



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

To the County Commission  
and  
Officeholders of Pike County, Missouri

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

November 2012  
Report No. 2012-139



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**INDEPENDENT AUDITORS' REPORT**

# CASEY-BEARD-BOEHMER PC



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January 22, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Pike County, Missouri

We have audited the accompanying financial statements of Pike County, Missouri, as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of Pike 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, Pike 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 Pike 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 Pike 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  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
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**PIKE COUNTY, MISSOURI**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2013 on our consideration of Pike County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the county's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Pike County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

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

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**FINANCIAL SECTION**

**PIKE 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			Cash			Cash
	January 1, 2010	Receipts	Disbursements	December 31, 2010	Receipts	Disbursements	December 31, 2011
General Revenue	\$ 1,252,327	1,901,483	1,917,183	1,236,627	2,109,294	2,025,539	1,320,382
Special Road and Bridge	161,906	2,491,308	2,151,144	502,070	2,713,704	2,949,323	266,451
Assessment	64,714	305,096	271,905	97,905	299,854	294,532	103,227
Law Enforcement Sales Tax	18,650	1,433,927	1,441,216	11,361	1,505,070	1,443,822	72,609
Law Enforcement Training	24,195	10,166	14,901	19,460	6,414	18,405	7,469
Recorder	69,277	10,826	17,810	62,293	11,215	36,479	37,029
Prosecuting Attorney Bad Check 911	38,438	15,650	24,377	29,711	13,771	23,321	20,161
Prosecuting Attorney Training	12,755	145,010	96,279	61,486	158,175	90,436	129,225
Prosecuting Attorney Tax	1,221	1,542	1,533	1,230	1,011	1,550	691
5% Statute Cost Election	1,221	-	117	1,104	-	274	830
Special Election	4,134	907	2,929	2,112	75	-	2,187
Tax Maintenance	37,875	57,822	78,245	17,452	29,432	24,759	22,125
Hospital	102,795	24,792	43,446	84,141	22,360	19,763	86,738
Help America Vote Act (HAVA)	-	690,332	690,308	24	732,729	664,227	68,526
Domestic Violence (1)	1,020	-	-	1,020	-	-	1,020
Sheriff's Revolving (1)	6,143	7,728	6,142	7,729	5,615	-	13,344
Inmate Security (1)	2,657	20,108	6,454	16,311	13,168	13,590	15,889
Law Enforcement Restitution (1)	-	-	-	-	2,840	-	2,840
Grant (CDBG) (2)	7,116	11,333	-	18,449	9,499	16,346	11,602
	-	130,741	78,730	52,011	199,174	251,185	-
<b>Totals</b>	<b>\$ 1,806,444</b>	<b>7,258,771</b>	<b>6,842,719</b>	<b>2,222,496</b>	<b>7,833,400</b>	<b>7,873,551</b>	<b>2,182,345</b>

(1) Budgets were not prepared by the county.

(2) A separate fund was not established for grant monies received but were deposited into a special bank account or the Treasurer's Miscellaneous account. Monies for pass-through of some federal awards are included and \$52,011 is also included as a deposit in 2010 and not distributed to the respective funds until 2011 when the County Commission knew what the grant funds were for and disbursed out to the General Fund.

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

**PIKE 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	\$ 620,000	704,212	84,212	\$ 620,000	650,444	30,444
Sales taxes	690,000	732,244	42,244	650,000	689,218	39,218
Intergovernmental	96,950	166,426	69,476	96,950	143,906	46,956
Charges for services	347,950	323,678	(24,272)	347,950	307,759	(40,191)
Interest	-	5,023	5,023	26,000	16,021	(9,979)
Other	115,522	177,711	62,189	185,722	94,135	(91,587)
Total Receipts	\$ 1,870,422	2,109,294	238,872	\$ 1,926,622	1,901,483	(25,139)
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 98,329	98,253	(76)	\$ 99,829	98,794	(1,035)
County Clerk	104,303	103,258	(1,045)	76,136	102,603	26,467
Elections	65,256	64,294	(962)	80,756	78,704	(2,052)
Buildings and grounds	85,580	91,664	6,084	85,580	89,078	3,498
Employee fringe benefits	136,275	249,895	113,620	201,092	222,282	21,190
County Treasurer	58,436	54,325	(4,111)	55,736	49,967	(5,769)
County Collector	83,644	75,796	(7,848)	84,644	75,605	(9,039)
Recorder of Deeds	69,088	68,861	(227)	69,088	69,287	199
Circuit Clerk	38,713	23,990	(14,723)	38,713	29,954	(8,759)
Court Administration	77,700	42,471	(35,229)	77,700	38,942	(38,758)
Public Administrator	47,276	48,195	919	47,276	45,995	(1,281)
Public Safety-						
Prosecuting Attorney	233,016	224,374	(8,642)	224,264	222,581	(1,683)
Juvenile Officer	63,174	42,107	(21,067)	65,110	48,096	(17,014)
County Coroner	21,600	29,968	8,368	34,000	29,888	(4,112)
Other	108,621	93,567	(15,054)	121,235	111,356	(9,879)
Miscellaneous	395,600	249,678	(145,922)	270,250	183,615	(86,635)
Pike County Development Authority	-	30,000	30,000	-	25,750	25,750
Public Defender	4,800	4,086	(714)	4,800	4,086	(714)
Health and welfare	6,000	2,700	(3,300)	6,000	3,600	(2,400)
Transfers out	379,858	378,858	(1,000)	387,000	387,000	-
Emergency Fund	85,000	49,199	(35,801)	85,000	-	(85,000)
Total Disbursements	\$ 2,162,269	2,025,539	(136,730)	\$ 2,114,209	1,917,183	(197,026)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (291,847)	83,755	375,602	\$ (187,587)	(15,700)	171,887
CASH, JANUARY 1	1,236,627	1,236,627	-	1,252,327	1,252,327	-
CASH, DECEMBER 31	\$ 944,780	1,320,382	375,602	\$ 1,064,740	1,236,627	171,887

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

**PIKE 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	\$ 557,000	557,924	924	\$ 425,000	480,891	55,891
Sales taxes	811,000	811,052	52	750,000	756,370	6,370
Intergovernmental	1,286,750	1,287,340	590	1,262,500	1,021,704	(240,796)
Interest	4,500	3,080	(1,420)	5,000	4,103	(897)
Other	5,000	54,308	49,308	211,000	228,240	17,240
Total Receipts	\$ 2,664,250	2,713,704	49,454	\$ 2,653,500	2,491,308	(162,192)
<b>DISBURSEMENTS</b>						
Salaries	\$ 502,702	504,510	1,808	\$ 543,275	528,779	(14,496)
Employee fringe benefits	182,500	172,040	(10,460)	179,202	144,482	(34,720)
Supplies	273,000	226,484	(46,516)	197,500	207,049	9,549
Insurance	43,000	41,966	(1,034)	68,000	51,568	(16,432)
Road and bridge materials	1,061,000	973,867	(87,133)	900,000	758,934	(141,066)
Equipment repairs	126,000	125,835	(165)	90,000	82,190	(7,810)
Rentals	15,000	13,890	(1,110)	500	-	(500)
Equipment purchases	526,000	483,249	(42,751)	35,000	30,585	(4,415)
Road and bridge construction	360,000	395,723	35,723	690,000	335,444	(354,556)
Services and other	10,000	11,759	1,759	13,000	12,113	(887)
Total Disbursements	\$ 3,099,202	2,949,323	(149,879)	\$ 2,716,477	2,151,144	(565,333)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (434,952)	(235,619)	199,333	\$ (62,977)	340,164	403,141
CASH, JANUARY 1	502,070	502,070	-	161,906	161,906	-
CASH, DECEMBER 31	\$ 67,118	266,451	199,333	\$ 98,929	502,070	403,141

<b>Assessment Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 211,720	242,407	30,687	\$ 222,706	247,881	25,175
Interest	1,000	710	(290)	1,000	1,259	259
Other	7,100	10,379	3,279	7,500	9,956	2,456
Transfers in	46,358	46,358	-	46,373	46,000	(373)
Total Receipts	\$ 266,178	299,854	33,676	\$ 277,579	305,096	27,517
<b>DISBURSEMENTS</b>						
Assessor	\$ 336,060	294,532	(41,528)	\$ 338,206	271,905	(66,301)
Total Disbursements	\$ 336,060	294,532	(41,528)	\$ 338,206	271,905	(66,301)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (69,882)	5,322	75,204	\$ (60,627)	33,191	93,818
CASH, JANUARY 1	97,905	97,905	-	64,714	64,714	-
CASH, DECEMBER 31	\$ 28,023	103,227	75,204	\$ 4,087	97,905	93,818

**PIKE 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 Sales Tax Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 770,000	811,138	41,138	\$ 770,000	756,451	(13,549)
Intergovernmental	245,000	257,634	12,634	255,500	239,283	(16,217)
Charges for services	48,500	38,762	(9,738)	50,900	48,541	(2,359)
Interest	800	264	(536)	1,100	649	(451)
Other	52,000	39,772	(12,228)	48,500	49,003	503
Transfers in	357,500	357,500	-	340,000	340,000	-
Total Receipts	\$ 1,473,800	1,505,070	31,270	\$ 1,466,000	1,433,927	(32,073)
<b>DISBURSEMENTS</b>						
Salaries	\$ 821,252	796,553	(24,699)	\$ 821,252	816,868	(4,384)
Employee fringe benefits	227,240	222,901	(4,339)	227,240	206,968	(20,272)
Office	253,506	254,195	689	242,506	242,174	(332)
Jail	154,000	161,307	7,307	165,000	156,809	(8,191)
Other	-	8,866	8,866	-	18,397	18,397
Total Disbursements	\$ 1,455,998	1,443,822	(12,176)	\$ 1,455,998	1,441,216	(14,782)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 17,802	61,248	43,446	\$ 10,002	(7,289)	(17,291)
CASH, JANUARY 1	11,361	11,361	-	18,650	18,650	-
CASH, DECEMBER 31	\$ 29,163	72,609	43,446	\$ 28,652	11,361	(17,291)

**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	\$ 6,000	6,369	369	\$ 6,000	9,024	3,024
Interest	-	45	45	-	142	142
Transfers in	-	-	-	-	1,000	1,000
Total Receipts	\$ 6,000	6,414	414	\$ 6,000	10,166	4,166
<b>DISBURSEMENTS</b>						
Sheriff	\$ 12,500	18,405	5,905	\$ 12,500	14,901	2,401
Total Disbursements	\$ 12,500	18,405	5,905	\$ 12,500	14,901	2,401
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,500)	(11,991)	(5,491)	\$ (6,500)	(4,735)	1,765
CASH, JANUARY 1	19,460	19,460	-	24,195	24,195	-
CASH, DECEMBER 31	\$ 12,960	7,469	(5,491)	\$ 17,695	19,460	1,765

**PIKE 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 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 12,000	11,215	(785)	\$ 14,000	10,826	(3,174)
Total Receipts	\$ 12,000	11,215	(785)	\$ 14,000	10,826	(3,174)
<b>DISBURSEMENTS</b>						
Office	\$ 19,000	36,479	17,479	\$ 16,000	17,810	1,810
Total Disbursements	\$ 19,000	36,479	17,479	\$ 16,000	17,810	1,810
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,000)	(25,264)	(18,264)	\$ (2,000)	(6,984)	(4,984)
CASH, JANUARY 1	62,293	62,293	-	69,277	69,277	-
CASH, DECEMBER 31	\$ 55,293	37,029	(18,264)	\$ 67,277	62,293	(4,984)

**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	\$ 49,805	13,645	(36,160)	\$ 59,492	15,391	(44,101)
Interest	200	126	(74)	240	259	19
Total Receipts	\$ 50,005	13,771	(36,234)	\$ 59,732	15,650	(44,082)
<b>DISBURSEMENTS</b>						
Office	\$ 38,000	23,321	(14,679)	\$ 40,000	24,377	(15,623)
Total Disbursements	\$ 38,000	23,321	(14,679)	\$ 40,000	24,377	(15,623)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12,005	(9,550)	(21,555)	\$ 19,732	(8,727)	(28,459)
CASH, JANUARY 1	29,711	29,711	-	38,438	38,438	-
CASH, DECEMBER 31	\$ 41,716	20,161	(21,555)	\$ 58,170	29,711	(28,459)

**PIKE 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>911 Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 140,000	157,817	17,817	\$ 140,000	144,860	4,860
Interest	-	358	358	-	150	150
Total Receipts	\$ 140,000	158,175	18,175	\$ 140,000	145,010	5,010
<b>DISBURSEMENTS</b>						
Salary	\$ 24,083	24,083	-	\$ 24,083	24,083	-
Employee fringe benefits	7,380	4,023	(3,357)	7,380	5,432	(1,948)
Other	44,883	37,330	(7,553)	55,992	66,764	10,772
Transfers out	50,000	25,000	(25,000)	50,000	-	(50,000)
Total Disbursements	\$ 126,346	90,436	(35,910)	\$ 137,455	96,279	(41,176)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 13,654	67,739	54,085	\$ 2,545	48,731	46,186
CASH, JANUARY 1	61,486	61,486	-	12,755	12,755	-
CASH, DECEMBER 31	\$ 75,140	129,225	54,085	\$ 15,300	61,486	46,186

<b>Prosecuting Attorney Training Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 14,229	-	(14,229)	\$ 850	-	(850)
Other	-	1,011	1,011	-	1,542	1,542
Total Receipts	\$ 14,229	1,011	(13,218)	\$ 850	1,542	692
<b>DISBURSEMENTS</b>						
Training	\$ 2,000	1,550	(450)	\$ 850	1,533	683
Total Disbursements	\$ 2,000	1,550	(450)	\$ 850	1,533	683
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12,229	(539)	(12,768)	-	9	9
CASH, JANUARY 1	1,230	1,230	-	1,221	1,221	-
CASH, DECEMBER 31	\$ 13,459	691	(12,768)	\$ 1,221	1,230	9

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

**PIKE 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**

**Prosecuting Attorney Tax Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,104	-	(1,104)	\$ -	-	-
Total Receipts	\$ 1,104	-	(1,104)	\$ -	-	-
DISBURSEMENTS						
Office	\$ 1,104	274	(830)	\$ 500	117	(383)
Total Disbursements	\$ 1,104	274	(830)	\$ 500	117	(383)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(274)	(274)	\$ (500)	(117)	383
CASH, JANUARY 1	1,104	1,104	-	1,221	1,221	-
CASH, DECEMBER 31	\$ 1,104	830	(274)	\$ 721	1,104	383

**5% Statute Cost Election Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,000	75	(925)	\$ 1,000	907	(93)
Total Receipts	\$ 1,000	75	(925)	\$ 1,000	907	(93)
DISBURSEMENTS						
Office	\$ -	-	-	\$ -	2,929	2,929
Mileage and training	500	-	(500)	500	-	(500)
Total Disbursements	\$ 500	-	(500)	\$ 500	2,929	2,429
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 500	75	(425)	\$ 500	(2,022)	(2,522)
CASH, JANUARY 1	2,112	2,112	-	4,134	4,134	-
CASH, DECEMBER 31	\$ 2,612	2,187	(425)	\$ 4,634	2,112	(2,522)

**PIKE 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 Election Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 40,000	29,432	(10,568)	\$ 40,000	57,822	17,822
Total Receipts	\$ 40,000	29,432	(10,568)	\$ 40,000	57,822	17,822
DISBURSEMENTS						
Office	\$ 42,000	24,759	(17,241)	\$ 42,000	78,245	36,245
Total Disbursements	\$ 42,000	24,759	(17,241)	\$ 42,000	78,245	36,245
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	4,673	6,673	\$ (2,000)	(20,423)	(18,423)
CASH, JANUARY 1	16,640	17,452	812	37,873	37,875	2
CASH, DECEMBER 31	\$ 14,640	22,125	7,485	\$ 35,873	17,452	(18,421)

<b>Tax Maintenance Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over ( Under) Budget
RECEIPTS						
Charges for services	\$ 19,000	21,951	2,951	\$ 19,000	23,714	4,714
Interest	-	409	409	-	1,078	1,078
Total Receipts	\$ 19,000	22,360	3,360	\$ 19,000	24,792	5,792
DISBURSEMENTS						
Office	\$ 20,000	19,763	(237)	\$ 20,000	43,446	23,446
Total Disbursements	\$ 20,000	19,763	(237)	\$ 20,000	43,446	23,446
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	2,597	3,597	\$ (1,000)	(18,654)	(17,654)
CASH, JANUARY 1	84,141	84,141	-	102,795	102,795	-
CASH, DECEMBER 31	\$ 83,141	86,738	3,597	\$ 101,795	84,141	(17,654)

**PIKE 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**

**Hospital Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 630,000	731,810	101,810	\$ 630,000	688,787	58,787
Interest	-	919	919	-	1,545	1,545
Total Receipts	\$ 630,000	732,729	102,729	\$ 630,000	690,332	60,332
<b>DISBURSEMENTS</b>						
Construction	\$ 435,000	431,244	(3,756)	\$ 435,000	327,302	(107,698)
Other	230,000	232,983	2,983	230,000	363,006	133,006
Total Disbursements	\$ 665,000	664,227	(773)	\$ 665,000	690,308	25,308
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (35,000)	68,502	103,502	\$ (35,000)	24	35,024
CASH, JANUARY 1	24	24	-	-	-	-
CASH, DECEMBER 31	\$ (34,976)	68,526	103,502	\$ (35,000)	24	35,024

**Help America Vote Act Fund (HAVA)**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 3,000	-	(3,000)	\$ 3,000	-	(3,000)
Interest	25	-	(25)	25	-	(25)
Total Receipts	\$ 3,025	-	(3,025)	\$ 3,025	-	(3,025)
<b>DISBURSEMENTS</b>						
HAVA expenses	\$ 3,000	-	(3,000)	\$ 3,000	-	(3,000)
Total Disbursements	\$ 3,000	-	(3,000)	\$ 3,000	-	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 25	-	(25)	\$ 25	-	(25)
CASH, JANUARY 1	1,020	1,020	-	1,020	1,020	-
CASH, DECEMBER 31	\$ 1,045	1,020	(25)	\$ 1,045	1,020	(25)

## **NOTES TO FINANCIAL STATEMENTS**

**PIKE 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**

Pike 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, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, 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, state/county courts administration, county recorder, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report.

The financial statements referred to above include the primary government of Pike 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, Public Administrator, 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 for the benefit of external parties, are held in fiduciary (agency) funds which are 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.

**PIKE 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. D. BUDGETS AND BUDGETARY ACCOUNTING**

The county follows these procedures in establishing the budget information:

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 documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. 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 amended budgets for the following funds:

<u>Fund</u>	<u>Year Ended December 31,</u>
General Revenue	2011
Special Road and Bridge	2011

8. Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the Sheriff's Revolving Fund, Law Enforcement Restitution Fund, and Domestic Violence Fund for the years ended December 31, 2011 and 2010, and the Inmate Security Fund for the year ended December 31, 2011.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Hospital Fund had a deficit budgeted cash balance of (\$34,976) and (\$35,000) for the year ended December 31, 2011 and 2010, respectively. No other funds had a budgeted deficit cash balance for 2010 or 2011.
10. 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>
Law Enforcement Training	2011 and 2010
Hospital	2010
Recorder	2011 and 2010
Prosecuting Attorney Training	2010
5% Statute Cost Election	2010
Special Election	2010
Tax Maintenance	2010

**PIKE 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. E. USE OF ESTIMATES**

The preparation of these financial statements by the county requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**1. F. PROPERTY TAXES**

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

The assessed valuation of the tangible property for the calendar year 2011 and 2010 for purposes of local taxation was:

	<u>2011</u>		<u>2010</u>
Real Estate	\$ 138,474,600	\$	137,058,630
Personal Property	50,747,531		51,319,624
Railroad and Utilities	<u>56,583,538</u>		<u>52,240,755</u>
Total Assessed Valuation	<u>\$ 245,805,669</u>	\$	<u>240,619,009</u>

The county-wide levy per \$100 of the 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	\$ .2926	\$	.2879
Special Road and Bridge Fund *	.3063		.3065
Hospital Fund (Maintenance)	.2103		.2104
Pike County Developmental Disability	.1902		.1903

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

**1. G. CASH DEPOSITS**

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in separate interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. 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.

**PIKE 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)**

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. 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	\$ -	\$ 378,858
Law Enforcement Sales Tax	357,500	-
Assessment	46,358	-
911	-	25,000
Totals	\$ <u>403,858</u>	\$ <u>403,858</u>
	Year Ended December 31, 2010	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ -	\$ 387,000
Law Enforcement Sales Tax	340,000	-
Assessment	46,000	-
Law Enforcement Training	1,000	-
Totals	\$ <u>387,000</u>	\$ <u>387,000</u>

**1. I. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, 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 did not include all funds and the required information as follows: For 2011, the Law Enforcement Restitution Fund was not shown and for 2010 the Domestic Violence Fund, Sheriff's Revolving Fund, Inmate Security Fund, and the Law Enforcement Restitution Fund were not included.

**NOTE 2. CASH AND INVESTMENTS**

The county has determined through experience that business checking accounts, super NOW checking accounts, and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in separate interest-bearing bank accounts to the extent possible at one depository bank. Each fund is included on the financial statements as

**PIKE 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)**

"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 agreements, 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 accounts, including negotiable order of withdrawal accounts in banks. The County did not invest in any nonnegotiable certificates of deposit or other investment vehicles during the two years ended December 31, 2011.

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 county's deposits held at the respective depository bank 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

Pike 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, section 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 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 to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

**PIKE 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)**

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.

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 9.3% (general) and 2.6% (police) and for 2010 the rate contributed was 8.3% (general) and 1.6% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2011 and 2010, total payments to LAGERS were \$169,893 and \$156,510, 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 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 eleven 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 or 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

**PIKE 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)**

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.

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 2% of annual salary is required for eligible employees hired before February 2002, and a contribution of 6% of annual salary is required of employees hired after February 2002 in order to participate in CERF. During 2011 and 2010, the County collected and remitted to CERF \$111,670 and \$109,345, respectively, for the years then ended.

**NOTE 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.

**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Regular full-time employees who have completed the introductory period are eligible to receive vacation time as follows per each pay period: 0 to 4 years of service, 3 hours; 5 to 9 years of service, 4 hours; 10 to 14 years of service, 5 hours; 15 to 24 years of service, 6 hours; and after 25 years of service, 7 hours. Employees may accumulate and carry forward vacation leave up to 240 hours from 2010 to 2011 but thereafter the maximum carry over is 200 hours. Upon termination of employment, an employee will receive equivalent cash reimbursement for all unused accrued vacation leave. Regular full-time employees earn 4 hours of sick leave per pay period. Sick leave may accrue to a maximum of 960 hours. Upon termination of employment, an employee will receive equivalent cash reimbursement for all unused sick leave.

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.

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

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

**NOTE 7. CHANGE IN BASIS OF ACCOUNTING**

Pike County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds.

**SUPPLEMENTARY INFORMATION**

**PIKE COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2011	2010
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through state:				
	Department of Economic Development-			
14.228	Community Development Block Grant	2008-EM-14	\$ 3,950	\$ -
	Department of Social Services-			
14.231	Emergency Shelter Grants Program	ERO1642038	20,698	20,690
14.262	ARRA-Homeless Prevention and Rapid Re-Housing Program	ER16410035A	174,526	-
<b>U. S. DEPARTMENT OF JUSTICE</b>				
Passed through:				
	State Department of Public Safety-			
16.540	Juvenile Justice and Delinquency Prevention- Allocation to states		26,961	21,920
	Direct program - State Criminal Alien Assistance Program			
16.606		2010-AP-BX-0515	-	1,664
		2011-AP-BX-0615	2,688	-
	Direct program - Bulletproof Vest Partnership Program			
16.607		1121-0235	1,571	-
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through state:				
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-082 (24)	-	227,318
		BRO-082 (25)	258,677	106,364
		BRO-082 (26)	16,806	-
<b>GENERAL SERVICES ADMINISTRATION</b>				
Passed through state:				
	Office of Administration			
39.003	Donation of Federal Surplus Personal Property	N/A	3,732	2,802
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through state:				
	Department of Social Services-			
93.563	Child Support Enforcement	N/A	15,959	10,230
93.569	Community Services Block Grant-Administration for Children and Families	HCP-43 AOC09380074	-	58,040
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through state:				
	Department of Public Safety-			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	163-99163-00	330,946	20,583
Total Expenditures of Federal Awards			<u>\$ 856,514</u>	<u>\$ 469,611</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**PIKE COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**A. PURPOSE OF SCHEDULE AND REPORTING ENTITY**

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

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

**B. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value (23.3 percent of original acquisition cost) of the property at the time of receipt.

**C. BASIS OF ACCOUNTING**

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

**D. 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 2. SUBRECIPIENTS**

The county provided federal awards from the U.S. Department of Housing and Urban Development, Emergency Shelter Grants Program, CFDA No. 14.231, totaling \$41,388 and the ARRA - Homeless Prevention and Rapid Re-Housing Program, CFDA No. 14.262, totaling \$174,526 to the North East Community Action Corporation (NECAC). It also provided federal awards from the U.S. Department of Health and Human Services, CFDA No. 93.569, for \$58,040 to NECAC. The federal awards were used by the agency to assist in providing assistance to families and children.

## **COMPLIANCE SECTION**

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January 22, 2013

## 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 Pike County, Missouri

We have audited the financial statements of Pike County, Missouri, as of and for the years ended December 31, 2011 and 2010, which collectively comprise Pike County's basic financial statements and have issued our report thereon dated January 22, 2013. 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 Pike County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Pike 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 Pike County's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pike County's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 11-01 and 11-02.

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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. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency as item 11-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pike 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 11-04.

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

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

*Casey-Beard-Boehmer PC*

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Certified Public Accountants

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January 22, 2013

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and Officeholders of  
Pike County, Missouri

### Compliance

We have audited Pike County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pike County, Missouri's major federal programs for the years ended December 31, 2011 and 2010. Pike County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pike County, Missouri's management. Our responsibility is to express an opinion on Pike 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 Pike 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 Pike County, Missouri's compliance with those requirements.

As described in item 11-06 in the accompanying schedule of findings and questioned costs, Pike County, Missouri, did not comply with the requirement regarding reporting that is applicable to its ARRA – Homeless Prevention and Rapid Re-Housing Program. Compliance with such requirement is necessary, in our opinion, for Pike County, Missouri, to comply with the requirement applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Pike County, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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programs for the years ended December 31, 2011 and 2010. 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 findings and questioned costs as item 11-05.

Internal Control Over Compliance

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

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 or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses (Items 11-05 and 11-06).

*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.

*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.

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

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

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**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  X  yes   no

Significant deficiency(ies) identified?  X  yes   none reported

Noncompliance material to financial statements noted?   yes  X  no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?  X  yes   no

Significant deficiency(ies) identified?   yes  X  none reported

Type of auditors’ report issued on compliance for major programs: Qualified

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

Identification of major programs:

CFDA Number	Program Title
14.262	ARRA - Homeless Prevention and Rapid Re-Housing Program
20.205	Highway Planning and Construction
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

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

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**11-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the year ended December 31, 2011 and 2010 materially misstated the various receipt classifications for the General Revenue Fund and 911 Fund. The budget documents had misclassified property taxes in Other Receipts instead of Property taxes; interest income as Intergovernmental Receipts instead of being shown separately; state reimbursements for the Recorder's Office as Charges For Services instead of as Intergovernmental Receipts; private car tax as Other Receipts instead of as Intergovernmental Receipts; and state reimbursements from the Federal Emergency Management Agency as Other Receipts instead of as Intergovernmental Receipts.

The Special Road and Bridge Fund, Hospital Fund, and other funds also had misclassifications of receipts recorded on the budget documents. Interest income was usually included within the total amounts of receipts of either sales taxes or charges for services instead of being shown separately. Reclassification adjustments were made during the audit to more fairly and materially state the receipts of the various funds. The county budget documents also did not show the receipt and disbursement of some grant funds that were received and paid out to a local not-for-profit agency. In 2010, \$78,730 was not shown in any fund and in 2011 \$199,174 was also not shown.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds.

Recommendation:

The County Commission and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated.

*Response: The County Commission responded as follows:*

*While the classification of receipts has long been considered the Treasurer's responsibility, the County Clerk's Office and Treasurer have worked out an agreement that the Treasurer will assign the classification for a receipt, transfer it for review by the County Clerk who will enter it into the accounting system. The two will confer anytime they do not agree. Before the 2013 Budget is approved, the two offices will concur on classifications and which receipts belong in each classification. The Auditors' recommendations in 11-01 will be part of the realignment.*

**PIKE COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 (INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**11-02      Treasurer's Annual Settlements Not Accurately Stated**

Condition: The Treasurer's annual settlements contain material differences in several county funds between the reconciled bank balance amounts and the amount recorded on the settlements at December 31, 2011 and 2010. Consequently, the Treasurer's settlements do not agree with the ending balances reported on the budget documents for several county funds.

Criteria: Strong internal controls and good business practices dictate that financial records should be accurately prepared and properly balanced to ensure that the financial statements prepared by the county are presented fairly.

Cause: The Treasurer did not properly reconcile the amounts reported on the annual settlements to the reconciled bank balances and to her other supporting ledgers maintained.

Effect: The annual settlements prepared and presented to the County Commission for review do not properly reflect the balances in the various county funds.

Recommendation:

The County Treasurer ensure that the annual settlements are properly prepared and presented for all county funds to agree with the reconciled cash balances and also to the county's budget documents.

*Response: The County Treasurer responded as follows:*

*I understand that the report shows differences in what actual bank balances are. This settlement is one tool used to balance County funds between my office and the County Clerk's office. We are and have been working on a better system of reporting actual figures to the County Commission. Both offices have new programs in place which I know will rectify this situation. All funds will balance with both the bank reconciliation and budget figures going forward.*

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**11-03      Budgetary Procedures 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, County Clerk, and other county officials did not exercise adequate budgetary control over five 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>
Law Enforcement Training	2011	5,905
	2010	2,401
Recorder	2011	17,479
	2010	1,810
Prosecuting Attorney Training	2010	683
5% Statute Cost Election	2010	2,429
Special Election	2010	36,245
Hospital	2010	25,308
Tax Maintenance	2010	23,446

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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This same condition was also noted in the prior independent audit report for the two years ended December 31, 2009.

- B. The County Commission and County Clerk did not prepare budget documents for the Domestic Violence Fund, Sheriff's Revolving Fund and Law Enforcement Restitution Fund for the years ended December 31, 2011 and 2010, and the Inmate Security Fund for the year ended December 31, 2011. This same condition was also noted in the prior independent audit report for the two years ended December 31, 2009.

In addition, the County Commission and County Clerk along with the County Collector and Prosecuting Attorney did not prepare a budget document for the 2012 year for the Tax Maintenance Fund controlled by the County Collector and the Prosecuting Attorney Bad Check Fund maintained by the Prosecuting Attorney.

- C. The County Commission budgeted a deficit cash balance for the Hospital Fund for the year ended December 31, 2011 at (\$34,976) and for the year ended December 31, 2010 at (\$35,000).
- D. The County Commission approved Emergency Fund expenditures totaling \$49,199 from the General Revenue Fund for the year ended December 31, 2011. However, the expenditures were not for unforeseen emergencies as required by state law. The expenditures consisted mainly of \$31,235 for a payment towards the purchase of an annex building along with \$12,186 for insurance expenses.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds that receive monies from the General Fund in whole or in part, and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2010 - 2012 for all applicable county operating funds.

Effect: The County Commission, County Clerk, and other county officials did not follow state law on the preparation of budget documents.

Recommendation:

- A. 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.
- B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.
- C. The County Commission cease budgeting a deficit cash balance in any county funds.
- D. The County Commission not use the Emergency Fund except for unforeseen emergencies as required by state law.

*Response: The County Commission responded as follows:*

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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*The County Commission and County Clerk agree that more diligence is necessary within the budget, budget requests and payments approved processes. Beginning in 2013, no payments will be made from a fund when the expenditure exceeds the approved budget even if there are sufficient carryover funds to cover the expense. Efforts will be made to secure budgets for the Tax Maintenance, Bad Check, Sheriff's Revolving, Law Enforcement Restitution and Domestic Violence Funds. Any fund not providing a budget will be noted in the overall budget with a copy of the request for their budget. Since the clerk cannot force a budget from them and does not write checks for the Bad Check or Tax Maintenance Funds, we cannot control the expenditure process. In addition, budgets will be amended before any budget is exceeded in the future.*

**ITEM OF NONCOMPLIANCE AND OTHER MATTERS**

**11-04 All County Funds not Presented in Annual Published Financial Statements**

Condition: Not all applicable county funds were published in the newspaper as required by state law. For 2011, the Law Enforcement Restitution Fund was not shown and for 2010 the Domestic Violence Fund, Sheriff's Revolving Fund, Inmate Security Fund, and the Law Enforcement Restitution Fund were not included. This condition was also noted in the prior independent audit report for the two years ended December 31, 2009.

Criteria: Under Section 50.800 and 50.810, RSMo, 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.

Cause: The County Commission did not ensure that all financial information for all county funds was included in the annual published financial statements.

Effect: The County Commission did not follow state law on publishing the annual financial statements each year.

Recommendation:  
The County Commission ensure that all funds of the county are included in the annual published financial statements.

*Response: The County Clerk responded as follows:*

*Again, the County Clerk has responsibility for publishing the financial statement in the paper and shall do so with all that are made available on request. Again, we cannot publish any which we do not receive.*

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

**11-05 Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Housing and Urban Development, U.S. Department of Justice, General Services Administration, and U.S. Department of Health and Human Services  
Pass-Through Grantor: Various  
Federal CFDA Number: Various  
Program Title: Various

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANagements' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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Pass-Through Entity  
Identifying Number: N/A  
Award Year: 2010 and 2011  
Questioned Costs: N/A

Condition: The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained material errors and omissions of information required by the federal government. For the years ended December 31, 2011 and 2010, the county's SEFA was understated by \$128,927 and \$69,857, respectively, because pass-through programs were not properly included on the schedule while amounts presented for some programs were incorrectly presented. Pass-through federal grants totaling \$199,174 for 2011 and \$78,730 for 2010 were improperly stated or excluded from the SEFA.

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

Cause: The County did not fully understand how to prepare the SEFA properly.

Effect: The County's SEFA was incorrectly prepared and materially misstated as prepared by the county. Several grants did not have a corresponding CFDA number and pass-through entity identifying numbers on the SEFA, and several program titles reported were not correctly stated.

Recommendation:  
Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.

*Response and Corrective Action Plan:*

*As this was our first federal audit, we were unaware of the many requirements in this area. The Clerk's Office will work with the Treasurer's Office to identify all federal funds received by the county, locate the CFDA code, the purpose of the funds and be accountable for all information needed on the SEFA including flow through funds.*

**11-06 ARRA Program not Included on Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Housing and Urban Development  
Pass-Through Grantor: Department of Social Services  
Federal CFDA Number: 14.262  
Program Title: ARRA – Homeless Prevention and Rapid Re-Housing Program  
Pass-Through Entity  
Identifying Number: ER16410035A  
Award Year: 2011  
Questioned Costs: N/A

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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Condition: The County did not properly include the ARRA federal grant on the SEFA schedule for proper reporting of the federal grant award. The County received the grant reimbursements from the state and then reimbursed the subrecipient for completion of the program requirements. Subrecipient reports are received and reviewed before reimbursement is made by the County Treasurer.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements and to properly include and identify all ARRA monies.

Cause: The County Clerk did not realize the program was handled through the County Treasurer's office as a pass-through and therefore, did not properly include the monies for reporting.

Effect: The County did not properly report the ARRA program on its SEFA reported to the State Auditor's Office as part of its budget reporting package.

Recommendation:

The County ensure that all ARRA funds are properly reported on its SEFA and properly identified.

*Response and Corrective Action Plan:*

*The HSPA Program was changed dramatically four times in two years with huge accountability standards beyond the staffing ability of the Commission. The management, including tracking, requesting and dispensing these dollars were managed by NECAC. We will never do this again.*

**PIKE 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 Pike County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2009 and 2008.

Budgetary Practices and Published Financial Statements

Budgets were not prepared for several county funds, expenditures exceeded budgeted amounts on various county funds, a deficit budget cash balance was presented for the 911 Fund for 2008, and the county's annual published financial statements did not include the financial activity for various county funds.

Status: Not implemented. See current findings 11-03 and 11-04.