



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Benton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Benton 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 McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

August 2012
Report No. 2012-88

ANNUAL FINANCIAL REPORT

BENTON COUNTY, MISSOURI

For the Years Ended
December 31, 2011 and 2010

BENTON COUNTY, MISSOURI

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INTRODUCTORY SECTION

BENTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Tom Self
Associate Commissioner – Paul Estes
Associate Commissioner – Walter Schumacher Jr.

Other Elected Officials

Assessor – Rodger Reedy
Circuit Clerk – Cheryl Schultz
Collector – Donna Hart
Coroner – James Miller
County Clerk – Mary Lutman
Prosecuting Attorney – Karen Coffey-Woodley
Public Administrator – Lori Johnson Dunkin
Recorder – Beverly Burnett
Sheriff – Rick Fajen
Treasurer – Rick Renno

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Benton County, Missouri

We have audited the accompanying financial statements of Benton County, Missouri as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

As described more fully in Note 1, Benton County, Missouri has prepared these 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Benton 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 cash balances of the funds of Benton County, Missouri, as of December 31, 2011 and 2010, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated October 23, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
October 23, 2012

BENTON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2010 AND 2011

Fund	Cash and Cash Equivalents			Cash and Cash Equivalents			Cash and Cash Equivalents	
	January 1, 2010	Receipts 2010	Disbursements 2010	December 31, 2010	Receipts 2011	Disbursements 2011	December 31, 2011	
General Revenue	\$ 285,505	\$ 2,334,028	\$ 2,405,626	\$ 213,907	\$ 2,272,640	\$ 2,266,040	\$ 220,507	
Special Road & Bridge	673,568	1,305,217	1,304,352	674,433	1,431,158	1,434,643	670,948	
Assessment	92,843	320,127	320,377	92,593	321,004	301,503	112,094	
CART Investment	-	615,743	566,222	49,521	558,339	515,032	92,828	
Capital Improvement	673,243	1,053,899	813,459	913,683	1,289,478	1,315,868	887,293	
Adult Abuse	1,222	4,297	3,193	2,326	4,934	4,673	2,587	
Law Enforcement	6,132	3,346	5,386	4,092	3,688	1,725	6,055	
Prosecuting Attorney Training	436	835	489	782	929	300	1,411	
Prosecuting Attorney Bad Check	2,502	10,917	2,729	10,690	7,850	1,673	16,867	
Prosecuting Attorney Delinquent Tax	2,587	286	521	2,352	53	2,076	329	
Recorder User	43,066	17,754	24,950	35,870	17,306	24,596	28,580	
Juvenile Detention	-	3,926	3,926	-	776	776	-	
Sheriff's Civil	12,079	39,291	29,928	21,442	36,836	27,747	30,531	
Drug Abuse Resistance Education	348	3,205	2,370	1,183	2,708	3,040	851	
Deputy Sheriff Supplemental Salary	-	10,100	10,100	-	9,410	9,410	-	
Federal Seizure	497	-	497	-	-	-	-	
Election Services	1,969	1,024	1,342	1,651	1,866	1,911	1,606	
Help America Vote Act	-	17,977	17,165	812	23,139	23,951	-	
Tax Maintenance	31,145	34,484	23,257	42,372	33,572	48,140	27,804	
E-911	80,030	619,075	580,674	118,431	614,865	565,026	168,270	
TOTAL	\$ 1,907,172	\$ 6,395,531	\$ 6,116,563	\$ 2,186,140	\$ 6,630,551	\$ 6,548,130	\$ 2,268,561	

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

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

GENERAL REVENUE FUND				
Year Ended December 31,				
	2010		2011	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 358,150	\$ 371,022	\$ 371,000	\$ 365,682
Sales taxes	924,500	929,918	944,100	904,477
Intergovernmental	337,029	423,591	327,720	323,397
Charges for services	483,100	434,694	458,570	458,367
Interest	7,000	9,225	7,000	7,655
Other	67,239	80,323	67,976	86,782
Transfers in	127,194	85,255	129,225	126,280
Total Receipts	<u>\$ 2,304,212</u>	<u>\$ 2,334,028</u>	<u>\$ 2,305,591</u>	<u>\$ 2,272,640</u>
DISBURSEMENTS				
County Commission	\$ 94,605	\$ 92,057	\$ 96,963	\$ 94,593
County Clerk	77,232	77,140	78,146	74,989
Elections	124,590	86,024	48,706	40,295
Buildings and grounds	47,692	49,674	49,431	51,400
Employee fringe benefits	271,000	235,570	253,000	243,382
Treasurer	42,913	42,409	44,900	45,683
Collector	130,228	121,452	123,020	116,852
Recorder of Deeds	66,373	65,799	67,312	67,962
Circuit Clerk	57,050	58,105	49,450	39,324
Court administration	11,950	4,455	12,546	4,758
Public Administrator	51,240	45,818	48,826	47,651
Sheriff	689,158	672,804	701,892	721,141
Jail	248,018	264,490	264,491	253,718
Prosecuting Attorney	219,492	215,126	216,602	211,981
Juvenile Officer	33,043	35,869	32,184	32,120
Coroner	18,724	21,745	26,745	31,249
Other County Government	185,030	317,089	192,894	188,942
Emergency fund	69,126	-	69,168	-
Total Disbursements	<u>\$ 2,437,464</u>	<u>\$ 2,405,626</u>	<u>\$ 2,376,276</u>	<u>\$ 2,266,040</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (133,252)	\$ (71,598)	\$ (70,685)	\$ 6,600
CASH AND CASH EQUIVELANTS, JANUARY 1	<u>285,505</u>	<u>285,505</u>	<u>213,907</u>	<u>213,907</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 152,253</u>	<u>\$ 213,907</u>	<u>\$ 143,222</u>	<u>\$ 220,507</u>

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

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

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 449,770	\$ 434,156	\$ 452,900	\$ 439,431	\$ -	\$ -	\$ -	\$ -
Sales taxes	89,000	93,599	95,000	101,920	-	-	-	-
Intergovernmental	657,045	177,682	947,865	302,568	301,851	267,385	287,722	286,313
Charges for services	-	-	-	-	2,000	4,872	600	4,173
Interest	12,600	16,952	17,000	20,519	4,000	4,470	4,500	4,770
Other	15,500	16,606	22,000	51,688	44,868	43,400	63,500	25,748
Transfers in	-	566,222	-	515,032	-	-	-	-
Total Receipts	<u>\$ 1,223,915</u>	<u>\$ 1,305,217</u>	<u>\$ 1,534,765</u>	<u>\$ 1,431,158</u>	<u>\$ 352,719</u>	<u>\$ 320,127</u>	<u>\$ 356,322</u>	<u>\$ 321,004</u>
DISBURSEMENTS								
Salaries	\$ 478,000	\$ 415,499	\$ 450,000	411,367	\$ 218,682	\$ 218,609	\$ 219,462	\$ 221,424
Employee fringe benefits	149,000	126,421	130,500	131,607	49,457	47,500	50,110	50,171
Materials and supplies	242,000	196,891	380,500	229,104	30,000	16,605	57,850	12,075
Services and Other	210,200	219,968	220,600	187,351	54,580	37,663	28,900	17,833
Capital Outlay	200,870	185,399	185,000	114,990	-	-	-	-
Construction	79,000	84,361	276,000	327,897	-	-	-	-
Transfers out	25,000	75,813	33,300	32,327	-	-	-	-
Total Disbursements	<u>\$ 1,384,070</u>	<u>\$ 1,304,352</u>	<u>\$ 1,675,900</u>	<u>\$ 1,434,643</u>	<u>\$ 352,719</u>	<u>\$ 320,377</u>	<u>\$ 356,322</u>	<u>\$ 301,503</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (160,155)	\$ 865	\$ (141,135)	\$ (3,485)	\$ -	\$ (250)	\$ -	\$ 19,501
CASH and CASH EQUIVALENTS, JANUARY 1	<u>673,568</u>	<u>673,568</u>	<u>674,433</u>	<u>674,433</u>	<u>92,843</u>	<u>92,843</u>	<u>92,593</u>	<u>92,593</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 513,413</u>	<u>\$ 674,433</u>	<u>\$ 533,298</u>	<u>\$ 670,948</u>	<u>\$ 92,843</u>	<u>\$ 92,593</u>	<u>\$ 92,593</u>	<u>\$ 112,094</u>

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

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

	CART INVESTMENT FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	832,500	820,446	836,850	814,206
Intergovernmental	550,000	559,094	568,000	549,760	-	-	354,654	-
Charges for services	-	-	-	-	-	-	-	-
Interest	8,500	8,602	8,700	8,579	27,000	23,356	25,000	28,728
Other	-	-	-	-	200,000	178,597	250,000	446,544
Transfers in	-	48,047	-	-	-	31,500	-	-
Total Receipts	<u>\$ 558,500</u>	<u>\$ 615,743</u>	<u>\$ 576,700</u>	<u>\$ 558,339</u>	<u>\$ 1,059,500</u>	<u>\$ 1,053,899</u>	<u>\$ 1,466,504</u>	<u>\$ 1,289,478</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	130,000	128,596	70,000	446,079
Capital outlay	-	-	-	-	405,400	281,004	343,345	278,820
Construction	-	-	-	-	815,500	403,859	1,387,318	590,969
Transfers out	554,600	566,222	568,000	515,032	-	-	-	-
Total Disbursements	<u>\$ 554,600</u>	<u>\$ 566,222</u>	<u>\$ 568,000</u>	<u>\$ 515,032</u>	<u>\$ 1,350,900</u>	<u>\$ 813,459</u>	<u>\$ 1,800,663</u>	<u>\$ 1,315,868</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,900	\$ 49,521	\$ 8,700	\$ 43,307	\$ (291,400)	\$ 240,440	\$ (334,159)	\$ (26,390)
CASH and CASH EQUIVALENTS, JANUARY 1	-	-	49,521	49,521	673,243	673,243	913,683	913,683
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,900</u>	<u>\$ 49,521</u>	<u>\$ 58,221</u>	<u>\$ 92,828</u>	<u>\$ 381,843</u>	<u>\$ 913,683</u>	<u>\$ 579,524</u>	<u>\$ 887,293</u>

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

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

	ADULT ABUSE FUND				LAW ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,700	4,261	4,600	4,877	4,300	3,346	4,300	3,688
Interest	25	36	40	57	1,000	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,725</u>	<u>\$ 4,297</u>	<u>\$ 4,640</u>	<u>\$ 4,934</u>	<u>\$ 5,300</u>	<u>\$ 3,346</u>	<u>\$ 4,300</u>	<u>\$ 3,688</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,220	3,193	4,500	4,673	10,750	5,386	8,000	1,725
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,220</u>	<u>\$ 3,193</u>	<u>\$ 4,500</u>	<u>\$ 4,673</u>	<u>\$ 10,750</u>	<u>\$ 5,386</u>	<u>\$ 8,000</u>	<u>\$ 1,725</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (495)	\$ 1,104	\$ 140	\$ 261	\$ (5,450)	\$ (2,040)	\$ (3,700)	\$ 1,963
CASH and CASH EQUIVALENTS, JANUARY 1	<u>1,222</u>	<u>1,222</u>	<u>2,326</u>	<u>2,326</u>	<u>6,132</u>	<u>6,132</u>	<u>4,092</u>	<u>4,092</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 727</u></u>	<u><u>\$ 2,326</u></u>	<u><u>\$ 2,466</u></u>	<u><u>\$ 2,587</u></u>	<u><u>\$ 682</u></u>	<u><u>\$ 4,092</u></u>	<u><u>\$ 392</u></u>	<u><u>\$ 6,055</u></u>

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

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

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	950	835	975	929	-	-	-	-
Charges for services	-	-	-	-	10,000	10,710	9,000	7,427
Interest	-	-	-	-	150	207	150	423
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 950</u>	<u>\$ 835</u>	<u>\$ 975</u>	<u>\$ 929</u>	<u>\$ 10,150</u>	<u>\$ 10,917</u>	<u>\$ 9,150</u>	<u>\$ 7,850</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	5,000	-	\$ 5,000	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	950	489	975	300	5,150	2,729	2,600	1,673
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	1,000	-
Total Disbursements	<u>\$ 950</u>	<u>\$ 489</u>	<u>\$ 975</u>	<u>\$ 300</u>	<u>\$ 10,150</u>	<u>\$ 2,729</u>	<u>\$ 8,600</u>	<u>\$ 1,673</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 346	\$ -	\$ 629	\$ -	\$ 8,188	\$ 550	\$ 6,177
CASH and CASH EQUIVALENTS, JANUARY 1	<u>436</u>	<u>436</u>	<u>782</u>	<u>782</u>	<u>2,502</u>	<u>2,502</u>	<u>10,690</u>	<u>10,690</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 436</u></u>	<u><u>\$ 782</u></u>	<u><u>\$ 782</u></u>	<u><u>\$ 1,411</u></u>	<u><u>\$ 2,502</u></u>	<u><u>\$ 10,690</u></u>	<u><u>\$ 11,240</u></u>	<u><u>\$ 16,867</u></u>

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

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

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				RECORDER USER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,000	205	-	-	19,500	16,521	16,200	16,250
Charges for services	-	-	-	-	-	-	-	-
Interest	50	81	-	53	1,600	1,233	1,200	1,056
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,050</u>	<u>\$ 286</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 21,100</u>	<u>\$ 17,754</u>	<u>\$ 17,400</u>	<u>\$ 17,306</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	3,185	2,307	2,900	4,089
Services and other	1,050	521	1,800	2,076	10,851	9,270	10,700	6,967
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	552	-	12,343	13,373	13,373	13,540
Total Disbursements	<u>\$ 1,050</u>	<u>\$ 521</u>	<u>\$ 2,352</u>	<u>\$ 2,076</u>	<u>\$ 26,379</u>	<u>\$ 24,950</u>	<u>\$ 26,973</u>	<u>\$ 24,596</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (235)	\$ (2,352)	\$ (2,023)	\$ (5,279)	\$ (7,196)	\$ (9,573)	\$ (7,290)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>2,587</u>	<u>2,587</u>	<u>2,352</u>	<u>2,352</u>	<u>43,066</u>	<u>43,066</u>	<u>35,870</u>	<u>35,870</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,587</u>	<u>\$ 2,352</u>	<u>\$ -</u>	<u>\$ 329</u>	<u>\$ 37,787</u>	<u>\$ 35,870</u>	<u>\$ 26,297</u>	<u>\$ 28,580</u>

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

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

	JUVENILE DETENTION FUND				SHERIFF'S CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,500	3,900	4,250	769	55,000	39,291	40,000	36,836
Interest	-	26	25	7	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,500</u>	<u>\$ 3,926</u>	<u>\$ 4,275</u>	<u>\$ 776</u>	<u>\$ 55,000</u>	<u>\$ 39,291</u>	<u>\$ 40,000</u>	<u>\$ 36,836</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	1,500	3,926	3,000	776	55,000	29,928	33,000	27,747
Total Disbursements	<u>\$ 1,500</u>	<u>\$ 3,926</u>	<u>\$ 3,000</u>	<u>\$ 776</u>	<u>\$ 55,000</u>	<u>\$ 29,928</u>	<u>\$ 33,000</u>	<u>\$ 27,747</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ 1,275	\$ -	\$ -	\$ 9,363	\$ 7,000	\$ 9,089
CASH and CASH EQUIVALENTS, JANUARY 1	-	-	-	-	12,079	12,079	21,442	21,442
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275</u>	<u>\$ -</u>	<u>\$ 12,079</u>	<u>\$ 21,442</u>	<u>\$ 28,442</u>	<u>\$ 30,531</u>

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

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

	DRUG ABUSE RESISTANCE EDUCATION FUND				DEPUTY SHERIFF SUPPLEMENTAL SALARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	10,100	10,000	9,410
Interest	70	28	70	45	-	-	-	-
Other	4,700	3,177	3,000	2,663	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,770</u>	<u>\$ 3,205</u>	<u>\$ 3,070</u>	<u>\$ 2,708</u>	<u>\$ 10,000</u>	<u>\$ 10,100</u>	<u>\$ 10,000</u>	<u>\$ 9,410</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	5,100	2,370	2,000	3,040	-	-	-	-
Services and other	-	-	-	-	9,410	10,100	10,000	9,410
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,100</u>	<u>\$ 2,370</u>	<u>\$ 2,000</u>	<u>\$ 3,040</u>	<u>\$ 9,410</u>	<u>\$ 10,100</u>	<u>\$ 10,000</u>	<u>\$ 9,410</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (330)	\$ 835	\$ 1,070	\$ (332)	\$ 590	\$ -	\$ -	\$ -
CASH and CASH EQUIVALENTS, JANUARY 1	<u>348</u>	<u>348</u>	<u>1,183</u>	<u>1,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 18</u>	<u>\$ 1,183</u>	<u>\$ 2,253</u>	<u>\$ 851</u>	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	FEDERAL SEIZURE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,400	1,024	1,950	1,866
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 1,024</u>	<u>\$ 1,950</u>	<u>\$ 1,866</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	500	351	800	783
Services and other	497	497	-	-	1,000	991	600	1,128
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 497</u>	<u>\$ 497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,342</u>	<u>\$ 1,400</u>	<u>\$ 1,911</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (497)	\$ (497)	\$ -	\$ -	\$ 900	\$ (318)	\$ 550	\$ (45)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>497</u>	<u>497</u>	<u>-</u>	<u>-</u>	<u>1,969</u>	<u>1,969</u>	<u>1,651</u>	<u>1,651</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,869</u></u>	<u><u>\$ 1,651</u></u>	<u><u>\$ 2,201</u></u>	<u><u>\$ 1,606</u></u>

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

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

	HELP AMERICA VOTE ACT FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2010		2011		2010		2011	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	29,004	17,644	23,000	23,124	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	500	1,027	1,000	891
Other	-	333	1,000	15	35,000	33,457	33,500	32,681
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 29,004</u>	<u>\$ 17,977</u>	<u>\$ 24,000</u>	<u>\$ 23,139</u>	<u>\$ 35,500</u>	<u>\$ 34,484</u>	<u>\$ 34,500</u>	<u>\$ 33,572</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ -	\$ 3,500	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	25,254	16,903	7,100	7,215	5,400	5,612	4,300	3,706
Services and other	2,950	-	-	-	7,700	7,645	9,900	9,280
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	800	262	16,900	16,736	10,000	10,000	25,000	35,154
Total Disbursements	<u>\$ 29,004</u>	<u>\$ 17,165</u>	<u>\$ 24,000</u>	<u>\$ 23,951</u>	<u>\$ 26,700</u>	<u>\$ 23,257</u>	<u>\$ 42,700</u>	<u>\$ 48,140</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 812	\$ -	\$ (812)	\$ 8,800	\$ 11,227	\$ (8,200)	\$ (14,568)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>812</u>	<u>812</u>	<u>31,145</u>	<u>31,145</u>	<u>42,372</u>	<u>42,372</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 812</u>	<u>\$ 812</u>	<u>\$ -</u>	<u>\$ 39,945</u>	<u>\$ 42,372</u>	<u>\$ 34,172</u>	<u>\$ 27,804</u>

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

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

	E-911 FUND			
	Year Ended December 31,			
	2010		2011	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	600,000	615,334	615,000	610,652
Intergovernmental	-	-	-	-
Charges for services	1,000	742	500	-
Interest	2,500	2,999	2,500	4,119
Other	-	-	-	94
Transfers in	-	-	-	-
Total Receipts	<u>\$ 603,500</u>	<u>\$ 619,075</u>	<u>\$ 618,000</u>	<u>\$ 614,865</u>
DISBURSEMENTS				
Salaries	\$ 355,962	\$ 352,732	\$ 357,732	\$ 370,132
Employee fringe benefits	76,000	62,565	68,057	70,276
Materials and supplies	24,800	21,544	24,800	5,923
Services and other	136,540	112,333	153,424	118,695
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	10,000	31,500	-	-
Total Disbursements	<u>\$ 603,302</u>	<u>\$ 580,674</u>	<u>\$ 604,013</u>	<u>\$ 565,026</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 198</u>	<u>\$ 38,401</u>	<u>\$ 13,987</u>	<u>\$ 49,839</u>
CASH, JANUARY 1	<u>80,030</u>	<u>80,030</u>	<u>118,431</u>	<u>118,431</u>
CASH, DECEMBER 31	<u>\$ 80,228</u>	<u>\$ 118,431</u>	<u>\$ 132,418</u>	<u>\$ 168,270</u>

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

BENTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Proceeds from the Benton County, Missouri Senior Services property tax levy are distributed to an organization called Care Connection for Aging Services, which provides services to seniors in a thirteen county area. The financial statements of Care Connection for Aging Services are audited by other accountants. Copies of the audited financial statements can be obtained by writing Care Connection for Aging Services, 106 W. Young, P.O. Box 1078, Warrensburg, MO 64093.

B. Basis of Presentation

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

financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

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

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

Fund	2011	2010
Adult Abuse Fund	X	N/A
Juvenile Detention Fund	N/A	X
Drug Abuse Resistance Education Fund	X	N/A
Deputy Sheriff Supplemental Salary Fund	N/A	X
Tax Maintenance Fund	X	N/A
CART Investment	N/A	X
Election Services	X	N/A

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2011 and 2010, for purposes of taxation were:

	2011	2010
Real Estate	\$ 169,323,180	\$ 167,240,620
Personal Property	50,794,415	47,898,117
Railroad and Utilities	11,927,716	11,658,711

During 2011 and 2010, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2011 and 2010, for purposes of County taxation, as follows:

	2011	2010
General Revenue	\$ 0.1615	\$ 0.1615
Road and Bridge	\$ 0.2047	\$ 0.2047

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the

State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

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

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

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2011 and 2010, the carrying amounts of the County's deposits, were \$2,268,561 and \$2,186,140, respectively, and the bank balances were \$2,642,274 and \$2,700,191, respectively. Of the bank balances, \$381,913 and \$382,288 for December 31, 2011 and December 31, 2010, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2011 and 2010, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Road and Bridge funds. Tax Collections on deposit amounted to \$6,524,507 and \$6,049,438 at December 31, 2011 and 2010, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2011 and 2010, and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2011 and 2010, the County collected and remitted to CERF employee contributions of approximately \$131,630 and \$126,552, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 40 days of sick time -- to accrue at three-fourths day per complete calendar month of employment. Upon termination, an employee of five years is compensated for 25% to 50% of accrued sick time depending on the length of employment. Vacation time is accrued for every full time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. However, employees may only carry over ten vacation days from one year to the next. Any days accrued in excess of ten days will be forfeited at the end of the year.

B. Federal and State Assisted Programs

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

6. RISK MANAGEMENT

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

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

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

7. LONG TERM DEBT

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

- A. \$26,000 for a capital lease of a John Deere tractor by the Road and Bridge District #2. The lease is scheduled to be paid in three annual payments of \$9,785 including interest at 6.32% annually. The final payment is scheduled for March 2015. Payments are made using available monies in the Special Road and Bridge Fund.
- B. \$158,613 for a capital lease of a Caterpillar motor grader by the Road and Bridge District #1. The lease is scheduled to be paid in five annual payments of \$14,623 including interest at 3.50% annually with a final balloon payment of \$135,000 scheduled for December 2015. Payments are made using available monies in the Special Road and Bridge Fund.
- C. \$45,992 for a capital lease of a Caterpillar motor grader by the Road and Bridge District #2. The lease is scheduled to be paid in seven annual payments of \$12,970 including interest at 5.00% annually. The final payment is scheduled for March 2015. Payments are made using available monies in the Special Road and Bridge Fund.
- D. \$24,536 for a capital lease of a John Deere tractor and mower by the Road and Bridge District #2. The lease is scheduled to be paid in five annual payments of \$13,289 including interest at 4.90% annually. The final payment is scheduled for April 2013. Payments are made using available monies in the Special Road and Bridge Fund.
- E. \$123,533 for a capital lease of a Caterpillar road grader by the Road and Bridge District #2. The lease is scheduled to be paid in six annual payments of \$19,584 including interest at 5.05% annually with a final balloon payment of \$101,024 scheduled for January 2014. Payments are made using available monies in the Special Road and Bridge Fund.

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October 23, 2012, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and
Officeholders of Benton County, Missouri

We have audited the accompanying financial statements of Benton County, Missouri as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated October 23, 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 Benton County, Missouri is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Benton County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Benton County, Missouri's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section 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 questioned costs as items 1 through 3, that we consider to be significant deficiencies in internal control over financial reporting. 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 Benton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 4.

We noted a certain other matter that we reported in the accompanying schedule of findings and recommendations section as item 5.

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

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

(Original Signed by Auditor)

McBride, Lock & Associates
October 23, 2012

McBRIDE, LOCK & ASSOCIATES

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 Benton County, Missouri

Compliance

We have audited Benton County, Missouri's (County) 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 the County's major federal program for the years ended December 31, 2011 and 2010. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2011 and 2010.

Internal Control Over Compliance

Management of Benton County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered the County's internal control over compliance with the 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 the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-1. *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.

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

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

(Original Signed by Auditor)

McBride, Lock & Associates
October 23, 2012

BENTON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2011	2010
U.S. DEPARTMENT OF AGRICULTURE				
10.665	Passed through Missouri Office of Administration Schools and Roads - Grants to Flood Control	FloodControl	\$ 1,509	\$ 1,881
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
14.228	Passed through Missouri Department of Economic Development: Community Development Block Grants/State's Program	2010-PF-01	-	125,310
U.S. DEPARTMENT OF JUSTICE				
16.575	Passed through Missouri Department of Public Safety Crime Victim Assistance	VOCA	26,047	18,406
U. S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through Missouri Highways and Transportation Commission: Highway Planning and Construction	BRO-B008(11)	132,551	39,866
20.205	Highway Planning and Construction	BRO-B007(12)	164,393	36,170
20.205	Highway Planning and Construction	STP-9900(571)	412,658	-
20.703	Passed through Missouri Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants	HMPG	3,747	3,619
U.S. ELECTION ASSISTANCE COMMISSION				
90.401	Passed through Missouri Office of Secretary of State: Help America Vote Act Requirements Payments	HAVA	23,124	17,644
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.042	Passed through Missouri Department of Public Safety: Emergency Management Performance Grants	EMPG	15,133	7,362
97.067	Homeland Security Grant Program	HSPG	42,341	143,343
Total Expenditures of Federal Awards			<u>\$ 821,503</u>	<u>\$ 393,601</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

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

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2011 and 2010.

BENTON COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2011 AND 2010

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

Federal Awards:

Internal Control Over Major Programs:

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

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway and Transportation – Highway Planning and Construction

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

Auditee Qualified as low-risk: Yes No

SECTION II – FINANCIAL STATEMENTS FINDINGS

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

1. Treasurer's Account Bank Reconciliation
2. Collector's Account Bank Reconciliation
3. Interest Rate Paid on the Collector's Bank Accounts
4. Budgetary Controls
5. Accounting for Transfers

Summary Schedule of Prior Audit Findings:

1. Treasurer's Account Bank Reconciliation
2. Writing and Holding Checks at December 31
3. Internal Controls – Timecards Not Being Signed
4. Expenditures
5. Internal Controls – Sheriff's Office
6. Budgetary Controls
7. Accounting for Transfers
8. Internal Controls – Collector's Office

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

Federal Grantor: U.S. Department of Housing and Urban Development
Pass-Through Grantor: Missouri Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grant/State's Program
Pass Through Entity Identifying Number: 2010-PF-01
Award Year: 2010
Questioned Costs: None

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Missouri Highways and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass Through Entity Identifying Number: BRO-B008(11) and STP-9900(571)
Award Year: 2011
Questioned Costs: None

11-1. Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Condition: The County Clerk did not prepare an accurate SEFA for the fiscal years ended December 31, 2010 and December 31, 2011 as required by the Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A). Expenditures incurred in 2010 totaling \$125,310 were not included on the December 31, 2010 Schedule of Expenditures of

Federal Awards. Additionally, expenditures incurred in 2011 were not included on December 31, 2011 Schedule of Expenditures of Federal Awards. Grant receipts were recorded instead of grant expenditures causing expenses totaling \$132,551 related to BRO-B008(11) and expenses totaling \$82,532 related to STP-9900(571) to be omitted from the December 31, 2011 Schedule of Expenditures of Federal Awards. The December 31, 2010 and December 31, 2011 Schedule of Expenditures of Federal Awards included with this report has been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk ensure that expenditures related to federal awards are recorded in the correct fiscal period in conformity with the cash basis of accounting and OMB Circular A-133 requirements.

County Response: The SEFA schedule has been adjusted to reflect the correct expenditures. The County Clerk will ensure the schedule of expenditures of federal awards (SEFA) is reported accurately.

Auditor's Response: The stated corrective action appears appropriate.

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

None

FINDINGS AND RECOMMENDATIONS

BENTON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Treasurer's Account Bank Reconciliation

Condition: At both December 31, 2011, and December 31, 2010, the Treasurer's Annual Settlement did not reconcile to the respective bank account balance. At December 31, 2011, the Treasurer's Annual Settlement stated cash balance exceeded the reconciled bank account balance by \$158. At December 31, 2010, the Treasurer's Annual Settlement stated cash balance exceeded the reconciled bank account balance by \$13,936. The County Treasurer was unable to explain the cause of these variances.

Recommendation: We recommend that the County Clerk and County Treasurer research the cause of the unidentifiable variances. Additionally, we recommend that the County Treasurer implement the necessary procedures to ensure that the Treasurer's Annual Settlement reconciles without variance to the respective bank account balances each month.

County's Response: The Treasurer believes that the variance in the Annual Settlement was caused due to improper documentation of a balance transfer when the accounting software for his office was changed.

Auditor's Evaluation: The stated corrective action appears appropriate.

2. Collector's Account Bank Reconciliation

Condition: On a monthly basis, the County Collector reconciles the bank account balance to the cash-on-hand balance reported in the tax collection accounting software system. At December 31, 2011, and December 31, 2010, the variance between the reconciled bank account balance and the cash-on-hand balance reported in the tax collection accounting software system was \$405 and \$2,185, respectively. The County Collector was unable to explain the cause of these variances.

Recommendation: We recommend that the County Collector implement the necessary procedures to ensure the bank account balance reconciles to the cash-on-hand balance in the tax collection accounting software system without variance.

County's Response: I will implement the necessary procedures to conform with the findings on bank account reconciliations/cash on hand variances.

Auditor's Evaluation: The stated corrective action appears appropriate.

3. Interest Rate Paid on the Collector's Bank Accounts

Condition: We noted that the rate bid for the Treasurer's and Collector's bank accounts was an annual percentage yield of 2.54%. However, the Collector's Main account and the Collector's Other account was earning significantly less interest than the negotiated rate. The County Collector was unaware that the interest rate was not being paid at the agreed-upon rate. Inquiry of bank officials during the bank balance confirmation process determined that these accounts were paid a lesser rate due to a clerical error at the bank. Upon notification, Hawthorn Bank calculated interest owed to Benton County and issued payment totaling \$47,592.91 in June 2012 to the County Collector for the additional interest earned but not paid during fiscal years 2008, 2009, 2010 and 2011.

Recommendation: We recommend that the County implement procedures to ensure that bank depository accounts are paid the interest rates negotiated by the elected officials and the respective bank.

County's Response: The problem with the incorrect interest paid on two of my accounts has been resolved.

Auditor's Evaluation: The stated corrective action appears appropriate.

ITEMS OF NONCOMPLIANCE

4. Budgetary Controls

Condition: State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. Actual expenditures exceeded budgeted amounts for the following funds and the respective fiscal years:

<u>Fund</u>	<u>2011</u>	<u>2010</u>
Adult Abuse Fund	X	N/A
Juvenile Detention Fund	N/A	X
Drug Abuse Resistance Education Fund	X	N/A
Deputy Sheriff Supplemental Salary Fund	N/A	X
Tax Maintenance Fund	X	N/A
CART Investment	N/A	X
Election Services	X	N/A

Recommendation: We recommend that the County ensure that formal budgets are prepared for all funds and that the County refrain from approving expenditures in excess of budgeted amounts or formally amend the budget if conditions require additional expenditures.

County's Response: The County will implement stricter budgetary monitoring for all funds, and amend the budget for expenditures in excess of budgeted amounts.

Auditor's Evaluation: The stated corrective action appears appropriate.

OTHER MATTERS

In planning and performing our audit of the financial statements of Benton County, Missouri (the County) as of and for the years ended December 31, 2011 and 2010, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the County's financial statements and not for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated June 28, 2012. (A separate report dated June 28, 2012 contains our report on significant deficiencies in the County's internal control.) This document does not affect our report dated June 28, 2012.

5. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted some transfers identified as expenditures and revenues within the funds for both the fiscal year ended 2010 and the fiscal year ended 2011. The respective statements included with this report have been adjusted to correct this condition.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds is equal to transfers from other funds), we recommend that transfers be clearly identified as transfers and presented in the budget document within the Transfer category.

County Response: The County will implement changes to conform to the audit findings, and identify transfers in the budget document within the transfer category.

Auditor's Evaluation: The stated corrective action appears appropriate.

BENTON COUNTY, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

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

1. In FY 2008, the County Treasurer had not properly prepared or documented monthly bank reconciliations. In FY 2009, bank reconciliations were performed on a monthly basis, however, a variance of \$3,681 remained at December 31, 2009 between the reconciled bank account balance and the cash ledger balance.

Status – Not resolved. See Current Finding No. 1.

2. At December 31, the County was writing and holding checks made payable to three Special Road Districts.

Status – Resolved.

3. Of the four timecards reviewed, three of the four selected timesheets had control issues. Two of the respective three were not signed by either the employee or the employee's supervisor. The remaining one of the three was not signed by the employee's supervisor.

Status – Resolved.

4. We tested thirty expenditures. We noted nine invoices that were not approved by a department head prior to reaching the County Commission. Additionally, we found one invoice that was mathematically incorrect resulting in an overpayment of \$7.83 by the county.

Status – Resolved.

5. At the Sheriff's Office, we noted that the office uses unnumbered counter checks for the sheriff's sale bank account. Additionally, there was no evidence of review of the bank reconciliation.

Status – Resolved.

6. The County Commission did not exercise adequate budgetary control over a number of funds during the audit period.

Status – Not resolved. See Current Finding No. 4

7. The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers.

Status – Not Resolved. See Current Finding No. 5.

8. At the Collector's office, we noted that the Collector herself writes all the checks, mails/distributes the checks, and reconciles the bank account. Only one signature is required on this account.

Status – Resolved.