county not approve expenditures in excess of budgeted amounts and properly amend the budget in a public meeting when unforeseen circumstances arise that necessitate increased expenditures.

Response: We accept your recommendations and will redouble our efforts to monitor the figures submitted by elected officials during the budget process and will redouble our efforts to monitor spending as the year progresses.

09-03 Bonuses given to Emergency 911 Staff not in Compliance with State Law

Condition: The County Commission and 911 Director approved bonuses from county resources to Emergency 911 staff each year of the audit period. Total bonuses paid amounted to \$750 and \$250 for the year ended December 31, 2009 and 2008, respectively.

Criteria: Article III, Section 39 and Article IV, Sections 23 and 25 of the constitution of Missouri do not allow the use of public funds for the benefit of any private individual.

Cause: The County Commission and 911 Director did not realize that these additional payments were prohibited by Missouri Constitution.

Effect: The county violated the Missouri Constitution on granting additional compensation in the form of bonuses to county employees.

Recommendation:

The County Commission discontinue awarding bonuses to county employees. If additional compensation is warranted, then the normal salaries should be adjusted for any increases in pay.

Response: The Presiding Commissioner met with the Director of the 911 department to formulate a solution to the points presented in this finding.

OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

09-04 **Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 97.041
Program Title: Emergency Management Performance Grant
Pass-Through Entity
 Identifying Number: 2008-EP-E8-000
Award Year: 2008
Questioned Costs: N/A

Condition: The county does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained some errors and omissions.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Effect: Expenditures relating to one federal grant were not reported on the 2008 SEFA schedule. The county had expenditures and received reimbursement from the state in 2008. This grant was awarded under CFDA number 97.041 Emergency Management Performance Grant. As a result, the SEFA schedule was understated by \$45,333 for the year ended December 31, 2008, causing the county's SEFA to be materially misstated.

Recommendation: Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal awards.

Response: *The County Clerk will redouble his efforts to extract accurate data from elected officials and department directors. Armed with this accurate data, the County Clerk will produce accurate Schedules of Expenditures of Federal Awards (SEFA).*

**FOLLOW- UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**OSAGE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Osage County, Missouri, on the applicable findings in the prior audit report issued by the State Auditor's Office for the two years ended December 31, 2005.

The prior audit report issued for the two years ended December 31, 2005, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.