



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Montgomery County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Montgomery 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, 2011, 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 black ink that reads "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

September 2012  
Report No. 2012-112

**INDEPENDENT AUDITORS' REPORT**  
**MONTGOMERY COUNTY, MISSOURI**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2011 AND 2010**

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**CASEY-BEARD-BOEHMER PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**COLUMBIA, MISSOURI**

# MONTGOMERY COUNTY, MISSOURI

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**INDEPENDENT AUDITORS' REPORT**

# CASEY-BEARD-BOEHMER PC



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August 24, 2012

## INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Montgomery County, Missouri

We have audited the accompanying financial statements of Montgomery County, Missouri, as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of Montgomery 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 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 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, Montgomery County, Missouri, prepares its financial statements using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America. The effect 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.

Further 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 Montgomery County, Missouri, as of December 31, 2011 and 2010, 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 receipts, disbursements, and changes in cash of the funds of Montgomery County, Missouri, as of December 31, 2011 and 2010, and budgetary results for the years then ended on the basis of accounting described in Note 1.

MEMBER  
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American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
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**MONTGOMERY COUNTY, MISSOURI  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2012 on our consideration of Montgomery 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.

This report is intended solely for the information and use of management, County Commission, others within the entity, 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

## **FINANCIAL STATEMENTS**

**MONTGOMERY COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Fund	Cash January 1, 2010	Receipts	Disbursements	Cash December 31, 2010	Receipts	Disbursements	Cash December 31, 2011
General Revenue	\$ 593	3,168,773	3,169,366	-	3,331,230	3,314,680	16,550
Special Road and Bridge Assessment	724,742	1,688,727	1,409,143	1,004,326	1,608,359	1,449,166	1,163,519
Dare/Pride	118,849	288,328	261,508	145,669	297,529	232,964	210,234
Emergency Management	3,334	25	11	3,348	21	8	3,361
Emergency 911	336	73,628	66,750	7,214	80,760	68,476	19,498
Prosecuting Attorney Bad Check	11,285	107,675	110,300	8,660	115,437	120,826	3,271
Capital Improvements	31,870	8,383	21,296	18,957	11,704	14,381	16,280
Law Enforcement Training	136,784	449,697	463,334	123,147	471,692	376,568	218,271
Prosecuting Attorney Training	9,775	3,230	2,044	10,961	3,446	12	14,395
Johnson Grass	12,504	882	752	12,634	921	1,879	11,676
Recorder User Fee	5,769	-	-	5,769	-	-	5,769
Sheriff Forfeiture	34,355	5,385	4,537	35,203	4,809	6,691	33,321
Local Emergency Planning Commission	6,536	49	-	6,585	40	2,898	3,727
Prosecuting Attorney Delinquent Tax	39,434	4,077	205	43,306	247	7,248	36,305
Reserve General Revenue	12,420	896	55	13,261	385	20	13,626
Sheriff Revolving	489,174	4,717	179,015	314,876	82,024	74,061	322,839
Post Commission	13,407	4,771	11	18,167	5,050	12	23,205
Special Election	1,541	1,506	1,494	1,553	1,517	1,520	1,550
Sheriff Operations	4,171	46,328	50,499	-	20,427	18,345	2,082
Election Services	110,649	54,565	79,685	85,529	77,028	65,670	96,887
Children's Trust	1,213	4,860	4,312	1,761	1,179	2,447	493
Courthouse Annex Building	6,499	3,790	1,000	9,289	3,954	5,008	8,235
Recorder Technology	5,014	10	5,024	-	-	-	-
Collector's Tax Maintenance	27,476	3,154	1,535	29,095	2,779	1,229	30,645
Inmate Security	15,907	21,440	16,053	21,294	18,297	18,296	21,295
	9,830	3,184	-	13,014	3,426	-	16,440
<b>Totals</b>	<b>\$ 1,833,467</b>	<b>5,948,080</b>	<b>5,847,929</b>	<b>1,933,618</b>	<b>6,142,261</b>	<b>5,782,405</b>	<b>2,293,474</b>

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

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<b>General Revenue Fund</b>					
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 570,000	575,756	5,756	\$ 523,000	560,856	37,856
Sales taxes	1,130,000	1,175,077	45,077	1,072,500	1,104,552	32,052
Intergovernmental	953,350	1,031,590	78,240	966,500	732,227	(234,273)
Charges for services	475,000	365,019	(109,981)	372,250	468,210	95,960
Interest	2,000	2,031	31	3,400	1,682	(1,718)
Other	308,250	53,445	(254,805)	106,800	80,132	(26,668)
Transfers in	133,190	128,312	(4,878)	506,260	221,114	(285,146)
Total Receipts	\$ 3,571,790	3,331,230	(240,560)	\$ 3,550,710	3,168,773	(381,937)
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 116,690	114,199	(2,491)	\$ 102,630	99,424	(3,206)
County Clerk	121,350	117,964	(3,386)	122,410	116,198	(6,212)
Elections	5,000	-	(5,000)	8,000	8,000	-
Buildings and grounds	136,460	151,171	14,711	158,250	136,294	(21,956)
Employee fringe benefits	11,000	13,369	2,369	11,500	9,145	(2,355)
County Treasurer	53,160	52,513	(647)	52,880	50,544	(2,336)
County Collector	86,860	85,247	(1,613)	86,855	87,162	307
Recorder of Deeds	81,050	79,230	(1,820)	79,150	73,899	(5,251)
Circuit Clerk	38,800	18,840	(19,960)	38,861	21,228	(17,633)
Associate Circuit (Probate) Court	-	-	-	-	1,098	1,098
Court Administration	44,360	43,321	(1,039)	45,540	43,739	(1,801)
Public Administrator	33,570	33,469	(101)	33,670	33,007	(663)
Planning and Zoning	19,360	16,496	(2,864)	20,460	14,815	(5,645)
Surveyor	4,900	1,274	(3,626)	7,400	4,969	(2,431)
Other	317,340	261,633	(55,707)	308,710	312,396	3,686
Public Safety-						
Sheriff	666,700	632,374	(34,326)	654,700	586,193	(68,507)
Jail	1,136,300	1,018,137	(118,163)	1,130,400	979,288	(151,112)
Communications / Dispatch	240,060	264,316	24,256	245,130	243,498	(1,632)
Prosecuting Attorney	213,770	213,581	(189)	207,580	213,951	6,371
Juvenile Officer	60,740	48,409	(12,331)	62,160	61,958	(202)
County Coroner	22,400	22,537	137	22,155	25,960	3,805
Transfers out	47,100	126,600	79,500	47,100	46,600	(500)
Emergency Fund	103,710	-	(103,710)	103,220	-	(103,220)
Total Disbursements	\$ 3,560,680	3,314,680	(246,000)	\$ 3,548,761	3,169,366	(379,395)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 11,110	16,550	5,440	\$ 1,949	(593)	(2,542)
CASH, JANUARY 1	-	-	-	593	593	-
CASH, DECEMBER 31	\$ 11,110	16,550	5,440	\$ 2,542	-	(2,542)

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Special Road and Bridge Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 1,000,000	913,395	(86,605)	\$ 920,000	981,287	61,287
Intergovernmental	544,000	682,805	138,805	469,000	653,721	184,721
Charges for services	100	745	645	100	-	(100)
Interest	13,000	9,054	(3,946)	16,000	13,309	(2,691)
Other	5,100	2,360	(2,740)	32,500	40,410	7,910
Total Receipts	<u>\$ 1,562,200</u>	<u>1,608,359</u>	<u>46,159</u>	<u>\$ 1,437,600</u>	<u>1,688,727</u>	<u>251,127</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ 447,000	430,729	(16,271)	\$ 451,920	428,048	(23,872)
Employee fringe benefits	122,410	106,144	(16,266)	157,250	102,660	(54,590)
Supplies	223,000	209,060	(13,940)	193,000	197,856	4,856
Insurance	15,000	13,203	(1,797)	15,000	13,354	(1,646)
Road and bridge materials	339,500	338,103	(1,397)	331,500	306,640	(24,860)
Equipment repairs	90,000	93,167	3,167	75,000	80,148	5,148
Rentals	1,000	896	(104)	1,000	-	(1,000)
Equipment purchases	150,000	148,629	(1,371)	100,000	88,575	(11,425)
Road and bridge construction	192,500	68,329	(124,171)	243,500	151,808	(91,692)
Transfers out	44,000	40,906	(3,094)	44,000	40,054	(3,946)
Total Disbursements	<u>\$ 1,624,410</u>	<u>1,449,166</u>	<u>(175,244)</u>	<u>\$ 1,612,170</u>	<u>1,409,143</u>	<u>(203,027)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (62,210)	159,193	221,403	\$ (174,570)	279,584	454,154
CASH, JANUARY 1	1,004,326	1,004,326	-	724,742	724,742	-
CASH, DECEMBER 31	<u>\$ 942,116</u>	<u>1,163,519</u>	<u>221,403</u>	<u>\$ 550,172</u>	<u>1,004,326</u>	<u>454,154</u>

<b>Assessment Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 236,780	238,234	1,454	\$ 236,780	228,777	(8,003)
Charges for services	7,130	10,672	3,542	1,500	8,160	6,660
Interest	1,500	1,395	(105)	2,000	1,563	(437)
Other	-	628	628	200	3,153	2,953
Transfers in	46,600	46,600	-	46,600	46,675	75
Total Receipts	<u>\$ 292,010</u>	<u>297,529</u>	<u>5,519</u>	<u>\$ 287,080</u>	<u>288,328</u>	<u>1,248</u>
<b>DISBURSEMENTS</b>						
Assessor	\$ 41,000	41,000	-	\$ 41,000	41,000	-
Salaries	170,850	118,997	(51,853)	169,900	125,660	(44,240)
Employee fringe benefits	39,590	35,574	(4,016)	38,080	30,439	(7,641)
Office expenses	7,000	4,922	(2,078)	7,000	4,686	(2,314)
Equipment	17,100	16,927	(173)	20,290	14,935	(5,355)
Mileage and Training	12,500	7,808	(4,692)	11,000	12,354	1,354
Other	28,500	7,736	(20,764)	32,790	32,434	(356)
Total Disbursements	<u>\$ 316,540</u>	<u>232,964</u>	<u>(83,576)</u>	<u>\$ 320,060</u>	<u>261,508</u>	<u>(58,552)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (24,530)	64,565	89,095	\$ (32,980)	26,820	59,800
CASH, JANUARY 1	145,669	145,669	-	118,849	118,849	-
CASH, DECEMBER 31	<u>\$ 121,139</u>	<u>210,234</u>	<u>89,095</u>	<u>\$ 85,869</u>	<u>145,669</u>	<u>59,800</u>

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Dare/Pride Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over ( Under) Budget
RECEIPTS						
Interest	\$ 30	21	(9)	\$ 30	25	(5)
Total Receipts	\$ 30	21	(9)	\$ 30	25	(5)
DISBURSEMENTS						
Office	\$ 1,500	8	(1,492)	\$ 1,500	11	(1,489)
Total Disbursements	\$ 1,500	8	(1,492)	\$ 1,500	11	(1,489)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,470)	13	1,483	\$ (1,470)	14	1,484
CASH, JANUARY 1	3,348	3,348	-	3,334	3,334	-
CASH, DECEMBER 31	\$ 1,878	3,361	1,483	\$ 1,864	3,348	1,484

<b>Emergency Management Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 31,000	32,425	1,425	\$ 30,420	26,694	(3,726)
Interest	300	191	(109)	300	254	(46)
Other	48,500	48,144	(356)	46,000	46,680	680
Total Receipts	\$ 79,800	80,760	960	\$ 76,720	73,628	(3,092)
DISBURSEMENTS						
Salaries	\$ 38,510	38,507	(3)	\$ 38,510	38,506	(4)
Employee benefits	9,270	9,369	99	8,450	8,781	331
Office	27,800	15,600	(12,200)	13,430	11,003	(2,427)
Transfers out	5,000	5,000	-	8,460	8,460	-
Total Disbursements	\$ 80,580	68,476	(12,104)	\$ 68,850	66,750	(2,100)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (780)	12,284	13,064	\$ 7,870	6,878	(992)
CASH, JANUARY 1	7,214	7,214	-	336	336	-
CASH, DECEMBER 31	\$ 6,434	19,498	13,064	\$ 8,206	7,214	(992)

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Emergency 911 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 600	295	(305)	\$ 200	579	379
Charges for services	103,000	109,585	6,585	95,000	101,832	6,832
Interest	50	60	10	50	57	7
Other	500	5,497	4,997	300	5,207	4,907
Total Receipts	\$ 104,150	115,437	11,287	\$ 95,550	107,675	12,125
<b>DISBURSEMENTS</b>						
Salaries	\$ 49,760	63,987	14,227	\$ 41,640	59,037	17,397
Employee benefits	11,220	13,309	2,089	9,640	11,213	1,573
Office	42,990	43,530	540	43,790	40,050	(3,740)
Total Disbursements	\$ 103,970	120,826	16,856	\$ 95,070	110,300	15,230
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 180	(5,389)	(5,569)	\$ 480	(2,625)	(3,105)
CASH, JANUARY 1	8,660	8,660	-	11,285	11,285	-
CASH, DECEMBER 31	\$ 8,840	3,271	(5,569)	\$ 11,765	8,660	(3,105)

**Prosecuting Attorney Bad Check Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 8,000	11,539	3,539	\$ 15,000	7,849	(7,151)
Interest	300	141	(159)	500	348	(152)
Other	-	24	24	-	186	186
Total Receipts	\$ 8,300	11,704	3,404	\$ 15,500	8,383	(7,117)
<b>DISBURSEMENTS</b>						
Salaries	\$ 12,600	10,553	(2,047)	\$ 12,250	12,236	(14)
Employee benefits	3,480	1,762	(1,718)	780	518	(262)
Office	11,100	2,066	(9,034)	10,650	8,542	(2,108)
Total Disbursements	\$ 27,180	14,381	(12,799)	\$ 23,680	21,296	(2,384)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,880)	(2,677)	16,203	\$ (8,180)	(12,913)	(4,733)
CASH, JANUARY 1	18,957	18,957	-	31,870	31,870	-
CASH, DECEMBER 31	\$ 77	16,280	16,203	\$ 23,690	18,957	(4,733)

**Capital Improvements Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 455,000	470,028	15,028	\$ 427,000	441,844	14,844
Interest	3,000	1,493	(1,507)	3,000	2,635	(365)
Other	15,500	171	(15,329)	14,400	5,218	(9,182)
Total Receipts	\$ 473,500	471,692	(1,808)	\$ 444,400	449,697	5,297
<b>DISBURSEMENTS</b>						
Salaries	\$ 37,500	28,164	(9,336)	\$ 54,510	42,179	(12,331)
Employee benefits	9,310	8,627	(683)	9,390	9,179	(211)
Office	423,030	339,777	(83,253)	432,400	411,976	(20,424)
Total Disbursements	\$ 469,840	376,568	(93,272)	\$ 496,300	463,334	(32,966)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,660	95,124	91,464	\$ (51,900)	(13,637)	38,263
CASH, JANUARY 1	123,147	123,147	-	136,784	136,784	-
CASH, DECEMBER 31	\$ 126,807	218,271	91,464	\$ 84,884	123,147	38,263

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Law Enforcement Training Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 3,500	3,369	(131)	\$ 3,500	3,159	(341)
Interest	70	77	7	70	71	1
Total Receipts	\$ 3,570	3,446	(124)	\$ 3,570	3,230	(340)
<b>DISBURSEMENTS</b>						
Office	\$ 3,000	12	(2,988)	\$ 3,000	2,044	(956)
Total Disbursements	\$ 3,000	12	(2,988)	\$ 3,000	2,044	(956)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 570	3,434	2,864	\$ 570	1,186	616
CASH, JANUARY 1	10,961	10,961	-	9,775	9,775	-
CASH, DECEMBER 31	\$ 11,531	14,395	2,864	\$ 10,345	10,961	616

**Prosecuting Attorney Training Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 800	842	42	\$ 750	790	40
Interest	100	79	(21)	100	92	(8)
Total Receipts	\$ 900	921	21	\$ 850	882	32
<b>DISBURSEMENTS</b>						
Office	\$ 3,000	1,879	(1,121)	\$ 3,000	752	(2,248)
Total Disbursements	\$ 3,000	1,879	(1,121)	\$ 3,000	752	(2,248)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,100)	(958)	1,142	\$ (2,150)	130	2,280
CASH, JANUARY 1	12,634	12,634	-	12,504	12,504	-
CASH, DECEMBER 31	\$ 10,534	11,676	1,142	\$ 10,354	12,634	2,280

**Johnson Grass Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ -	-	-	\$ -	-	-
Total Receipts	\$ -	-	-	\$ -	-	-
<b>DISBURSEMENTS</b>						
Office	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	5,769	5,769	-	5,769	5,769	-
CASH, DECEMBER 31	\$ 5,769	5,769	-	\$ 5,769	5,769	-

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Recorder User Fee Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 6,000	4,588	(1,412)	\$ 6,000	4,599	(1,401)
Interest	400	221	(179)	500	450	(50)
Other	-	-	-	-	336	336
Total Receipts	\$ 6,400	4,809	(1,591)	\$ 6,500	5,385	(1,115)
<b>DISBURSEMENTS</b>						
Office	\$ 33,000	6,691	(26,309)	\$ 33,000	4,537	(28,463)
Total Disbursements	\$ 33,000	6,691	(26,309)	\$ 33,000	4,537	(28,463)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (26,600)	(1,882)	24,718	\$ (26,500)	848	27,348
CASH, JANUARY 1	35,203	35,203	-	34,355	34,355	-
CASH, DECEMBER 31	\$ 8,603	33,321	24,718	\$ 7,855	35,203	27,348

**Sheriff Forfeiture Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over ( Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 50	36	(14)	\$ 60	49	(11)
Other	-	4	4	-	-	-
Total Receipts	\$ 50	40	(10)	\$ 60	49	(11)
<b>DISBURSEMENTS</b>						
Office	\$ 3,000	2,898	(102)	\$ 3,000	-	(3,000)
Total Disbursements	\$ 3,000	2,898	(102)	\$ 3,000	-	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,950)	(2,858)	92	\$ (2,940)	49	2,989
CASH, JANUARY 1	6,585	6,585	-	6,536	6,536	-
CASH, DECEMBER 31	\$ 3,635	3,727	92	\$ 3,596	6,585	2,989

**Local Emergency Planning Commission Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over ( Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 370	247	(123)	\$ 300	365	65
Other	3,700	-	(3,700)	5,300	3,712	(1,588)
Total Receipts	\$ 4,070	247	(3,823)	\$ 5,600	4,077	(1,523)
<b>DISBURSEMENTS</b>						
Office	\$ 47,000	7,248	(39,752)	\$ 45,100	205	(44,895)
Total Disbursements	\$ 47,000	7,248	(39,752)	\$ 45,100	205	(44,895)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (42,930)	(7,001)	35,929	\$ (39,500)	3,872	43,372
CASH, JANUARY 1	43,306	43,306	-	39,434	39,434	-
CASH, DECEMBER 31	\$ 376	36,305	35,929	\$ (66)	43,306	43,372

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Prosecuting Attorney Delinquent Tax Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 1,000	300	(700)	\$ 1,000	800	(200)
Interest	100	85	(15)	100	96	(4)
Total Receipts	<u>\$ 1,100</u>	<u>385</u>	<u>(715)</u>	<u>\$ 1,100</u>	<u>896</u>	<u>(204)</u>
<b>DISBURSEMENTS</b>						
Office	\$ 200	20	(180)	\$ 200	55	(145)
Total Disbursements	<u>\$ 200</u>	<u>20</u>	<u>(180)</u>	<u>\$ 200</u>	<u>55</u>	<u>(145)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 900	365	(535)	\$ 900	841	(59)
CASH, JANUARY 1	13,261	13,261	-	12,420	12,420	-
CASH, DECEMBER 31	<u>\$ 14,161</u>	<u>13,626</u>	<u>(535)</u>	<u>\$ 13,320</u>	<u>13,261</u>	<u>(59)</u>

<b>Reserve General Revenue Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 5,000	2,024	(2,976)	\$ 5,000	4,717	(283)
Transfers in	500	80,000	79,500	500	-	(500)
Total Receipts	<u>\$ 5,500</u>	<u>82,024</u>	<u>76,524</u>	<u>\$ 5,500</u>	<u>4,717</u>	<u>(783)</u>
<b>DISBURSEMENTS</b>						
Transfers out	\$ 300,000	74,061	(225,939)	\$ 475,000	179,015	(295,985)
Total Disbursements	<u>\$ 300,000</u>	<u>74,061</u>	<u>(225,939)</u>	<u>\$ 475,000</u>	<u>179,015</u>	<u>(295,985)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (294,500)	7,963	302,463	\$ (469,500)	(174,298)	295,202
CASH, JANUARY 1	314,876	314,876	-	489,174	489,174	-
CASH, DECEMBER 31	<u>\$ 20,376</u>	<u>322,839</u>	<u>302,463</u>	<u>\$ 19,674</u>	<u>314,876</u>	<u>295,202</u>

<b>Sheriff Revolving Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 4,000	4,920	920	\$ 2,500	1,385	(1,115)
Interest	100	130	30	100	116	16
Other	1,000	-	(1,000)	500	3,270	2,770
Total Receipts	<u>\$ 5,100</u>	<u>5,050</u>	<u>(50)</u>	<u>\$ 3,100</u>	<u>4,771</u>	<u>1,671</u>
<b>DISBURSEMENTS</b>						
Office	\$ 2,500	12	(2,488)	\$ 2,500	11	(2,489)
Total Disbursements	<u>\$ 2,500</u>	<u>12</u>	<u>(2,488)</u>	<u>\$ 2,500</u>	<u>11</u>	<u>(2,489)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,600	5,038	2,438	\$ 600	4,760	4,160
CASH, JANUARY 1	18,167	18,167	-	13,407	13,407	-
CASH, DECEMBER 31	<u>\$ 20,767</u>	<u>23,205</u>	<u>2,438</u>	<u>\$ 14,007</u>	<u>18,167</u>	<u>4,160</u>

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

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<b>Post Commission Fund</b>					
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,550	1,517	(33)	\$ 1,600	1,506	(94)
Total Receipts	\$ 1,550	1,517	(33)	\$ 1,600	1,506	(94)
DISBURSEMENTS						
Office	\$ 1,500	1,520	20	\$ 1,600	1,494	(106)
Total Disbursements	\$ 1,500	1,520	20	\$ 1,600	1,494	(106)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 50	(3)	(53)	\$ -	12	12
CASH, JANUARY 1	1,553	1,553	-	1,541	1,541	-
CASH, DECEMBER 31	\$ 1,603	1,550	(53)	\$ 1,541	1,553	12

	<b>Special Election Fund</b>					
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 25,000	20,427	(4,573)	\$ 80,000	46,328	(33,672)
Total Receipts	\$ 25,000	20,427	(4,573)	\$ 80,000	46,328	(33,672)
DISBURSEMENTS						
Office	\$ 25,000	18,345	(6,655)	\$ 80,000	50,499	(29,501)
Total Disbursements	\$ 25,000	18,345	(6,655)	\$ 80,000	50,499	(29,501)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	2,082	2,082	\$ -	(4,171)	(4,171)
CASH, JANUARY 1	-	-	-	4,171	4,171	-
CASH, DECEMBER 31	\$ -	2,082	2,082	\$ 4,171	-	(4,171)

	<b>Sheriff Operations Fund</b>					
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 16,000	15,924	(76)	\$ 16,000	15,924	(76)
Charges for services	48,000	60,494	12,494	48,000	35,959	(12,041)
Interest	900	610	(290)	1,000	889	(111)
Other	1,500	-	(1,500)	-	1,793	1,793
Total Receipts	\$ 66,400	77,028	10,628	\$ 65,000	54,565	(10,435)
DISBURSEMENTS						
Office	\$ 95,500	65,670	(29,830)	\$ 105,500	79,685	(25,815)
Total Disbursements	\$ 95,500	65,670	(29,830)	\$ 105,500	79,685	(25,815)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (29,100)	11,358	40,458	\$ (40,500)	(25,120)	15,380
CASH, JANUARY 1	85,529	85,529	-	110,649	110,649	-
CASH, DECEMBER 31	\$ 56,429	96,887	40,458	\$ 70,149	85,529	15,380

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Election Services Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 4,000	-	(4,000)	\$ 6,000	4,171	(1,829)
Interest	50	13	(37)	100	11	(89)
Other	-	1,166	1,166	2,000	678	(1,322)
Total Receipts	<u>\$ 4,050</u>	<u>1,179</u>	<u>(2,871)</u>	<u>\$ 8,100</u>	<u>4,860</u>	<u>(3,240)</u>
<b>DISBURSEMENTS</b>						
Office	\$ 4,000	2,447	(1,553)	\$ 6,300	4,312	(1,988)
Total Disbursements	<u>\$ 4,000</u>	<u>2,447</u>	<u>(1,553)</u>	<u>\$ 6,300</u>	<u>4,312</u>	<u>(1,988)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 50	(1,268)	(1,318)	\$ 1,800	548	(1,252)
CASH, JANUARY 1	1,761	1,761	-	1,213	1,213	-
CASH, DECEMBER 31	<u>\$ 1,811</u>	<u>493</u>	<u>(1,318)</u>	<u>\$ 3,013</u>	<u>1,761</u>	<u>(1,252)</u>

<b>Children's Trust Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 3,800	3,895	95	\$ 2,850	3,725	875
Interest	60	59	(1)	40	59	19
Other	100	-	(100)	100	6	(94)
Total Receipts	<u>\$ 3,960</u>	<u>3,954</u>	<u>(6)</u>	<u>\$ 2,990</u>	<u>3,790</u>	<u>800</u>
<b>DISBURSEMENTS</b>						
Office	\$ 1,000	5,008	4,008	\$ 1,000	1,000	-
Total Disbursements	<u>\$ 1,000</u>	<u>5,008</u>	<u>4,008</u>	<u>\$ 1,000</u>	<u>1,000</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,960	(1,054)	(4,014)	\$ 1,990	2,790	800
CASH, JANUARY 1	9,289	9,289	-	6,499	6,499	-
CASH, DECEMBER 31	<u>\$ 12,249</u>	<u>8,235</u>	<u>(4,014)</u>	<u>\$ 8,489</u>	<u>9,289</u>	<u>800</u>

<b>Courthouse Annex Building Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 100	-	(100)	\$ 100	10	(90)
Total Receipts	<u>\$ 100</u>	<u>-</u>	<u>(100)</u>	<u>\$ 100</u>	<u>10</u>	<u>(90)</u>
<b>DISBURSEMENTS</b>						
Office	\$ 5,000	-	(5,000)	\$ 5,000	5,024	24
Total Disbursements	<u>\$ 5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>\$ 5,000</u>	<u>5,024</u>	<u>24</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,900)	-	4,900	\$ (4,900)	(5,014)	(114)
CASH, JANUARY 1	-	-	-	5,014	5,014	-
CASH, DECEMBER 31	<u>\$ (4,900)</u>	<u>-</u>	<u>4,900</u>	<u>\$ 114</u>	<u>-</u>	<u>(114)</u>

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

**MONTGOMERY COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Recorder Technology Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 2,800	2,583	(217)	\$ 3,000	2,814	(186)
Interest	350	196	(154)	350	340	(10)
Total Receipts	\$ 3,150	2,779	(371)	\$ 3,350	3,154	(196)
<b>DISBURSEMENTS</b>						
Office	\$ 23,000	1,229	(21,771)	\$ 23,000	1,535	(21,465)
Total Disbursements	\$ 23,000	1,229	(21,771)	\$ 23,000	1,535	(21,465)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,850)	1,550	21,400	\$ (19,650)	1,619	21,269
CASH, JANUARY 1	29,095	29,095	-	27,476	27,476	-
CASH, DECEMBER 31	\$ 9,245	30,645	21,400	\$ 7,826	29,095	21,269

**Collector's Tax Maintenance Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 21,000	18,114	(2,886)	\$ 21,000	21,251	251
Interest	190	183	(7)	500	189	(311)
Total Receipts	\$ 21,190	18,297	(2,893)	\$ 21,500	21,440	251
<b>DISBURSEMENTS</b>						
Office	\$ 31,000	18,296	(12,704)	\$ 31,200	16,053	(15,147)
Total Disbursements	\$ 31,000	18,296	(12,704)	\$ 31,200	16,053	(15,147)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,810)	1	9,811	\$ (9,700)	5,387	15,087
CASH, JANUARY 1	21,294	21,294	-	15,907	15,907	-
CASH, DECEMBER 31	\$ 11,484	21,295	9,811	\$ 6,207	21,294	15,087

**Inmate Security Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 3,000	3,336	336	\$ 2,500	3,102	602
Interest	80	90	10	60	82	22
Total Receipts	\$ 3,080	3,426	346	\$ 2,560	3,184	624
<b>DISBURSEMENTS</b>						
Office	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 580	3,426	2,846	\$ 60	3,184	3,124
CASH, JANUARY 1	13,014	13,014	-	9,830	9,830	-
CASH, DECEMBER 31	\$ 13,594	16,440	2,846	\$ 9,890	13,014	3,124

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

**NOTES TO FINANCIAL STATEMENTS**

**MONTGOMERY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Montgomery County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Recorder, County Clerk, Collector, Treasurer, County Surveyor, Coroner, Prosecuting Attorney, Public Administrator and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices 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, county courts administration, county recorder, public safety and 911, economic development, road and bridge maintenance, social and human services, and cultural and recreation 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 Montgomery County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity.

**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.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are considered custodial in nature, and are not reported on the accompanying financial statements.

**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:

**MONTGOMERY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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 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.
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. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has 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 did not amend any budgets for 2011 or 2010.
7. Budgets are prepared and adopted on the cash basis of accounting.
8. The county has established a separate budgeted fund called the Reserve General Revenue Fund. This fund is set aside to transfer reserves from the General Revenue Fund, and then used to transfer monies back to the General Revenue Fund as needed for payment of expenses or to other funds as necessary to help pay expenses.
9. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2011 and 2010.

<u>Fund</u>	<u>Years Ended December 31,</u>
Emergency 911	2011 and 2010
Post Commission	2011
Children's Trust	2011
Courthouse Annex Building	2010

10. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Courthouse Annex Building Fund had a deficit budgeted cash balance in 2011 in the amount of \$4,900, while the Local Emergency Planning Commission Fund had a deficit budgeted cash balance of \$66 in 2010.

**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.

**MONTGOMERY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**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 2011 and 2010 for purposes of local taxation was:

	<u>2011</u>		<u>2010</u>
Real Estate	\$ 59,230,110	\$	58,595,050
Personal Property	29,963,540		29,022,190
Railroad and Utilities	82,773,328		80,406,110
Total Assessed Valuation	<u>\$ 171,966,978</u>	<u>\$</u>	<u>168,023,350</u>

The county-wide levy per \$100 of total assessed valuation of tangible property for the calendar year 2011 and 2010 for purposes of local taxation was:

	<u>2011</u>		<u>2010</u>
General Revenue Fund	\$ .2938	\$	.2755
Special Road and Bridge Fund *	.2832		.2787
DDAB of Montgomery County	.0970		.0954

\* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

**1. G. CASH DEPOSITS AND INVESTMENTS**

Cash deposits and investments in money market accounts and certificates of deposit are stated at cost, which approximates market. Cash balances for the County Treasurer's funds are 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.

**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.

**MONTGOMERY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the primary government for the years ended December 31, 2011 and 2010 were as follows:

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue Fund	\$ 128,312	\$ 126,600
Assessment Fund	46,600	-
Special Road and Bridge Fund	-	40,906
Emergency Management Fund	-	5,000
Reserve General Revenue Fund	80,000	74,061
Totals	\$ <u>254,912</u>	\$ <u>246,567</u>

	Year Ended December 31, 2010	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue Fund	\$ 221,114	\$ 46,600
Assessment Fund	46,675	-
Special Road and Bridge Fund	-	40,054
Emergency Management Fund	-	8,460
Reserve General Revenue Fund	-	179,015
Totals	\$ <u>267,789</u>	\$ <u>274,129</u>

The difference between transfers in and transfers out were mainly related to transfers recorded that were shown as receipts and disbursements in other classifications in the appropriate funds.

**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 years ended December 31, 2011 and 2010, the published financial statements included all funds and the required information.

**NOTE 2. CASH AND INVESTMENTS**

The county has determined through experience that checking accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. Each fund type's portion of the cash and investments is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, 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. At December 31, 2011 and 2010, the County had no such investments.

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 and time accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, and savings institutions.

**MONTGOMERY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2011 and 2010, the total of all county's deposits held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the county's name or by its agent in the county's name. The county's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, 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 is to commit a political subdivision 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. The county has not adopted a written investment policy in accordance with applicable state law.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. Missouri Local Government Employees Retirement System (LAGERS)**

1) Plan Description

Montgomery County 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 pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, sections RSMo 70.600 – 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. 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 65102 or by calling 1-800-477-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions.

**MONTGOMERY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

3) Funding Policy

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 2011 was 3.20% (general) and 3.70% (police) and for 2010 the rate contributed was 2.20% (general) and 3.70% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members.

4) Annual Pension Cost

During 2011 and 2010, total payments to LAGERS were \$174,181 and 144,644, respectively.

**B. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) 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 of 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 Retirement 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 and at the age of fifty-five with reduced benefits. 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). An eligible 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, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll free 1-877-632-2373.

**MONTGOMERY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 0% (LAGERS member) or 2% (non-LAGERS member) of annual salary is required for eligible employees hired before February 25, 2002. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% (LAGERS member) or 6% (non-LAGERS member) in order to participate in CERF. The county contributed 4% of the annual salaries for the eligible employees hired on or after February 25, 2002 through December 17, 2003. For employees hired after December 17, 2003, a contribution of 4% of annual salary for county employees is required of employees to participate in CERF. During 2011 and 2010, the county collected and remitted to CERF \$130,878 and \$136,123, respectively, for the years then ended.

**NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute Chapter 56.807 RSMo, the county contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The county contributed \$2,244 and \$2,244, for the years ended December 31, 2011 and 2010, respectively.

**NOTE 5. 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.

**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Vacation time is accrued for every eligible employee in the county and accrues at the rate of up to four weeks per year. On termination of employment, an employee is reimbursed for unused vacation time. 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.

2) 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.

**MONTGOMERY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 7. RISK MANAGEMENT**

The county is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and have 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 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 8. LONG-TERM DEBT**

The county had the following debt outstanding at December 31, 2011:

- A. Long-term debt consists of \$3,680,000 original principal Montgomery County general obligation bonds series 1998 – due in semi-annual principal installments ranging from \$125,000 to \$189,000 through January 1, 2014, with a variable interest rate from 3.7 percent to 5.10 percent. The lease was refinanced in January 2011, with a variable interest rate from 1.10 to 2.25 percent, and principal installments ranging from \$150,000 to \$185,000.

The annual requirements to amortize all general obligation bonds outstanding as of December 31, including interest payments are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2012	\$	305,000	\$	18,021
2013		310,000		12,831
2014		340,000		5,881
Totals	\$	<u>955,000</u>	\$	<u>36,733</u>

- B. The county has entered into various lease-purchase agreements for vehicles through Ford Credit. These vehicles were purchased in 2010 and 2011 and they make various annual payments that do not exceed 36 months. The interest rates on the lease-purchases range from 6.50% to 7.10%. The annual requirements to amortize the automobile lease-purchase agreements outstanding as of December 31, including interest payments are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2012	\$	22,222	\$	2,039
2013		7,756		504
Totals	\$	<u>29,978</u>	\$	<u>2,543</u>

**NOTE 9. CONTINGENCIES**

The county is involved in a litigation matter at which time the probable outcome is not readily obtainable. The county's management and legal counsel anticipate that the potential claim against the county not covered by insurance, if any, resulting from such matter would not materially affect the financial position of the county.

## **COMPLIANCE SECTION**

# CASEY-BEARD-BOEHMER PC



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August 24, 2012

## 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 Montgomery County, Missouri

We have audited the financial statements of Montgomery County, Missouri, as of and for the years ended December 31, 2011 and 2010, which collectively comprise Montgomery County's basic financial statements and have issued our report thereon dated August 24, 2012. 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

Management of Montgomery County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Montgomery County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Montgomery County's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Montgomery County'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02).

MEMBER  
•  
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Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
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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)**

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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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Montgomery County'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 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*, and which are described in the accompanying schedule of findings and responses as items 11-01 and 11-02.

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

This report is intended solely for the information and use of management, County Commission, others within the entity, 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

**MONTGOMERY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**FINANCIAL STATEMENT FINDINGS**

**11-01 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 County Commission minutes did not record any approval of budget amendments for any county funds in December 2010. The 2011 budget document for several county funds had amended totals for 2010 but the County Clerk could not locate any budget amendments. We also noted upon discussion with the State Auditor's Office that any December 2010 budget amendments had not been filed with the office.
- B. The County Commission's 2011 budget for the Courthouse Annex Building Fund left a budgeted negative cash balance of \$4,900, while the 2010 budget for the Local Emergency Planning Commission Fund left a negative budgeted cash balance of \$66.
- C. The County Commission and other county officials did not exercise adequate budgetary control over various 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	2010	\$ 15,230
Emergency 911	2011	16,856
Post Commission	2011	20
Children's Trust	2011	4,008
Courthouse Annex Building	2010	24

Criteria: Section 50.622 RSMo, requires that the same procedures should be followed for amending the budget as were required for the adoption of the annual budget. Section 50.540 RSMo states the estimated ending fund balance cannot be a deficit balance.

Cause: County officials did not consider the importance of preparing proper amended budgets and other information on the budget documents and did not ensure that fund disbursements exceed the approved budgeted amounts.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendations:

- A. The County Commission and County Clerk should ensure amended budgets are prepared and formally approved and filed with the state as required by state law.
- B. The County Commission and County Clerk should ensure the budgets do not indicate a negative budgeted cash balance in any fund.
- C. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

**MONTGOMERY COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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*Response:*

- A. *Montgomery County does consider the importance of preparing proper amended budgets and other information on the budget documents. The realization of the need to amend the 2010 and 2011 budgets was not recognized until it was too late to revise the budgets; therefore proper actions were not taken. The County Clerk shall be more observant to necessary budget amendments in the future and will assist the County Commission with documentary information to inform them of budget constraints. All budget amendments will be made in compliance with Missouri State Statutes.*
- B. *The County Commission and County Clerk shall to the best of their ability ensure budgets do not indicate negative cash balances.*
- C. *The County Commission shall to the best of their ability to not approve expenditures in excess of budgeted amounts. The County Commission shall receive reports and documents to indicate necessary budget amendments and shall follow appropriate amendments in compliance with Missouri State Statutes.*

**11-02 Accounting for Transfers**

Condition: The financial statements of the county as represented in the annual budget document do not present the proper amount of budgeted and actual transfers between the various county funds and, therefore, total transfers in do not agree with total transfers out for the year ended December 31, 2011 and 2010. Budgeted and actual amounts for transfers in each year are not properly reconciled to total budgeted and actual amounts transferred out. Several transfers were erroneously recorded within receipts or disbursements of the corresponding funds instead of as actual transfers. Reclassification entries within the General Revenue Fund for known transfers recorded as Other Revenues have been made to correct the county's financial statements as originally presented.

Criteria: Strong internal controls over financial statements require that transfers are properly reported and are in balance.

Cause: The County Commission and County Clerk did not report actual or budgeted transfers properly.

Effect: The transfers between funds are not in balance on the budget documents filed with the state.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement and that other types of transactions that are not operating transfers are not presented in the "Transfers" account category.

**MONTGOMERY COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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*Response:*

*As the conditions state, transfers were erroneously recorded with receipts or disbursements. All transfers recorded with receipts, disbursements, or transfers were made with a Commission Court Order approval. The County Commission minutes/records and the accounting files of the County Clerk and County Treasurer all hold supporting documentation to each transaction. The terminology of "transfers" used by auditor standards and on Commission Court Orders seems to be the issue. The County Clerk will evaluate the language and adjust the process of fund transfers to comply with auditing standards.*

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

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

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In accordance with Government Auditing Standards, this section reports the auditor's follow-up on the action taken by Montgomery County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2009 and 2008.

- 1) Auditors may continue to assist clients with the preparation of the financial statements as long as management designates an individual with suitable skill, knowledge or experience to review and approve the financial statements and related notes. Management must also accept responsibility for those financial statements and related notes.

*Status – Partially Implemented.* The Commission and County Clerk are reviewing their budgeting process.

- 2) Statement of Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

*Status – Partially Implemented.* The County is reviewing this recommendation.

- 3) Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

*Status – Partially Implemented.* The County is reviewing its policies and procedures currently in place.