



**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Chariton County, Missouri

The Office of the State Auditor, in cooperation with Chariton County, 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 McBride, Lock & Associates, Certified Public Accountants, is attached.

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

Susan Montee, JD, CPA  
State Auditor

August 2010  
Report No. 2010-95

ANNUAL FINANCIAL REPORT

**CHARITON COUNTY, MISSOURI**

For the Years Ended  
December 31, 2009 and 2008

CHARITON COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

CHARITON COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Tony McCollum

Associate Commissioner – Ray Dowell

Associate Commissioner – Lawrence Gladbach

*Other Elected Officials*

Assessor – Darrin Gladbach

Circuit Clerk/Recorder – Eric Stallo

Collector/Treasurer – Beverly Vasser

Coroner – Larry Breshears

County Clerk – Susan Littleton

County Surveyor – Marcus Mcgee

Prosecuting Attorney – Renea Ehler

Public Administrator – Patti Yung

Sheriff – Christopher Hughes

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## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Chariton County, Missouri

We have audited the accompanying financial statements of Chariton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

As described more fully in Note 1, Chariton County, Missouri has prepared these 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 in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Chariton County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Chariton County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 26, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chariton County, Missouri'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 Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information 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.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
April 26, 2010

## **FINANCIAL SECTION**

CHARITON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash			Cash			Cash
	January 1, 2008	Receipts 2008	Disbursements 2008	December 31, 2008	Receipts 2009	Disbursements 2009	December 31, 2009
General Revenue	\$ 291,052	\$ 1,857,220	\$ 1,314,680	\$ 833,592	\$ 1,563,390	\$ 1,297,651	\$ 1,099,331
Special Road and Bridge	822,200	921,182	1,124,962	618,420	762,498	925,594	455,324
Assessment	41,040	191,474	164,719	67,795	201,875	169,070	100,600
Law Enforcement Sales Tax	(290)	537,169	516,401	20,478	499,413	519,891	-
Election Services	5,454	8,743	8,593	5,604	6,238	4,358	7,484
Tax Maintenance	5,290	8,633	3,818	10,105	8,981	3,639	15,447
Deputy Sheriff Supplemental Senate Bill 40	-	867	400	467	3,333	3,654	146
Law Enforcement Training	146,024	118,198	71,598	192,624	126,859	116,401	203,082
Prosecuting Attorney Training	2,421	2,242	1,020	3,643	2,342	1,891	4,094
Prosecuting Attorney Tax Fee	489	420	646	263	393	505	151
Prosecuting Attorney Tax Fee	1,147	21	550	618	58	513	163
Victims of Domestic Violence	238	249	300	187	214	150	251
Prosecuting Attorney Bad Check	12,859	2,124	3,061	11,922	4,242	1,818	14,346
Recorder	19,784	7,283	14,865	12,202	6,495	13,057	5,640
Sheriff's	7,121	13,126	7,216	13,031	8,265	10,320	10,976
Local Emergency Planning Committee Grant	21,669	3,156	4,493	20,332	4,631	7,169	17,794
Grant	-	831,538	809,392	22,146	321,321	340,452	3,015
Drainage District #3	11,340	977	1,100	11,217	793	3,520	8,490
Drainage District #4	184,571	24,210	16,659	192,122	23,193	60,000	155,315
Drainage District #6	1,820	293	-	2,113	217	-	2,330
Drainage District #7	11,317	1,023	-	12,340	1,225	-	13,565
Drainage District #8	77	2	-	79	484	-	563
Drainage District #17	114	3	-	117	4	-	121
Drainage District #18	16,334	1,179	-	17,513	516	4,050	13,979
Drainage District #19	14,153	348	-	14,501	359	-	14,860
Drainage District #20	26,529	3,393	-	29,922	2,935	1,225	31,632
E-911	901,340	539,624	422,209	1,018,755	419,169	488,538	949,386
Total	<u>\$ 2,544,093</u>	<u>\$ 5,074,697</u>	<u>\$ 4,486,682</u>	<u>\$ 3,132,108</u>	<u>\$ 3,969,443</u>	<u>\$ 3,973,466</u>	<u>\$ 3,128,085</u>

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

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>				
Property taxes	\$ 362,300	\$ 371,060	\$ 368,700	\$ 409,598
Sales taxes	385,000	862,778	383,000	438,162
Intergovernmental	61,950	60,799	48,700	118,364
Charges for services	374,900	317,021	316,850	351,006
Interest	23,000	20,021	13,000	29,830
Other	156,220	159,541	162,550	170,446
Transfers in	66,200	66,000	50,000	45,984
Total Receipts	<u>\$ 1,429,570</u>	<u>\$ 1,857,220</u>	<u>\$ 1,342,800</u>	<u>\$ 1,563,390</u>
<b>DISBURSEMENTS</b>				
County Commission	\$ 76,366	\$ 73,783	\$ 80,130	\$ 77,508
County Clerk	99,404	93,804	105,596	97,460
Elections	60,800	56,254	34,050	20,790
Buildings and grounds	210,640	101,741	235,334	152,096
Employee fringe benefits	134,000	125,854	136,500	128,644
Treasurer	84,948	77,821	83,786	79,356
Circuit Clerk	39,850	38,817	42,596	47,288
Court administration	19,251	22,020	23,278	18,632
Public Administrator	20,200	19,756	22,050	21,393
Sheriff	209,425	197,114	212,685	172,752
Jail	71,500	57,224	76,600	53,459
Prosecuting Attorney	68,398	66,454	71,419	73,955
Juvenile Officer	17,870	11,078	17,870	10,150
Coroner	18,451	12,513	19,277	13,284
Other County Government	98,700	85,942	118,500	144,626
Transfers out	232,300	274,505	213,850	186,258
Emergency fund	42,900	-	40,500	-
Total Disbursements	<u>\$ 1,505,003</u>	<u>\$ 1,314,680</u>	<u>\$ 1,534,021</u>	<u>\$ 1,297,651</u>
<b>RECEIPTS OVER (UNDER)</b>				
DISBURSEMENTS	\$ (75,433)	\$ 542,540	\$ (191,221)	\$ 265,739
CASH, JANUARY 1	<u>291,052</u>	<u>291,052</u>	<u>833,592</u>	<u>833,592</u>
CASH, DECEMBER 31	<u>\$ 215,619</u>	<u>\$ 833,592</u>	<u>\$ 642,371</u>	<u>\$ 1,099,331</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,108,740	809,847	1,639,530	732,425	184,931	187,874	186,748	197,336
Charges for services	-	-	-	-	-	-	-	-
Interest	45,000	20,545	14,000	19,459	3,500	2,002	1,500	2,739
Other	4,000	6,880	6,000	4,476	1,150	1,598	1,200	1,800
Transfers in	-	83,910	-	6,138	-	-	-	-
Total Receipts	<u>\$ 1,157,740</u>	<u>\$ 921,182</u>	<u>\$ 1,659,530</u>	<u>\$ 762,498</u>	<u>\$ 189,581</u>	<u>\$ 191,474</u>	<u>\$ 189,448</u>	<u>\$ 201,875</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 138,552	\$ 113,976	\$ 139,370	113,889	\$ 102,058	\$ 105,967	\$ 109,296	\$ 104,782
Employee fringe benefits	57,650	37,208	57,350	41,050	37,596	36,262	38,384	36,999
Materials and Supplies	31,850	19,418	30,600	21,004	17,595	5,444	15,000	7,156
Services and Other	302,400	95,457	910,190	74,156	32,332	17,046	26,600	20,133
Capital Outlay	179,500	81,505	87,000	26,952	-	-	-	-
Construction	985,750	710,690	802,250	603,900	-	-	-	-
Transfers out	66,000	66,708	50,000	44,643	-	-	-	-
Total Disbursements	<u>\$ 1,761,702</u>	<u>\$ 1,124,962</u>	<u>\$ 2,076,760</u>	<u>\$ 925,594</u>	<u>\$ 189,581</u>	<u>\$ 164,719</u>	<u>\$ 189,280</u>	<u>\$ 169,070</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ (603,962)</u>	<u>\$ (203,780)</u>	<u>\$ (417,230)</u>	<u>\$ (163,096)</u>	<u>\$ -</u>	<u>\$ 26,755</u>	<u>\$ 168</u>	<u>\$ 32,805</u>
<b>CASH, JANUARY 1</b>	<u>822,200</u>	<u>822,200</u>	<u>618,420</u>	<u>618,420</u>	<u>41,040</u>	<u>41,040</u>	<u>67,795</u>	<u>67,795</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 218,238</u></u>	<u><u>\$ 618,420</u></u>	<u><u>\$ 201,190</u></u>	<u><u>\$ 455,324</u></u>	<u><u>\$ 41,040</u></u>	<u><u>\$ 67,795</u></u>	<u><u>\$ 67,963</u></u>	<u><u>\$ 100,600</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
 COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				ELECTION SERVICES FUND			
	Year Ended December 31,							
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	270,000	280,142	270,000	252,253	-	-	-	-
Intergovernmental	5,000	55,932	15,000	51,598	7,000	8,640	6,500	6,073
Charges for services	-	-	-	-	-	-	-	-
Interest	1,500	644	250	515	200	103	50	165
Other	18,660	18,993	18,660	19,833	-	-	-	-
Transfers in	232,300	181,458	213,850	175,214	-	-	-	-
Total Receipts	<u>\$ 527,460</u>	<u>\$ 537,169</u>	<u>\$ 517,760</u>	<u>\$ 499,413</u>	<u>\$ 7,200</u>	<u>\$ 8,743</u>	<u>\$ 6,550</u>	<u>\$ 6,238</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 392,960	\$ 393,686	\$ 405,792	\$ 402,438	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	134,500	122,715	131,400	117,453	-	-	-	-
Materials and Supplies	-	-	-	-	100	52	100	1,783
Services and Other	-	-	-	-	8,470	8,541	4,850	2,575
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 527,460</u>	<u>\$ 516,401</u>	<u>\$ 537,192</u>	<u>\$ 519,891</u>	<u>\$ 8,570</u>	<u>\$ 8,593</u>	<u>\$ 4,950</u>	<u>\$ 4,358</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ -	\$ 20,768	\$ (19,432)	\$ (20,478)	\$ (1,370)	\$ 150	\$ 1,600	\$ 1,880
<b>CASH, JANUARY 1</b>	-	(290)	20,478	20,478	5,454	5,454	5,604	5,604
<b>CASH, DECEMBER 31</b>	<u>\$ -</u>	<u>\$ 20,478</u>	<u>\$ 1,046</u>	<u>\$ -</u>	<u>\$ 4,084</u>	<u>\$ 5,604</u>	<u>\$ 7,204</u>	<u>\$ 7,484</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				DEPUTY SHERIFF SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,320	8,283	9,500	8,573	-	866	2,695	3,332
Interest	200	214	105	326	-	1	5	1
Other	160	136	150	82	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,680</u>	<u>\$ 8,633</u>	<u>\$ 9,755</u>	<u>\$ 8,981</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 2,700</u>	<u>\$ 3,333</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,500	2,301	3,000	2,518	-	-	-	-
Services and Other	1,100	1,517	11,650	1,121	-	400	3,654	3,654
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,600</u>	<u>\$ 3,818</u>	<u>\$ 14,650</u>	<u>\$ 3,639</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 3,654</u>	<u>\$ 3,654</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,080	\$ 4,815	\$ (4,895)	\$ 5,342	\$ -	\$ 467	\$ (954)	\$ (321)
CASH, JANUARY 1	<u>5,290</u>	<u>5,290</u>	<u>10,105</u>	<u>10,105</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
CASH, DECEMBER 31	<u><u>\$ 6,370</u></u>	<u><u>\$ 10,105</u></u>	<u><u>\$ 5,210</u></u>	<u><u>\$ 15,447</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 467</u></u>	<u><u>\$ (487)</u></u>	<u><u>\$ 146</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 109,382	\$ 109,620	\$ 125,598	\$ 121,944	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3	259	-	221	-	-	-	-
Charges for services	-	-	-	-	3,150	2,105	3,150	2,245
Interest	6,000	8,319	6,000	4,694	100	67	50	85
Other	-	-	-	-	-	70	-	12
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 115,385</u>	<u>\$ 118,198</u>	<u>\$ 131,598</u>	<u>\$ 126,859</u>	<u>\$ 3,250</u>	<u>\$ 2,242</u>	<u>\$ 3,200</u>	<u>\$ 2,342</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	109,700	71,598	151,044	101,401	2,300	1,020	2,300	1,891
Capital Outlay and Construction	7,500	-	24,750	15,000	-	-	-	-
Transfers out	-	-	-	-	950	-	950	-
Total Disbursements	<u>\$ 117,200</u>	<u>\$ 71,598</u>	<u>\$ 175,794</u>	<u>\$ 116,401</u>	<u>\$ 3,250</u>	<u>\$ 1,020</u>	<u>\$ 3,250</u>	<u>\$ 1,891</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (1,815)	\$ 46,600	\$ (44,196)	\$ 10,458	\$ -	\$ 1,222	\$ (50)	\$ 451
CASH, JANUARY 1	<u>146,024</u>	<u>146,024</u>	<u>192,624</u>	<u>192,624</u>	<u>2,421</u>	<u>2,421</u>	<u>3,643</u>	<u>3,643</u>
CASH, DECEMBER 31	<u>\$ 144,209</u>	<u>\$ 192,624</u>	<u>\$ 148,428</u>	<u>\$ 203,082</u>	<u>\$ 2,421</u>	<u>\$ 3,643</u>	<u>\$ 3,593</u>	<u>\$ 4,094</u>

atements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	413	450	390	-	-	-	-
Interest	20	7	5	3	100	21	10	10
Other	-	-	-	-	-	-	-	48
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 520</u>	<u>\$ 420</u>	<u>\$ 455</u>	<u>\$ 393</u>	<u>\$ 100</u>	<u>\$ 21</u>	<u>\$ 10</u>	<u>\$ 58</u>
<b>DISBURSEMENTS</b>								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	550	500	513
Services and Other	500	646	500	505	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 646</u>	<u>\$ 500</u>	<u>\$ 505</u>	<u>\$ 1,000</u>	<u>\$ 550</u>	<u>\$ 500</u>	<u>\$ 513</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 20</u>	<u>\$ (226)</u>	<u>\$ (45)</u>	<u>\$ (112)</u>	<u>\$ (900)</u>	<u>\$ (529)</u>	<u>\$ (490)</u>	<u>\$ (455)</u>
<b>CASH, JANUARY 1</b>	<u>489</u>	<u>489</u>	<u>263</u>	<u>263</u>	<u>1,147</u>	<u>1,147</u>	<u>618</u>	<u>618</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 509</u></u>	<u><u>\$ 263</u></u>	<u><u>\$ 218</u></u>	<u><u>\$ 151</u></u>	<u><u>\$ 247</u></u>	<u><u>\$ 618</u></u>	<u><u>\$ 128</u></u>	<u><u>\$ 163</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	295	245	199	210	2,000	1,826	1,850	3,861
Interest	5	4	1	4	650	298	200	381
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 300</u>	<u>\$ 249</u>	<u>\$ 200</u>	<u>\$ 214</u>	<u>\$ 2,650</u>	<u>\$ 2,124</u>	<u>\$ 2,050</u>	<u>\$ 4,242</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,400	1,244	7,750	470
Services and Other	300	300	150	150	1,700	1,817	850	1,348
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	600	-	500	-
Total Disbursements	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 3,700</u>	<u>\$ 3,061</u>	<u>\$ 9,100</u>	<u>\$ 1,818</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ -	\$ (51)	\$ 50	\$ 64	\$ (1,050)	\$ (937)	\$ (7,050)	\$ 2,424
<b>CASH, JANUARY 1</b>	<u>238</u>	<u>238</u>	<u>187</u>	<u>187</u>	<u>12,859</u>	<u>12,859</u>	<u>11,922</u>	<u>11,922</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 238</u></u>	<u><u>\$ 187</u></u>	<u><u>\$ 237</u></u>	<u><u>\$ 251</u></u>	<u><u>\$ 11,809</u></u>	<u><u>\$ 11,922</u></u>	<u><u>\$ 4,872</u></u>	<u><u>\$ 14,346</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER FUND				SHERIFF'S FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	7,500	6,810	6,300	6,229	10,000	10,036	10,000	7,694
Interest	425	473	350	266	100	240	100	223
Other	-	-	-	-	2,400	2,850	2,400	348
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,925</u>	<u>\$ 7,283</u>	<u>\$ 6,650</u>	<u>\$ 6,495</u>	<u>\$ 12,500</u>	<u>\$ 13,126</u>	<u>\$ 12,500</u>	<u>\$ 8,265</u>
<b>DISBURSEMENTS</b>								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	700	431	1,000	2,351	3,180	3,105	5,180	3,985
Services and Other	18,150	14,434	12,600	10,706	6,000	4,111	7,320	6,335
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,850</u>	<u>\$ 14,865</u>	<u>\$ 13,600</u>	<u>\$ 13,057</u>	<u>\$ 9,180</u>	<u>\$ 7,216</u>	<u>\$ 12,500</u>	<u>\$ 10,320</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,925)	\$ (7,582)	\$ (6,950)	\$ (6,562)	\$ 3,320	\$ 5,910	\$ -	\$ (2,055)
CASH, JANUARY 1	<u>19,784</u>	<u>19,784</u>	<u>12,202</u>	<u>12,202</u>	<u>7,121</u>	<u>7,121</u>	<u>13,031</u>	<u>13,031</u>
CASH, DECEMBER 31	<u>\$ 8,859</u>	<u>\$ 12,202</u>	<u>\$ 5,252</u>	<u>\$ 5,640</u>	<u>\$ 10,441</u>	<u>\$ 13,031</u>	<u>\$ 13,031</u>	<u>\$ 10,976</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,800	3,156	3,200	4,112	305,518	831,538	844,820	281,899
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	519	-	-	-	39,422
Other	200	-	200	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 3,156</u>	<u>\$ 3,400</u>	<u>\$ 4,631</u>	<u>\$ 305,518</u>	<u>\$ 831,538</u>	<u>\$ 844,820</u>	<u>\$ 321,321</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	865	781	830	792	-	-	-	-
Materials and Supplies	1,050	178	900	2,566	-	-	-	-
Services and Other	1,850	534	3,827	811	305,518	300,000	-	2,350
Capital Outlay	-	-	-	-	-	-	-	-
Construction - Flood Repairs	-	-	-	-	-	509,392	844,820	329,929
Transfers out	-	-	-	-	-	-	-	8,173
Total Disbursements	<u>\$ 6,765</u>	<u>\$ 4,493</u>	<u>\$ 8,557</u>	<u>\$ 7,169</u>	<u>\$ 305,518</u>	<u>\$ 809,392</u>	<u>\$ 844,820</u>	<u>\$ 340,452</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ (1,765)</u>	<u>\$ (1,337)</u>	<u>\$ (5,157)</u>	<u>\$ (2,538)</u>	<u>\$ -</u>	<u>\$ 22,146</u>	<u>\$ -</u>	<u>\$ (19,131)</u>
<b>CASH, JANUARY 1</b>	<u>21,669</u>	<u>21,669</u>	<u>20,332</u>	<u>20,332</u>	<u>-</u>	<u>-</u>	<u>22,146</u>	<u>22,146</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 19,904</u></u>	<u><u>\$ 20,332</u></u>	<u><u>\$ 15,175</u></u>	<u><u>\$ 17,794</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,146</u></u>	<u><u>\$ 22,146</u></u>	<u><u>\$ 3,015</u></u>

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CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #3 FUND				DRAINAGE DISTRICT #4 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 580	\$ 692	\$ 580	\$ 508	\$ 18,400	\$ 19,350	\$ 19,250	\$ 17,538
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	600	285	150	285	8,900	4,860	2,800	5,655
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,180</u>	<u>\$ 977</u>	<u>\$ 730</u>	<u>\$ 793</u>	<u>\$ 27,300</u>	<u>\$ 24,210</u>	<u>\$ 22,050</u>	<u>\$ 23,193</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	2,000	-	2,000	-
Services and Other	1,500	1,100	3,520	3,520	60,000	16,659	125,000	60,000
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,550</u>	<u>\$ 1,100</u>	<u>\$ 3,570</u>	<u>\$ 3,520</u>	<u>\$ 62,000</u>	<u>\$ 16,659</u>	<u>\$ 127,000</u>	<u>\$ 60,000</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (370)	\$ (123)	\$ (2,840)	\$ (2,727)	\$ (34,700)	\$ 7,551	\$ (104,950)	\$ (36,807)
<b>CASH, JANUARY 1</b>	<u>11,340</u>	<u>11,340</u>	<u>11,217</u>	<u>11,217</u>	<u>184,571</u>	<u>184,571</u>	<u>192,122</u>	<u>192,122</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 10,970</u></u>	<u><u>\$ 11,217</u></u>	<u><u>\$ 8,377</u></u>	<u><u>\$ 8,490</u></u>	<u><u>\$ 149,871</u></u>	<u><u>\$ 192,122</u></u>	<u><u>\$ 87,172</u></u>	<u><u>\$ 155,315</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #6 FUND				DRAINAGE DISTRICT #7 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 180	\$ 246	\$ 180	\$ 137	\$ 800	\$ 732	\$ 750	\$ 831
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	47	30	80	600	291	150	394
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 280</u>	<u>\$ 293</u>	<u>\$ 210</u>	<u>\$ 217</u>	<u>\$ 1,400</u>	<u>\$ 1,023</u>	<u>\$ 900</u>	<u>\$ 1,225</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	50	-	50	-	50	-
Services and Other	-	-	1,000	-	1,500	-	7,500	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ 1,550</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ -</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ 280	\$ 293	\$ (840)	\$ 217	\$ (150)	\$ 1,023	\$ (6,650)	\$ 1,225
<b>CASH, JANUARY 1</b>	<u>1,820</u>	<u>1,820</u>	<u>2,113</u>	<u>2,113</u>	<u>11,317</u>	<u>11,317</u>	<u>12,340</u>	<u>12,340</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 2,100</u></u>	<u><u>\$ 2,113</u></u>	<u><u>\$ 1,273</u></u>	<u><u>\$ 2,330</u></u>	<u><u>\$ 11,167</u></u>	<u><u>\$ 12,340</u></u>	<u><u>\$ 5,690</u></u>	<u><u>\$ 13,565</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #8 FUND				DRAINAGE DISTRICT #17 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	464	-	-	-	-
Interest	5	2	1	20	10	3	2	4
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 484</u>	<u>\$ 10</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 4</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 484</u>	<u>\$ 10</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 4</u>
<b>CASH, JANUARY 1</b>	<u>77</u>	<u>77</u>	<u>79</u>	<u>79</u>	<u>114</u>	<u>114</u>	<u>117</u>	<u>117</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 82</u></u>	<u><u>\$ 79</u></u>	<u><u>\$ 80</u></u>	<u><u>\$ 563</u></u>	<u><u>\$ 124</u></u>	<u><u>\$ 117</u></u>	<u><u>\$ 119</u></u>	<u><u>\$ 121</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT 18 FUND				DRAINAGE DISTRICT #19 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	625	764	625	118	-	-	-	-
Interest	800	415	275	398	655	348	250	359
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,425</u>	<u>\$ 1,179</u>	<u>\$ 900</u>	<u>\$ 516</u>	<u>\$ 655</u>	<u>\$ 348</u>	<u>\$ 250</u>	<u>\$ 359</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	50	-	50	-
Services and Other	4,000	-	4,000	4,050	500	-	500	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 4,050</u>	<u>\$ 4,050</u>	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,625)	\$ 1,179	\$ (3,150)	\$ (3,534)	\$ 105	\$ 348	\$ (300)	\$ 359
CASH, JANUARY 1	<u>16,334</u>	<u>16,334</u>	<u>17,513</u>	<u>17,513</u>	<u>14,153</u>	<u>14,153</u>	<u>14,501</u>	<u>14,501</u>
CASH, DECEMBER 31	<u>\$ 13,709</u>	<u>\$ 17,513</u>	<u>\$ 14,363</u>	<u>\$ 13,979</u>	<u>\$ 14,258</u>	<u>\$ 14,501</u>	<u>\$ 14,201</u>	<u>\$ 14,860</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #20				E-911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 2,450	\$ 2,708	\$ 2,500	\$ 1,916	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	458,000	489,752	418,230	389,372
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,071	1,060	19
Interest	1,350	685	450	1,019	30,000	48,740	24,750	29,778
Other	-	-	-	-	120	61	-	-
Transfers in	-	-	-	-	-	-	30,000	-
Total Receipts	<u>\$ 3,800</u>	<u>\$ 3,393</u>	<u>\$ 2,950</u>	<u>\$ 2,935</u>	<u>\$ 488,120</u>	<u>\$ 539,624</u>	<u>\$ 474,040</u>	<u>\$ 419,169</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 320,580	\$ 300,000	\$ 311,870
Employee fringe benefits	-	-	-	-	1,500	1,588	35,200	40,517
Materials and Supplies	50	-	50	-	5,700	5,977	12,300	4,795
Services and Other	5,000	-	10,000	1,225	143,964	85,591	88,994	87,428
Capital Outlay	-	-	-	-	31,360	8,473	36,400	43,928
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,050</u>	<u>\$ -</u>	<u>\$ 10,050</u>	<u>\$ 1,225</u>	<u>\$ 482,524</u>	<u>\$ 422,209</u>	<u>\$ 472,894</u>	<u>\$ 488,538</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,250)	\$ 3,393	\$ (7,100)	\$ 1,710	\$ 5,596	\$ 117,415	\$ 1,146	\$ (69,369)
CASH, JANUARY 1	<u>26,529</u>	<u>26,529</u>	<u>29,922</u>	<u>29,922</u>	<u>901,340</u>	<u>901,340</u>	<u>1,018,755</u>	<u>1,018,755</u>
CASH, DECEMBER 31	<u>\$ 25,279</u>	<u>\$ 29,922</u>	<u>\$ 22,822</u>	<u>\$ 31,632</u>	<u>\$ 906,936</u>	<u>\$ 1,018,755</u>	<u>\$ 1,019,901</u>	<u>\$ 949,386</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chariton County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Collector/Treasurer, County Surveyor, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, 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.

A. Reporting Entity

The County’s operations include tax assessments and collections, county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

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

Certain elected County officials, particularly the County Collector, Treasurer, and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

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.

### 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.

### 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. On or before the second Monday in January, each elected officer and 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.
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.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is 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.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Deputy Sheriff Supplemental Fund in 2008.

10. Section 50.740, RSMo., prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts by more than an inconsequential amount for the following funds:

Fund	2009	2008
Grant	N/A	X
E-911	X	N/A

Also, because a budget was not adopted for the Deputy Sheriff Supplemental Fund in 2008, expenditures in this fund exceeded budgetary authority to the extent that a budget was not adopted in 2008.

- E. 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 of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	2009	2008
Real Estate	\$ 56,953,970	\$ 55,742,720
Personal Property	27,716,860	28,315,260
Railroad and Utilities	51,700,833	55,297,211

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
General Revenue	\$ 0.3150	\$ 0.2850
Senate Bill 40	0.0926	0.0900

- F. 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 fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. 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.

#### G. 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.

### 2. CASH AND INVESTMENTS

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 displayed on the financial statements as "Cash and Cash Equivalents" under each fund's caption.

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 \$3,128,085 and \$3,132,108 respectively and the bank balances were \$3,389,767 and \$3,420,625, respectively. Of the bank balances, \$1,362,484 and \$1,363,622 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Senate Bill 40 funds. Tax collections on deposit amounted to \$6,145,921 and \$5,619,255 at December 31, 2009 and 2008, respectively. The County Collector's deposits were adequately collateralized by pledged securities at December 31, 2009.

### 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. Early retirement is 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.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$65,204 and \$61,111, respectively, for the years then ended.

The County's full-time employees are required to contribute 4% to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate: the rate for 2009 was 10.1% (general) and 6.2% (sheriff) and in 2008 the rate contributed was 10.6% (general) and 6.5% (sheriff) of annual covered payroll. During 2009 and 2008, the County contributed approximately \$82,577 and \$85,534 respectively, for the years then ended.

### 4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

### 5. CLAIMS, COMMITMENT AND CONTINGENCIES

#### A. Compensated Absences

The County provides full time employees and part-time employees who occupy regular budgeted positions with unlimited sick time which accrues at one and one-half days per calendar month of employment. Upon termination, no payment will be made for unused days. Vacation time is accrued for every full time employee, and accrues at the rate of two weeks per year. Vacation must be used within one year of the year it was accrued or it is lost. On termination of employment, no more than two weeks unused vacation shall be paid to an employee.

#### B. 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.

## 6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

## 7. LONG TERM DEBT

The County has no outstanding debt as of December 31, 2009 or 2008.

## 8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senate Bill 40 fund and the E-911 fund, and to exclude certain funds held by County officeholders, including the Collector and Treasurer, for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity on the cash balances of the governmental funds as previously reported at December 31, 2007, is to increase cash balances by the amount representing cash balances of the Senate Bill 40 fund and E-911 fund, and to decrease cash balances previously reported as Agency Funds at December 31, 2007, by the amount representing cash balances of the aforementioned funds.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES

### 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 Chariton County, Missouri

We have audited the accompanying financial statements of Chariton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated April 26, 2010. We conducted our audits 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 audits, we considered Chariton County, Missouri's internal control over financial reporting 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 Chariton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chariton County, Missouri's internal control over financial reporting.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chariton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance and other matters that we reported to management of Chariton County, Missouri, in the accompanying schedule of findings and recommendations.

Chariton County, Missouri's response to the finding identified in our audit is described in the accompanying Other Matters. We did not audit Chariton County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
April 26, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' 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 Chariton County, Missouri

Compliance

We have audited the compliance of Chariton 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 its major federal programs for the years ended December 31, 2009 and 2008. Chariton County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Chariton County, Missouri's management. Our responsibility is to express an opinion on Chariton County, Missouri'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 Chariton County, Missouri'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 Chariton County, Missouri's compliance with those requirements.

In our opinion, Chariton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the years ended December 31, 2009 and 2008 and which are described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

## Internal Control Over Compliance

The management of Chariton 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 audits, we considered Chariton County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 Chariton 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

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

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
April 26, 2010

CHARITON COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
<b>U.S DEPARTMENT OF AGRICULTURE</b>				
10.923	Emergency Watershed Protection Program			
	National Resources Conservation Services Levee Repair	041-08-04	\$ 7,163	\$ -
	National Resources Conservation Services Levee Repair	041-08-05	8,400	-
	National Resources Conservation Services Levee Repair	041-08-025	-	60,447
	National Resources Conservation Services Levee Repair	041-08-006	-	5,247
	National Resources Conservation Services Levee Repair	041-09-028	-	8,262
	National Resources Conservation Services Levee Repair	041-08-008	-	4,840
	National Resources Conservation Services Levee Repair	041-08-007	-	13,306
	National Resources Conservation Services Levee Repair	041-08-009	-	21,556
	National Resources Conservation Services Levee Repair	041.09-022	-	13,913
	National Resources Conservation Services Levee Repair	041-08-040	-	2,348
	National Resources Conservation Services Levee Repair	041-08-029	-	10,255
	National Resources Conservation Services Levee Repair	041-08-019	-	7,392
	National Resources Conservation Services Levee Repair	041-09-050	-	6,213
	National Resources Conservation Services Levee Repair	041-08-011	-	24,758
	National Resources Conservation Services Levee Repair	041-08-035	-	2,411
	National Resources Conservation Services Levee Repair	041-08-056	-	12,448
	National Resources Conservation Services Levee Repair	1041-08-042	-	3,020
	National Resources Conservation Services Levee Repair	041-08-043	-	5,021
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through State:				
Department of Economic Development				
14.228	Community Development Block Grant - State's Program	2006-PF-06	300,000	-
		2008-DF-01	-	63,111
Department of Social Services				
14.231	Emergency Shelter Grants Program			
	Homelessness Prevention & Rapid Re-Housing (ARRA)	ER16410009A	-	4,951
<b>U.S. DEPARTMENT OF INTERIOR</b>				
Direct Program				
15.000	Refuge Revenue Sharing Act	N/A	25,131	35,379
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Passed through State Department of Public Safety				
16.000	Domestic Cannabis Eradication/Suppression Program	cash crop	29	18
16.579	Edward Byrne Memorial Formula Grant Program	2006-JAG-018	64,841	-
	NCAP	2005-JAG-INT-001	-	-
	NCAP	2007-JAG-INT-004	-	-
	NCAP	2009-JAG-DTS-001	-	-
	NCAP	2009-JAG-RA-001	-	70,006
	MOSMART DPS	2008-MOSMART-001	47,202	-
	MOSMART	2008-DD-BX-013	-	43,700
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through State Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-30	391	-
		BRO-31	18,904	-
		BRO-32	34,638	2,806
		BRO-33	10,292	5,386
		BRO-34	11,513	42,118
<b>GENERAL SERVICES ADMINISTRATION</b>				
Passed through State Office of Administration				
39.011	Election Reform Payments	SOSEPT1 08Z	963	-
		SC 231 S5EL 0000275	2,108	-
<b>ELECTION ASSISTANCE COMMISSION</b>				
Passed through the Office of Secretary of State				
90.401	Help America Vote Act Requirements Payments	SOSE8P2 08Z	2,893	-
		SOSEWC208Z	381	351
		SC 231 S9MISP 00022	1,454	1,454
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through State Department of Public Safety:				
97.067	Homeland Security Grant Program - FEMA	1773-DR-MO	486,424	-
		1809-DR-MO	-	6,138
	Total Expenditures of Federal Awards		<u>\$ 1,022,727</u>	<u>\$ 476,855</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**NOTE C – SUBRECEIPIENTS**

The County provided federal awards from the U.S. Department of Housing and Urban Development Community Development Block Grant program, CFDA 14.228, to the Chariton County Community Foundation to assist in construction of the new Grand River Health Clinic. The amount provided to this Foundation was \$300,000 during the year ended December 31, 2008. In year ended December 31, 2009 the County provided federal awards from the U.S Department of Housing and Urban Development Community Development Block Grant program, CFDA 14.228, to the Green Hills Regional Planning Committee and Garden of Eden Drainage District of \$63,111 to repair levees.

CHARITON COUNTY, MISSOURI  
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2009 AND 2008

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards:**

Internal Control Over Major Programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  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 Circular A-133?  Yes  No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	Homeland Security Grant Program
14.228	Community Development Block Grant

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk:  Yes  No

## **SECTION II – FINANCIAL STATEMENTS FINDINGS**

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

Summary of Schedule of Prior Audit Findings

1. Bidding Procedures
2. Payroll Personnel Files
3. Employee Pay
4. Personnel Policies

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S Department of Homeland Security  
Pass-Through Grantor: State Department of Public Safety  
Federal CFDA Number: 97.067  
Program Title: Homeland Security Grant Program  
Pass Through Entity Identifying Number: 1773-DR-MO and 1809-DR-MO  
Award Years: 2008 and 2009  
Questioned Costs: None

### **09-1. Schedule of Expenditures of Federal Awards (SEFA)**

**Condition:** The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2008 and 2009 as required by Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A). On the 2009 and 2008 SEFA's, the County reported funds expended from both federal and state awards as Homeland Security Grant Program federal expenditures. The SEFA should only report the funds expended from federal awards. The financial statements and SEFA included in this report have been adjusted to correct this condition.

**Recommendation:** We recommend that the County Clerk closely review the SEFA to ensure that only expenditures related to federal awards are recorded in the SEFA.

**County Response:** Future flood awards will be carefully figured to include only the 75% federal amount on the SEFA.

**Auditor's Evaluation:** The stated corrective action is responsive to the recommendation.

**SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

The County did not meet the criteria for obtaining a single audit in accordance with OMB Circular A-133 and accordingly there were no prior audit findings pertaining to Federal Awards.

## **FINDINGS AND RECOMMENDATIONS**

CHARITON COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None

**ITEMS OF NONCOMPLIANCE**

None

**OTHER MATTERS**

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

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated April 26, 2010. (A separate report dated April 26, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated April 26, 2010.

1. **Accounting for Transfers**

**Condition:** The financial statements of the County as represented in the annual budget document present transfers between funds. However, we noted that payments made from the Deputy Sheriff Supplemental and Prosecuting Attorney Bad Check fund to the State of Missouri were recorded as transfers to other funds. There were also payments made to the POST Commission Fund which were recorded as transfers out of the Law Enforcement Training Fund in years 2008 and 2009.

**Recommendation:** In order to ensure that transfers are properly reported and are in balance (amounts transferred in agrees to amounts transferred out), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. The County Clerk should ensure that both budgeted and actual transfers to and from other funds are in agreement. Other types of transactions should not be presented in the "Transfers" account category.

County Response: The County Clerk will use a different descriptive word such as “payment to” in lieu of “transfer out” for all payments to another entity and ensure that both budgeted and actual transfers in and out balance.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

2. **Budgetary Controls**

Condition: We noted two issues with the County’s budgeting process during 2008 and 2009, as follow.

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Deputy Sheriff Supplemental Fund in 2008.
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2008 and 2009 by more than an inconsequential amount:

	<u>2009</u>	<u>2008</u>
Grant	N/A	X
911	X	N/A

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County Clerk has already implemented a safeguard in the financial software that will not permit any account line to exceed the budgeted amount, allowing the county sufficient time to formally amend the original budget. We will also be diligent in adopting a formal budget when necessary in the middle of the year, as in the case of the Deputy Sheriff Supplemental Fund.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

3. **Lack of Investment Policy**

Condition: The County has not adopted an investment policy, although we understand that the County generally refers to the model investment policy provided by the State Auditor’s Office for guidance. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial

procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions.

Section 110.270, RSMo 2007, 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 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits. Adopting an investment is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: The County is strongly considering adopting an investment policy. The Collector-Treasurer is currently gathering information to adopt one.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

CHARITON 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 auditors' follow-up on action taken by Chariton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County used one engineering firm for various construction projects and did not solicit proposals from other firms for these projects. Documentation was not available to support the selection process.

*Status – Resolved.*

2. County did not keep an updated record of each employee's pay rate in their personnel file.

*Status – Resolved.*

3. Documentation is not maintained to adequately support employee salaries.

*Status – Resolved.*

4. County's personnel policies manual had not been updated for approximately 20 years.

*Status – Partially Implemented.* The Commission has made changes and updates to the personnel policy but has not yet completed a new policy manual. Comment not repeated.