



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Cedar County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Cedar 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 Davis, Lynn & Moots, P.C., 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. 2012-89

CEDAR COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2011 and 2010

CEDAR COUNTY, MISSOURI

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INDEPENDENT AUDITORS' REPORT

Cedar County Commission
Cedar County
Stockton, Missouri

We have audited the accompanying financial statements of Cedar County, Missouri, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's 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 an opinion 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 misstatements. 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 opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which 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 Cedar County, Missouri, as of December 31, 2011 and 2010, or the changes in financial position for the years then ended.

Cedar County Commission
Cedar County
Stockton, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Cedar County, Missouri, as of and for the years ended December 31, 2011 and 2010, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 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, 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.

A handwritten signature in black ink that reads "Davis, Lynn; Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
July 6, 2012

CEDAR COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2011

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 1,873,699	\$ 1,111,227	\$ 972,672	\$ 2,012,254
Special Road and Bridge	1,203	724,351	644,389	81,165
Assessment	134,591	142,891	188,399	89,083
Crime Victim Advocate	(986)	-	-	(986)
DARE	1,798	-	-	1,798
Election Services	9,850	526	3,473	6,903
Shelter	1,642	14,400	14,320	1,722
Law Enforcement Training	2,155	2,520	976	3,699
Local Emergency Planning Commission	7,110	4,556	2,818	8,848
Law Enforcement Sales Tax	36,625	853,062	910,638	(20,951)
Prosecuting Attorney Bad Check	9,034	11,087	19,829	292
Prosecuting Attorney Training	327	424	75	676
Records Preservation	7,529	5,482	2,620	10,391
Tax Maintenance	54,635	12,785	15,441	51,979
Recorder's Tech	3,343	3,454	4,140	2,657
Senior Services	66,518	77,355	83,140	60,733
HAVA	170	37	-	207
Task Force	870	-	-	870
Public Administrator Emergency	-	1,711	636	1,075
Department of Justice E.S.P.	-	37,910	-	37,910
TOTAL	\$ 2,210,113	\$ 3,003,778	\$ 2,863,566	\$ 2,350,325

See accompanying notes.

CEDAR COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2010

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 1,731,819	\$ 1,096,266	\$ 954,386	\$ 1,873,699
Special Road and Bridge	19,012	882,974	900,783	1,203
Assessment	130,763	135,775	131,947	134,591
Crime Victim Advocate	(760)	299	525	(986)
DARE	1,798	-	-	1,798
Election Services	14,316	2,428	6,894	9,850
Shelter	1,242	6,868	6,468	1,642
Law Enforcement Training	1,005	2,045	895	2,155
Local Emergency Planning Commission	8,792	2,138	3,820	7,110
Law Enforcement Sales Tax	98,866	828,393	890,634	36,625
Prosecuting Attorney Bad Check	5,588	14,332	10,886	9,034
Prosecuting Attorney Training	288	339	300	327
Records Preservation	5,505	5,199	3,175	7,529
Tax Maintenance	78,092	17,191	40,648	54,635
Recorder's Tech	4,092	3,391	4,140	3,343
Senior Services	27,852	77,040	38,374	66,518
HAVA	80	90	-	170
Task Force	-	870	-	870
Public Administrator Emergency	-	-	-	-
Department of Justice E.S.P.	-	-	-	-
TOTAL	\$ 2,128,350	\$ 3,075,638	\$ 2,993,875	\$ 2,210,113

Note: For the year ended December 31, 2010, the Tax Maintenance Fund is now included in the County's financial statements.

See accompanying notes.

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 350,000	\$ 362,514	\$ 12,514	\$ 320,000	\$ 337,558	\$ 17,558
Sales taxes	445,000	457,388	12,388	425,000	444,326	19,326
Other taxes	62,203	64,737	2,534	450	64,178	63,728
Intergovernmental	8,350	12,419	4,069	18,200	5,948	(12,252)
Charges for services	153,500	126,910	(26,590)	191,000	109,844	(81,156)
Interest	32,000	34,946	2,946	20,000	33,156	13,156
Other	22,700	48,430	25,730	45,400	72,471	27,071
Transfers in	-	3,883	3,883	-	28,785	28,785
TOTAL RECEIPTS	1,073,753	1,111,227	37,474	1,020,050	1,096,266	76,216
DISBURSEMENTS						
County Commission	79,041	78,658	383	77,071	77,175	(104)
County Clerk	108,700	105,534	3,166	109,051	103,893	5,158
Elections	26,900	24,397	2,503	79,500	47,698	31,802
Buildings and grounds	99,750	62,881	36,869	96,750	75,100	21,650
Employee fringe benefit	82,000	88,139	(6,139)	79,000	75,690	3,310
Treasurer	39,950	40,125	(175)	37,401	37,309	92
Recorder of Deeds	59,201	58,090	1,111	67,671	67,170	501
Collector	72,401	72,454	(53)	70,501	67,554	2,947
Circuit Clerk	31,256	27,152	4,104	30,090	33,289	(3,199)
Court Administration	36,502	36,577	(75)	10,376	11,711	(1,335)
Public Administrator	41,076	41,418	(342)	44,101	44,309	(208)
Coroner	19,120	16,861	2,259	2,970	1,018	1,952
Surveyor	1,900	1,627	273	2,575	328	2,247
University Extension	36,050	36,050	-	36,050	36,050	-
Sheriff	-	-	-	164,000	126,667	37,333
Jail	-	-	-	18,700	16,145	2,555
Prosecuting Attorney	178,499	185,976	(7,477)	30,552	26,202	4,350
Emergency Management	4,900	3,798	1,102	2,450	2,468	(18)
Public Health and Welfare	11,342	11,342	-	11,342	11,342	-
Insurance	35,000	37,158	(2,158)	30,000	30,333	(333)
Legal Fees	25,000	16,197	8,803	25,000	25,068	(68)
Other	18,300	28,238	(9,938)	19,900	21,103	(1,203)
Emergency Fund	33,000	-	33,000	32,000	-	32,000
Transfers out	-	-	-	-	16,764	(16,764)
TOTAL DISBURSEMENTS	1,039,888	972,672	67,216	1,077,051	954,386	122,665
RECEIPTS OVER (UNDER) DISBURSEMENTS	33,865	138,555	104,690	(57,001)	141,880	198,881
CASH AND INVESTMENT BALANCE, January 1	1,873,699	1,873,699	-	1,731,819	1,731,819	-
CASH AND INVESTMENT BALANCE, December 31	\$ 1,907,564	\$ 2,012,254	\$ 104,690	\$ 1,674,818	\$ 1,873,699	\$ 198,881

See accompanying notes.

CEDAR COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 167,000	\$ 172,850	\$ 5,850	\$ 162,000	\$ 162,423	\$ 423
Other taxes	454,000	446,842	(7,158)	422,000	450,216	28,216
Intergovernmental	127,800	97,253	(30,547)	308,000	255,614	(52,386)
Interest	150	1,568	1,418	500	1,258	758
Other	350	5,838	5,488	-	1,620	1,620
Transfers in	-	-	-	-	11,843	11,843
TOTAL RECEIPTS	749,300	724,351	(24,949)	892,500	882,974	(9,526)
DISBURSEMENTS						
Salaries	264,500	223,299	41,201	265,000	256,775	8,225
Employee fringe benefits	81,200	72,845	8,355	102,700	80,038	22,662
Supplies	60,000	80,352	(20,352)	60,000	77,327	(17,327)
Insurance	9,000	9,657	(657)	8,000	9,032	(1,032)
Road and bridge materials	141,500	127,923	13,577	181,000	312,382	(131,382)
Equipment repairs	30,000	33,538	(3,538)	30,000	27,005	2,995
Equipment purchases	60,452	39,848	20,604	60,452	60,451	1
Construction, repair, and maintenance	100,000	56,507	43,493	200,000	77,773	122,227
Transfers out	-	420	(420)	-	-	-
TOTAL DISBURSEMENTS	746,652	644,389	102,263	907,152	900,783	6,369
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,648	79,962	77,314	(14,652)	(17,809)	(3,157)
CASH AND INVESTMENT BALANCE, January 1	1,203	1,203	-	19,012	19,012	-
CASH AND INVESTMENT BALANCE, December 31	\$ 3,851	\$ 81,165	\$ 77,314	\$ 4,360	\$ 1,203	\$ (3,157)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 43,752	\$ 49,527	\$ 5,775	\$ 43,752	\$ 45,262	\$ 1,510
Charges for services	122,680	91,144	(31,536)	120,780	87,889	(32,891)
Interest	-	2,220	2,220	800	2,624	1,824
TOTAL RECEIPTS	166,432	142,891	(23,541)	165,332	135,775	(29,557)
DISBURSEMENTS						
Assessor	212,123	188,160	23,963	164,482	131,947	32,535
Transfers out	-	239	(239)	-	-	-
TOTAL DISBURSEMENTS	212,123	188,399	23,724	164,482	131,947	32,535
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,691)	(45,508)	183	850	3,828	2,978
CASH AND INVESTMENT BALANCE, January 1	134,591	134,591	-	130,763	130,763	-
CASH AND INVESTMENT BALANCE, December 31	\$ 88,900	\$ 89,083	\$ 183	\$ 131,613	\$ 134,591	\$ 2,978

See accompanying notes.

CEDAR COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CRIME VICTIM ADVOCATE FUND</u>						
RECEIPTS						
Other	\$ -	\$ -	\$ -	\$ -	\$ 299	\$ 299
TOTAL RECEIPTS	-	-	-	-	299	299
DISBURSEMENTS						
Victim's Advocate Services	-	-	-	-	525	(525)
TOTAL DISBURSEMENTS	-	-	-	-	525	(525)
RECEIPTS (UNDER)						
DISBURSEMENTS	-	-	-	-	(226)	(226)
CASH AND INVESTMENT						
BALANCE, January 1	(986)	(986)	-	(760)	(760)	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ (986)</u>	<u>\$ (986)</u>	<u>\$ -</u>	<u>\$ (760)</u>	<u>\$ (986)</u>	<u>\$ (226)</u>
<u>DARE FUND</u>						
RECEIPTS						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-	-	-
DISBURSEMENTS						
Other	-	-	-	1,700	-	1,700
TOTAL DISBURSEMENTS	-	-	-	1,700	-	1,700
RECEIPTS (UNDER)						
DISBURSEMENTS	-	-	-	(1,700)	-	1,700
CASH AND INVESTMENT						
BALANCE, January 1	1,798	1,798	-	1,798	1,798	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 1,798</u>	<u>\$ 1,798</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 1,798</u>	<u>\$ 1,700</u>

See accompanying notes.

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 4,000	\$ 526	\$ (3,474)	\$ 2,000	\$ 1,452	\$ (548)
Interest	200	-	(200)	-	236	236
Transfers in	750	-	(750)	10,000	740	(9,260)
TOTAL RECEIPTS	4,950	526	(4,424)	12,000	2,428	(9,572)
DISBURSEMENTS						
Elections	4,000	626	3,374	-	-	-
Other	9,500	2,847	6,653	20,000	6,894	13,106
TOTAL DISBURSEMENTS	13,500	3,473	10,027	20,000	6,894	13,106
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,550)	(2,947)	5,603	(8,000)	(4,466)	3,534
CASH AND INVESTMENT BALANCE, January 1	9,850	9,850	-	14,316	14,316	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,300</u>	<u>\$ 6,903</u>	<u>\$ 5,603</u>	<u>\$ 6,316</u>	<u>\$ 9,850</u>	<u>\$ 3,534</u>
<u>SHELTER FUND</u>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 14,400	\$ 9,400	\$ 1,500	\$ 6,868	\$ 5,368
TOTAL RECEIPTS	5,000	14,400	9,400	1,500	6,868	5,368
DISBURSEMENTS						
LIA house	5,000	14,320	(9,320)	1,242	6,468	(5,226)
TOTAL DISBURSEMENTS	5,000	14,320	(9,320)	1,242	6,468	(5,226)
RECEIPTS OVER DISBURSEMENTS	-	80	80	258	400	142
CASH AND INVESTMENT BALANCE, January 1	1,642	1,642	-	1,242	1,242	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,642</u>	<u>\$ 1,722</u>	<u>\$ 80</u>	<u>\$ 1,500</u>	<u>\$ 1,642</u>	<u>\$ 142</u>

See accompanying notes.

CEDAR COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 2,000	\$ 2,520	\$ 520	\$ 1,800	\$ 2,045	\$ 245
TOTAL RECEIPTS	2,000	2,520	520	1,800	2,045	245
DISBURSEMENTS						
Training	1,000	976	24	1,000	895	105
TOTAL DISBURSEMENTS	1,000	976	24	1,000	895	105
RECEIPTS OVER DISBURSEMENTS	1,000	1,544	544	800	1,150	350
CASH AND INVESTMENT BALANCE, January 1	2,155	2,155	-	1,005	1,005	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,155</u>	<u>\$ 3,699</u>	<u>\$ 544</u>	<u>\$ 1,805</u>	<u>\$ 2,155</u>	<u>\$ 350</u>
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 2,000	\$ 4,505	\$ 2,505	\$ 2,885	\$ 2,000	\$ (885)
Interest	140	51	(89)	110	138	28
TOTAL RECEIPTS	2,140	4,556	2,416	2,995	2,138	(857)
DISBURSEMENTS						
LEPC	6,790	2,818	3,972	3,850	3,820	30
TOTAL DISBURSEMENTS	6,790	2,818	3,972	3,850	3,820	30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,650)	1,738	6,388	(855)	(1,682)	(827)
CASH AND INVESTMENT BALANCE, January 1	7,110	7,110	-	8,792	8,792	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,460</u>	<u>\$ 8,848</u>	<u>\$ 6,388</u>	<u>\$ 7,937</u>	<u>\$ 7,110</u>	<u>\$ (827)</u>

See accompanying notes.

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales tax	\$ 490,000	\$ 505,940	\$ 15,940	\$ 490,000	\$ 487,972	\$ (2,028)
Intergovernmental	262,814	2,907	(259,907)	133,150	-	(133,150)
Charges for services	60,000	336,594	276,594	58,000	328,216	270,216
Interest	1,500	490	(1,010)	1,500	1,490	(10)
Other	-	7,131	7,131	39,150	5,215	(33,935)
Transfers in	-	-	-	-	5,500	5,500
TOTAL RECEIPTS	814,314	853,062	38,749	721,800	828,393	106,593
DISBURSEMENTS						
Public Safety	649,342	632,886	16,456	446,859	512,320	(65,461)
Jail	134,424	173,870	(39,446)	109,650	116,502	(6,852)
Prosecuting Attorney	-	-	-	146,523	154,369	(7,846)
Circuit judge and juvenile	38,000	37,945	55	64,000	57,564	6,436
Coroner	-	-	-	16,462	20,865	(4,403)
Lake patrol	29,030	27,304	1,726	35,150	27,962	7,188
Transfers out	-	38,633	(38,633)	-	1,052	(1,052)
TOTAL DISBURSEMENTS	850,796	910,638	(59,842)	818,644	890,634	(71,990)
RECEIPTS (UNDER)						
DISBURSEMENTS	(36,483)	(57,576)	(21,094)	(96,844)	(62,241)	34,603
CASH AND INVESTMENT						
BALANCE, January 1	36,625	36,625	-	98,866	98,866	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 143	\$ (20,951)	\$ (21,094)	\$ 2,022	\$ 36,625	\$ 34,603
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 13,595	\$ 10,931	\$ (2,664)	\$ 15,000	\$ 14,212	\$ (788)
Interest	-	156	156	-	120	120
TOTAL RECEIPTS	13,595	11,087	(2,508)	15,000	14,332	(668)
DISBURSEMENTS						
Prosecuting Attorney	13,595	17,350	(3,755)	17,900	10,886	7,014
Transfers out	-	2,479	(2,479)	-	-	-
TOTAL DISBURSEMENTS	13,595	19,829	(6,234)	17,900	10,886	7,014
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	(8,742)	(8,742)	(2,900)	3,446	6,346
CASH AND INVESTMENT						
BALANCE, January 1	9,034	9,034	-	5,588	5,588	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 9,034	\$ 292	\$ (8,742)	\$ 2,688	\$ 9,034	\$ 6,346

See accompanying notes.

CEDAR COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
 (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 270	\$ 424	\$ 154	\$ 250	\$ 339	\$ 89
TOTAL RECEIPTS	270	424	154	250	339	89
DISBURSEMENTS						
Prosecuting attorney	270	75	195	538	300	238
TOTAL DISBURSEMENTS	270	75	195	538	300	238
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	349	349	(288)	39	327
CASH AND INVESTMENT BALANCE, January 1	327	327	-	288	288	-
CASH AND INVESTMENT BALANCE, December 31	\$ 327	\$ 676	\$ 349	\$ -	\$ 327	\$ 327
<u>RECORDS PRESERVATION FUND</u>						
RECEIPTS						
Charges for services	\$ 5,150	\$ 5,341	\$ 191	\$ 5,000	\$ 5,086	\$ 86
Interest	-	141	141	65	113	48
TOTAL RECEIPTS	5,150	5,482	332	5,065	5,199	134
DISBURSEMENTS						
Recorder	12,677	2,620	10,057	10,569	2,908	7,661
Transfers out	-	-	-	-	267	(267)
TOTAL DISBURSEMENTS	12,677	2,620	10,057	10,569	3,175	7,394
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,527)	2,862	10,389	(5,504)	2,024	7,528
CASH AND INVESTMENT BALANCE, January 1	7,529	7,529	-	5,505	5,505	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2	\$ 10,391	\$ 10,389	\$ 1	\$ 7,529	\$ 7,528

See accompanying notes.

CEDAR COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 15,000	\$ 11,067	\$ (3,933)	\$ 21,300	\$ 16,371	\$ (4,929)
Interest	600	661	61	-	820	820
Other	-	846	846	-	-	-
Transfers in	-	211	211	-	-	-
TOTAL RECEIPTS	15,600	12,785	(2,815)	21,300	17,191	(4,109)
DISBURSEMENTS						
Collector	16,100	15,441	659	11,050	11,863	(813)
Transfers out	-	-	-	-	28,785	(28,785)
TOTAL DISBURSEMENTS	16,100	15,441	659	11,050	40,648	(29,598)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	(2,656)	(2,156)	10,250	(23,457)	(33,707)
CASH AND INVESTMENT BALANCE, January 1	54,635	54,635	-	78,092	78,092	-
CASH AND INVESTMENT BALANCE, December 31	\$ 54,135	\$ 51,979	\$ (2,156)	\$ 88,342	\$ 54,635	\$ (33,707)
<u>RECORDER'S TECH FUND</u>						
RECEIPTS						
Charges for services	\$ 3,500	\$ 3,418	\$ (82)	\$ 3,800	\$ 3,346	\$ (454)
Interest	-	36	36	40	45	5
TOTAL RECEIPTS	3,500	3,454	(46)	3,840	3,391	(449)
DISBURSEMENTS						
Recorder	6,843	4,140	2,703	7,930	4,140	3,790
TOTAL DISBURSEMENTS	6,843	4,140	2,703	7,930	4,140	3,790
RECEIPTS (UNDER) DISBURSEMENTS	(3,343)	(686)	2,657	(4,090)	(749)	3,341
CASH AND INVESTMENT BALANCE, January 1	3,343	3,343	-	4,092	4,092	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 2,657	\$ 2,657	\$ 2	\$ 3,343	\$ 3,341

See accompanying notes.

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENIOR SERVICES FUND</u>						
RECEIPTS						
Property taxes	\$ 75,000	\$ 77,295	\$ 2,295	\$ 76,000	\$ 72,475	\$ (3,525)
Other taxes	-	60	60	-	47	47
Intergovernmental	51	-	(51)	-	4,518	4,518
TOTAL RECEIPTS	75,051	77,355	2,304	76,000	77,040	1,040
DISBURSEMENTS						
Senior Services	107,000	83,140	23,860	76,000	38,374	37,626
TOTAL DISBURSEMENTS	107,000	83,140	23,860	76,000	38,374	37,626
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	(31,949)	(5,785)	26,164	-	38,666	38,666
CASH, January 1	66,518	66,518	-	27,852	27,852	-
CASH, December 31	\$ 34,569	\$ 60,733	\$ 26,164	\$ 27,852	\$ 66,518	\$ 38,666
<u>HAVA FUND</u>						
RECEIPTS						
Charges for services	\$ 20	\$ 37	\$ 17	\$ 100	\$ 90	\$ (10)
TOTAL RECEIPTS	20	37	17	100	90	(10)
DISBURSEMENTS						
County clerk	170	-	170	175	-	175
TOTAL DISBURSEMENTS	170	-	170	175	-	175
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	(150)	37	187	(75)	90	165
CASH, January 1	170	170	-	80	80	-
CASH, December 31	\$ 20	\$ 207	\$ 187	\$ 5	\$ 170	\$ 165

See accompanying notes.

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>TASK FORCE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 700	\$ -	\$ (700)	\$ -	\$ 870	\$ 870
TOTAL RECEIPTS	700	-	(700)	-	870	870
DISBURSEMENTS						
Transfers out	870	-	870	-	-	-
TOTAL DISBURSEMENTS	870	-	870	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(170)	-	170	-	870	870
CASH, January 1	870	870	-	-	-	-
CASH, December 31	\$ 700	\$ 870	\$ 170	\$ -	\$ 870	\$ 870
<u>PUBLIC ADMINISTRATOR EMERGENCY FUND</u>						
RECEIPTS						
Charges for services	\$ 636	\$ 1,711	\$ 1,075	\$ -	\$ -	\$ -
TOTAL RECEIPTS	636	1,711	1,075	-	-	-
DISBURSEMENTS						
Emergency	-	636	(636)	-	-	-
TOTAL DISBURSEMENTS	-	636	(636)	-	-	-
RECEIPTS OVER DISBURSEMENTS	636	1,075	439	-	-	-
CASH, January 1	-	-	-	-	-	-
CASH, December 31	\$ 636	\$ 1,075	\$ 439	\$ -	\$ -	\$ -
<u>DEPT OF JUSTICE E.S.P. FUND</u>						
RECEIPTS						
Interest	\$ -	\$ 233	\$ 233	\$ -	\$ -	\$ -
Transfers in	-	37,677	37,677	-	-	-
TOTAL RECEIPTS	-	37,910	37,910	-	-	-
DISBURSEMENTS						
General government	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	37,910	37,910	-	-	-
CASH, January 1	-	-	-	-	-	-
CASH, December 31	\$ -	\$ 37,910	\$ 37,910	\$ -	\$ -	\$ -

See accompanying notes.

CEDAR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2011

	Collector Public Fund	Collector Checking Fund	Collector Prepay Fund	Collector Surtax Fund	Recorder's Account Fund	Prosecuting Attorney's Restitution Fund
ASSETS						
Cash and investments	\$ 4	\$ 4,048,895	\$ 55,286	\$ 25,814	\$ 16	\$ -
TOTAL ASSETS	\$ 4	\$ 4,048,895	\$ 55,286	\$ 25,814	\$ 16	\$ -
LIABILITIES						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4	612,463	55,286	2,322	16	-
Due to other governments	-	3,436,432	-	23,492	-	-
TOTAL LIABILITIES	\$ 4	\$ 4,048,895	\$ 55,286	\$ 25,814	\$ 16	\$ -

See accompanying notes.

CEDAR COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
 (CONTINUED)
 December 31, 2011

	<u>P.A.D.S.</u>	<u>Sheriff's Office Fund</u>	<u>Sheriff Recovery Fund</u>	<u>County Law Enforcement Restitution Fund</u>	<u>Payroll Account Fund</u>	<u>Tax Surplus Fund</u>
ASSETS						
Cash and investments	\$ 1,123	\$ 291	\$ 149	\$ 2,513	\$ 510	\$ 5,630
TOTAL ASSETS	<u>\$ 1,123</u>	<u>\$ 291</u>	<u>\$ 149</u>	<u>\$ 2,513</u>	<u>\$ 510</u>	<u>\$ 5,630</u>
LIABILITIES						
Due to others	\$ 1,123	\$ -	\$ 149	\$ 2,513	\$ 510	\$ 5,630
Due to other funds	-	-	-	-	-	-
Due to other governments	-	291	-	-	-	-
TOTAL LIABILITIES	<u>\$ 1,123</u>	<u>\$ 291</u>	<u>\$ 149</u>	<u>\$ 2,513</u>	<u>\$ 510</u>	<u>\$ 5,630</u>

See accompanying notes.

CEDAR COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2011

	Unclaimed Fees Fund	Bond Forfeiture Fund	Fines Fund	Dale Cemetery Trust	Ada Bruce Cemetery Trust	Hazell Dell Cemetery Trust	Total
ASSETS							
Cash and investments	\$ 512	\$ 2,410	\$ 46,463	\$ 1,026	\$ 81	\$ 6,696	\$ 4,197,419
TOTAL ASSETS	\$ 512	\$ 2,410	\$ 46,463	\$ 1,026	\$ 81	\$ 6,696	\$ 4,197,419
LIABILITIES							
Due to others	\$ 512	\$ -	\$ -	\$ 1,026	\$ 81	\$ 6,696	\$ 18,240
Due to other funds	-	-	-	-	-	-	670,091
Due to other governments	-	2,410	46,463	-	-	-	3,509,088
TOTAL LIABILITIES	\$ 512	\$ 2,410	\$ 46,463	\$ 1,026	\$ 81	\$ 6,696	\$ 4,197,419

See accompanying notes.

CEDAR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2010

	Collector Checking Fund	Collector Prepay Fund	Collector Surtax Fund	Recorder's Account Fund	Prosecuting Attorney's Restitution Fund	P.A.D.S.
ASSETS						
Cash and investments	\$ 4,906,993	\$ 17,846	\$ 27,440	\$ 59	\$ -	\$ 314
TOTAL ASSETS	\$ 4,906,993	\$ 17,846	\$ 27,440	\$ 59	\$ -	\$ 314
LIABILITIES						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314
Due to other funds	727,751	17,846	2,502	59	-	-
Due to other governments	4,179,242	-	24,937	-	-	-
TOTAL LIABILITIES	\$ 4,906,993	\$ 17,846	\$ 27,440	\$ 59	\$ -	\$ 314

See accompanying notes.

CEDAR COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2010

	Sheriff Recovery Fund	County Law Enforcement Restitution Fund	Payroll Account Fund	Tax Surplus Fund	Unclaimed Fees Fund	Bond Forfeiture Fund	Schools Fund
ASSETS							
Cash and investments	\$ 149	\$ 3,219	\$ 248	\$ 1,909	\$ 512	\$ 610	\$ 3,418
TOTAL ASSETS	<u>\$ 149</u>	<u>\$ 3,219</u>	<u>\$ 248</u>	<u>\$ 1,909</u>	<u>\$ 512</u>	<u>\$ 610</u>	<u>\$ 3,418</u>
LIABILITIES							
Due to others	\$ 149	\$ 3,219	\$ 248	\$ 1,909	\$ 512	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	610	3,418
TOTAL LIABILITIES	<u>\$ 149</u>	<u>\$ 3,219</u>	<u>\$ 248</u>	<u>\$ 1,909</u>	<u>\$ 512</u>	<u>\$ 610</u>	<u>\$ 3,418</u>

See accompanying notes.

CEDAR COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
 (CONTINUED)
 December 31, 2010

	Fines Fund	Cities Fund	Deputy Sheriff Supplemental Salary Fund	Dale Cemetery Trust	Ada Bruce Cemetery Trust	Hazell Dell Cemetery Trust	Total
ASSETS							
Cash and investments	\$ 35,353	\$ 897	\$ 503	\$ 996	\$ 91	\$ 6,826	\$ 5,007,383
TOTAL ASSETS	\$ 35,353	\$ 897	\$ 503	\$ 996	\$ 91	\$ 6,826	\$ 5,007,383
LIABILITIES							
Due to others	\$ -	\$ -	\$ -	\$ 996	\$ 91	\$ 6,826	\$ 14,264
Due to other funds	-	-	-	-	-	-	748,158
Due to other governments	35,353	897	503	-	-	-	4,244,960
TOTAL LIABILITIES	\$ 35,353	\$ 897	\$ 503	\$ 996	\$ 91	\$ 6,826	\$ 5,007,383

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

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

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

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following funds are used by the County:

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 Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory 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 measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

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 adopts 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. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 8. Budgets are prepared and adopted on the regulatory basis of accounting.
- 9. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer’s office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash pool that is available for use by all funds. Each fund’s portion of this pool is displayed as “cash and cash equivalents”. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2011, all bank balances and certificated of deposit are entirely insured or collateralized with securities.

The County’s Investments at December 31, 2010, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/28/2012	\$ 5,000
Certificate of Deposit	5/23/2011	1,579
Certificate of Deposit	5/16/2011	1,000
		<u>\$ 7,579</u>

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE B – CASH AND INVESTMENTS (continued)

The County’s investments at December 31, 2011, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/28/2012	\$ 5,000
Certificate of Deposit	5/23/2013	1,579
Certificate of Deposit	5/16/2012	1,000
		<u>\$ 7,579</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2011 and 2010, all certificates are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES’ RETIREMENT FUND

Plan Description

Cedar County participates in the County Employees’ Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. 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 401a and it is tax exempt.

The County Employees’ Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101 or by calling 1-877-623-2373.

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE C – PENSION PLAN – CERF (continued)

Funding Policy

Cedar County’s full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Cedar County’s full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE D – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2011 and 2010 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2011</u>	<u>2010</u>
ASSESSED VALUATION		
Real estate	\$ 111,023,450	\$ 109,497,590
Personal property	<u>39,032,872</u>	<u>38,184,146</u>
	<u>\$ 150,056,322</u>	<u>\$ 147,681,736</u>
TAX LEVY		
General Revenue Fund	\$.1488	\$.1617
Road and Bridge	.2385	.2385
Senior Services	<u>.0490</u>	<u>.0494</u>
	<u>\$.4363</u>	<u>\$.4496</u>

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE D – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The legal debt margin at December 31, 2011 and December 31, 2010, is computed as follows:

	<u>2011</u>	<u>2010</u>
Constitutional debt limit	\$ 15,005,632	\$ 14,768,174
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 15,005,632</u></u>	<u><u>\$ 14,768,174</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE E – LONG-TERM DEBT

In July 2012, the County entered into a cancelable lease purchase agreement to refinance the purchase of a 2007 Caterpillar motor grader in the amount of \$125,012. The agreement requires annual payments of \$20,203 including interest at 6.0%.

In May 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of two 2008 Volvo motor graders in the amount of \$199,240. The agreement required annual payments of \$39,848 including interest at 3.85%.

Although the agreements provide for cancellation if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE E – LONG-TERM DEBT (continued)

Changes in Long-Term Debt

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2011:

	Balance December 31, 2009			Balance December 31, 2010			Balance December 31, 2011
	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance
Capital Lease Obligations							
2007 Caterpillar Motor Grader	\$ 134,533	\$ -	\$ 13,465	\$ 121,068	\$ 125,012	\$ 121,068	\$ 125,012
2008 Volvo Motor Graders	110,897	-	35,578	75,319	-	36,948	38,371
	<u>\$ 245,430</u>	<u>\$ -</u>	<u>\$ 49,043</u>	<u>\$ 196,387</u>	<u>\$ 125,012</u>	<u>\$ 158,016</u>	<u>\$ 163,383</u>

The debt service requirements to amortize the principal of the note and lease outstanding at December 31, 2011, are listed in the table below:

Year Ended December 31,	2007 Caterpillar Motor Grader	2008 Volvo Motor Graders	Total Lease Payments
2012	\$ 20,203	\$ 39,848	\$ 60,051
2013	20,203	-	20,203
2014	20,203	-	20,203
2015	20,203	-	20,203
2016	20,203	-	20,203
2017	20,203	-	20,203
2018	20,203	-	20,203
2019	20,202	-	20,202
	161,623	39,848	201,471
Portion Representing Interest	(36,611)	(1,477)	(38,088)
Minimum Future Lease Payments	<u>\$ 125,012</u>	<u>\$ 38,371</u>	<u>\$ 163,383</u>

This interest rate on the capital lease ranges from 3.85% to 6.0%. Payments are payable annually.

CEDAR COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE F – 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. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2011 and 2010, consisted of the following:

	Transfers In (Out)	
	2011	2010
General Revenue Fund	\$ 3,883	\$ 12,021
Special Road and Bridge Fund	(420)	11,843
Assessment Fund	(239)	-
Election Services Fund	-	740
Law Enforcement Sales Tax Fund	(38,633)	4,448
Prosecuting Attorney Bad Check Fund	(2,479)	-
Records Preservation Fund	-	(267)
Tax Maintenance Fund	211	(28,785)
Department of Justice E. S. P. Fund	37,677	-
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2011 and 2010, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE I – COMPENSATED ABSENCES PAYABLE

The County provides employees with up to three weeks of paid vacation per year based upon the number of years of continuous service. Upon termination from County employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year in which they are earned are forfeited. The County will not make payments in lieu of vacation leave. Due to this policy, the County has no determinable liability for compensated absences at December 31, 2010 or 2011.

**SUPPLEMENTARY SCHEDULE
AND AUDITOR'S REPORT**



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

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**INDEPENDENT AUDITORS' 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***

County Commission
Cedar County
Stockton, Missouri

We have audited the financial statements of Cedar County, Missouri as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated July 6, 2012. Our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. 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 Cedar County, Missouri, is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit of the financial statements of Cedar County, Missouri, we considered the 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the 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 responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 deficiency 11-1 described in the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Cedar County, Missouri, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Cedar County, Missouri, in a separate letter dated July 6, 2012.

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

This report is intended solely for the information and use of the County Commission and management, and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 6, 2012

CEDAR COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Years ended December 31, 2011 and 2010

11-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.



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Cedar County Commission
Cedar County
Stockton, Missouri

In planning and performing our audit of the basic financial statements of Cedar County, Missouri for the years ended December 31, 2011 and 2010, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weakness discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in the current year as actual disbursements exceeded budgeted disbursements in the Shelter Fund, the Law Enforcement Sales Tax Fund, the Prosecuting Attorney Bad Check Fund and the Public Administrator Emergency Fund. In addition, a deficit balance was budgeted in the Crime Victim Advocate Fund.

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2010 as actual disbursements exceeded budgeted disbursements in the Crime Victim Advocate Fund, the Shelter Fund, the Law Enforcement Sales Tax Fund, and the Tax Maintenance Fund. In addition, a deficit balance was budgeted in the Crime Victim Advocate Fund. The budgetary statute prohibits the County from budgeting a deficit for any fund maintained by the County and actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary and to include necessary transfer amounts to ensure compliance with the budgetary statute (Chapter 50, RSMo).

2. Deficit Fund Balance

During 2010, the County ended with a deficit fund balance for the Crime Victim Advocate Fund. During 2011, the County ended the year with a deficit fund balance in the Crime Victim Advocate Fund and the Law Enforcement Sales Tax Fund.

We Recommend:

The County evaluate the fund balances for each fund periodically throughout the year and make transfers or other changes necessary to avoid ending with a deficit fund balance in any fund.

3. Bank Reconciliation Review

Management is not reviewing bank reconciliations on all accounts on a monthly basis.

We Recommend:

An authorized individual receives and reviews the bank reconciliations on all accounts after they are prepared.

4. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County officer's designated funds bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements, including all Special Revenue Fund disbursements and officer designated funds accounts.

5. Centralized Accounting Function

The County's accounting system currently consists of two distinct systems of recording receipts and disbursements. The receipts and disbursements for some funds are recorded by the County Clerk and the receipts and disbursements for other funds are recorded by the County Treasurer in a separate accounting system. In addition, for some special revenue funds, extensive manual ledgers are maintained to track receipts and disbursements. The manual ledgers are necessary because all transactions for these funds are recorded in the same account in the accounting software, resulting in only the cash balances by fund being tracked in the accounting software. Due to the absence of a centralized accounting system, receipts and disbursements are not maintained together for funds throughout the year. In order to prepare financial statements, management must rely on manual ledgers due to the lack of adequate reports available from the County's financial accounting software.

We recommend:

The County implement a centralized accounting system capable of integrating cash receipts and disbursements with the general ledger.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Cedar County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 6, 2012



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County Commission
Cedar County
Stockton, Missouri

We have audited the basic financial statements of Cedar County, Missouri for the years ended December 31, 2010 and 2011, and have issued our report thereon dated July 6, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 10, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated April 10, 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Cedar County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010 or 2011.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. No material misstatements were detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 6, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

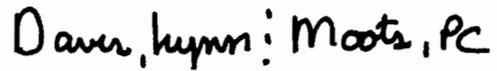
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Cedar County Commission
Cedar County
Stockton, Missouri
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Cedar County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
July 6, 2012