



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

To the County Commission  
and  
Officeholders of Morgan County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Morgan 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, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

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

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-096



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# CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

September 12, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Morgan County, Missouri

We have audited the accompanying financial statements of Morgan County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2012 and 2011, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

## **MORGAN COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Morgan County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Morgan County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

Morgan County, Missouri, has not properly presented the receipts and disbursements in the General Revenue Fund and various other funds for the years ended December 31, 2012 and 2011. Intergovernmental receipts, charges for services, and transfers in were misclassified to other areas; federal grants were misclassified as other revenues; and transfers out were classified in various disbursement areas. The amount by which the receipts and disbursements are misstated is material but not readily determinable.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Morgan County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013, on our consideration of Morgan County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morgan County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Morgan 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

**MORGAN COUNTY, MISSOURI  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MORGAN COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash			Cash			Cash
	January 1, 2011	Receipts	Disbursements	December 31, 2011	Receipts	Disbursements	December 31, 2012
General Revenue	\$ 2,286,915	2,192,128	2,048,081	2,430,962	2,330,991	2,440,220	2,321,733
Special Road and Bridge	752,917	1,962,960	2,135,969	579,908	1,884,719	1,888,135	576,492
Assessment	120,803	444,657	439,722	125,738	430,732	459,945	96,525
Law Enforcement Training	8,789	3,239	575	11,453	3,199	180	14,472
Prosecuting Attorney Training	1,190	794	-	1,984	793	-	2,777
Johnson Grass	148,162	2,658	2,430	148,390	1,680	1,611	148,459
911	-	586,127	586,127	-	625,716	625,716	-
Local Emergency Planning Committee	1,099	-	-	1,099	-	-	1,099
Prosecuting Attorney Delinquent Sales Tax	2,411	1,277	1,000	2,688	926	18	3,596
Recorder User	35,785	22,358	23,373	34,770	35,537	23,958	46,349
Prosecuting Attorney Retirement	-	7,752	7,752	-	7,752	7,752	-
Domestic Violence	4,681	7,714	10,999	1,396	4,872	1,722	4,546
Bad Check Collection	399	10,530	10,929	-	10,353	10,252	101
Law Enforcement Sales Tax	-	3,357,264	2,991,702	365,562	3,405,413	3,233,694	537,281
NID Debt Service Bond*	448,609	451,524	397,384	502,749	468,611	383,587	587,773
NID Ongoing Maintenance and Construction*	1,459,876	204,583	65,026	1,599,433	201,899	453,296	1,348,036
Sheriff Fees	38,094	36,803	46,775	28,122	54,908	41,369	41,661
Peace Officers Standard Training (POST)	-	1,465	1,465	-	1,346	-	1,346
Election Services	13,795	3,127	3,325	13,597	7,114	13,000	7,711
County Law Enforcement Restitution (1)	-	12,062	-	12,062	35,730	23,200	24,592
Sheriff's Revolving	44,339	15,759	3,812	56,286	26,004	19,634	62,656
Help America Vote Act (HAVA)	18,128	1,701	1,079	18,750	10,494	13,167	16,077
MoSmart Grant	-	84,530	84,530	-	-	-	-
Inmate Security	16,485	3,357	-	19,842	3,280	-	23,122
Law Library	4,031	10,143	12,407	1,767	9,519	10,833	453
Collector Tax Maintenance	118,991	46,736	44,461	121,266	47,352	58,009	110,609
Drug Task Force	6,927	234,200	233,872	7,255	252,118	257,324	2,049
Drug Task Force Supplemental	7,235	25,384	32,619	-	54,681	32,619	22,062
Senior Services Board	59,169	180,295	164,608	74,856	192,747	198,049	69,554
Senate Bill 40 Board	80,801	394,328	360,469	114,660	463,555	387,151	191,064
<b>Totals</b>	<b>\$ 5,679,631</b>	<b>10,305,455</b>	<b>9,710,491</b>	<b>6,274,595</b>	<b>10,572,041</b>	<b>10,584,441</b>	<b>6,262,195</b>

(1) The county did not prepare a budget for this fund for 2011.

\* NID = Neighborhood Improvement Districts

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<b>General Revenue Fund</b>					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 350,000	378,872	28,872	\$ 380,000	352,747	(27,253)
Sales taxes	930,000	975,859	45,859	970,000	983,366	13,366
Charges for services	621,832	601,020	(20,812)	612,340	559,472	(52,868)
Interest	-	28,642	28,642	30,000	44,528	14,528
Other	184,450	162,682	(21,768)	63,075	144,943	81,868
Transfers in	126,100	183,916	57,816	166,600	107,072	(59,528)
Total Receipts	\$ 2,212,382	2,330,991	118,609	\$ 2,222,015	2,192,128	(29,887)
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 123,084	119,590	(3,494)	\$ 122,564	122,112	(452)
County Clerk	181,534	182,495	961	112,674	109,467	(3,207)
Elections	80,000	70,566	(9,434)	2,600	2,277	(323)
Buildings and grounds	113,302	93,585	(19,717)	110,672	91,002	(19,670)
Employee fringe benefits	153,900	162,157	8,257	154,700	149,049	(5,651)
County Treasurer	51,775	50,480	(1,295)	49,175	49,136	(39)
County Collector	133,415	134,097	682	129,875	130,258	383
Recorder of Deeds	93,386	92,269	(1,117)	91,363	87,473	(3,890)
Circuit Clerk	44,120	42,153	(1,967)	42,300	40,551	(1,749)
Court Administration	8,000	4,276	(3,724)	6,000	7,825	1,825
Public Administrator	78,366	76,460	(1,906)	76,746	75,950	(796)
Public Safety-						
Sheriff	-	30,497	30,497	-	-	-
Prosecuting Attorney	362,031	359,644	(2,387)	286,032	281,366	(4,666)
Juvenile Officer	78,652	60,616	(18,036)	74,329	57,167	(17,162)
County Coroner	34,240	34,147	(93)	33,640	26,718	(6,922)
Other-						
Outside services	150,000	144,299	(5,701)	88,000	101,725	13,725
Equipment	150,000	127,907	(22,093)	100,000	119,390	19,390
Capital improvement-jail	250,000	184,484	(65,516)	30,000	88,728	58,728
Other general county government	222,355	214,922	(7,433)	135,500	159,104	23,604
Court Reporters and Circuit Judges	12,072	6,732	(5,340)	11,707	7,457	(4,250)
Transfers out	681,769	248,844	(432,925)	639,655	341,326	(298,329)
Emergency Fund	66,400	-	(66,400)	67,200	-	(67,200)
Total Disbursements	\$ 3,068,401	2,440,220	(628,181)	\$ 2,364,732	2,048,081	(316,651)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (856,019)	(109,229)	746,790	\$ (142,717)	144,047	286,764
CASH, JANUARY 1	2,430,962	2,430,962	-	2,286,915	2,286,915	-
CASH, DECEMBER 31	\$ 1,574,943	2,321,733	746,790	\$ 2,144,198	2,430,962	286,764

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Special Road and Bridge Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 447,000	480,213	33,213	\$ 472,000	446,553	(25,447)
Sales taxes	169,000	189,988	20,988	162,000	169,374	7,374
Intergovernmental	1,166,000	1,111,261	(54,739)	1,182,000	1,164,600	(17,400)
Interest	17,000	8,866	(8,134)	31,000	17,221	(13,779)
Other	11,000	94,328	83,328	9,400	165,078	155,678
Transfers in	200	63	(137)	210	134	(76)
Total Receipts	<u>\$ 1,810,200</u>	<u>1,884,719</u>	<u>74,519</u>	<u>\$ 1,856,610</u>	<u>1,962,960</u>	<u>106,350</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ 611,741	582,351	(29,390)	\$ 597,960	592,434	(5,526)
Employee fringe benefits	154,170	141,932	(12,238)	143,070	144,304	1,234
Supplies	312,000	266,257	(45,743)	261,000	311,597	50,597
Insurance	35,000	33,516	(1,484)	34,000	34,567	567
Road and bridge materials	209,000	200,209	(8,791)	210,000	234,142	24,142
Equipment repairs	60,000	54,224	(5,776)	65,000	60,874	(4,126)
Equipment purchases	322,303	262,540	(59,763)	396,303	377,162	(19,141)
Road and bridge construction	400,000	197,687	(202,313)	500,000	234,860	(265,140)
Other	147,900	139,484	(8,416)	145,500	141,660	(3,840)
Transfers out	10,000	9,935	(65)	10,000	4,369	(5,631)
Total Disbursements	<u>\$ 2,262,114</u>	<u>1,888,135</u>	<u>(373,979)</u>	<u>\$ 2,362,833</u>	<u>2,135,969</u>	<u>(226,864)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (451,914)	(3,416)	448,498	\$ (506,223)	(173,009)	333,214
CASH, JANUARY 1	579,908	579,908	-	752,917	752,917	-
CASH, DECEMBER 31	<u>\$ 127,994</u>	<u>576,492</u>	<u>448,498</u>	<u>\$ 246,694</u>	<u>579,908</u>	<u>333,214</u>

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 430,631	427,664	(2,967)	\$ 440,799	440,494	(305)
Interest	4,163	2,400	(1,763)	4,862	4,163	(699)
Other	-	668	668	-	-	-
Total Receipts	<u>\$ 434,794</u>	<u>430,732</u>	<u>(4,062)</u>	<u>\$ 445,661</u>	<u>444,657</u>	<u>(1,004)</u>
<b>DISBURSEMENTS</b>						
Assessor	\$ 478,974	459,945	(19,029)	\$ 480,925	439,722	(41,203)
Total Disbursements	<u>\$ 478,974</u>	<u>459,945</u>	<u>(19,029)</u>	<u>\$ 480,925</u>	<u>439,722</u>	<u>(41,203)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (44,180)	(29,213)	14,967	\$ (35,264)	4,935	40,199
CASH, JANUARY 1	125,738	125,738	-	120,803	120,803	-
CASH, DECEMBER 31	<u>\$ 81,558</u>	<u>96,525</u>	<u>14,967</u>	<u>\$ 85,539</u>	<u>125,738</u>	<u>40,199</u>

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Law Enforcement Training Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 3,000	3,062	62	\$ 3,000	3,078	78
Interest	150	137	(13)	160	161	1
Total Receipts	\$ 3,150	3,199	49	\$ 3,160	3,239	79
<b>DISBURSEMENTS</b>						
Sheriff	\$ 8,000	180	(7,820)	\$ 5,000	575	(4,425)
Total Disbursements	\$ 8,000	180	(7,820)	\$ 5,000	575	(4,425)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,850)	3,019	7,869	\$ (1,840)	2,664	4,504
CASH, JANUARY 1	11,453	11,453	-	8,789	8,789	-
CASH, DECEMBER 31	\$ 6,603	14,472	7,869	\$ 6,949	11,453	4,504

**Prosecuting Attorney Training Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 800	768	(32)	\$ 800	768	(32)
Interest	35	25	(10)	35	26	(9)
Total Receipts	\$ 835	793	(42)	\$ 835	794	(41)
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	\$ 800	-	(800)	\$ 1,000	-	(1,000)
Total Disbursements	\$ 800	-	(800)	\$ 1,000	-	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 35	793	758	\$ (165)	794	959
CASH, JANUARY 1	1,984	1,984	-	1,190	1,190	-
CASH, DECEMBER 31	\$ 2,019	2,777	758	\$ 1,025	1,984	959

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Johnson Grass Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 2,500	1,680	(820)	\$ 3,800	2,658	(1,142)
Total Receipts	\$ 2,500	1,680	(820)	\$ 3,800	2,658	(1,142)
DISBURSEMENTS						
Salaries and benefits	\$ 3,482	584	(2,898)	\$ 3,482	1,531	(1,951)
Office	100	26	(74)	125	33	(92)
Equipment	-	592	592	-	-	-
Other	2,500	409	(2,091)	2,300	866	(1,434)
Total Disbursements	\$ 6,082	1,611	(4,471)	\$ 5,907	2,430	(3,477)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,582)	69	3,651	\$ (2,107)	228	2,335
CASH, JANUARY 1	148,390	148,390	-	148,162	148,162	-
CASH, DECEMBER 31	\$ 144,808	148,459	3,651	\$ 146,055	148,390	2,335

<b>911 Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 119,423	121,508	2,085	\$ 115,823	119,617	3,794
Interest	70	30	(40)	50	69	19
Other	261,050	263,086	2,036	266,400	262,601	(3,799)
Transfers in	248,695	241,092	(7,603)	197,300	203,840	6,540
Total Receipts	\$ 629,238	625,716	(3,522)	\$ 579,573	586,127	6,554
DISBURSEMENTS						
Salaries and benefits	\$ 555,143	545,005	(10,138)	\$ 506,073	515,037	8,964
Office	16,500	23,213	6,713	16,500	17,780	1,280
Equipment	6,000	8,618	2,618	7,500	9,320	1,820
Mileage and training	9,500	10,307	807	7,500	9,950	2,450
Other	42,095	38,573	(3,522)	42,000	34,040	(7,960)
Total Disbursements	\$ 629,238	625,716	(3,522)	\$ 579,573	586,127	6,554
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Local Emergency Planning Committee Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	-	-
Total Receipts	\$ -	-	-	\$ -	-	-
DISBURSEMENTS						
Other	\$ 500	-	(500)	\$ 500	-	(500)
Total Disbursements	\$ 500	-	(500)	\$ 500	-	(500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	-	500	\$ (500)	-	500
CASH, JANUARY 1	1,099	1,099	-	1,099	1,099	-
CASH, DECEMBER 31	\$ 599	1,099	500	\$ 599	1,099	500

**Prosecuting Attorney Delinquent Sales Tax Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 500	892	392	\$ 1,000	1,237	237
Interest	25	34	9	50	40	(10)
Total Receipts	\$ 525	926	401	\$ 1,050	1,277	227
DISBURSEMENTS						
Prosecuting Attorney	\$ -	18	18	\$ 1,000	1,000	-
Total Disbursements	\$ -	18	18	\$ 1,000	1,000	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 525	908	383	\$ 50	277	227
CASH, JANUARY 1	2,688	2,688	-	2,411	2,411	-
CASH, DECEMBER 31	\$ 3,213	3,596	383	\$ 2,461	2,688	227

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Recorder User Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 21,000	35,041	14,041	\$ 21,000	21,718	718
Interest	1,000	496	(504)	1,000	640	(360)
Total Receipts	\$ 22,000	35,537	13,537	\$ 22,000	22,358	358
<b>DISBURSEMENTS</b>						
Office	\$ 22,000	23,958	1,958	\$ 22,000	23,373	1,373
Total Disbursements	\$ 22,000	23,958	1,958	\$ 22,000	23,373	1,373
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	11,579	11,579	\$ -	(1,015)	(1,015)
CASH, JANUARY 1	34,770	34,770	-	35,785	35,785	-
CASH, DECEMBER 31	\$ 34,770	46,349	11,579	\$ 35,785	34,770	(1,015)

**Prosecuting Attorney Retirement Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Transfers in	\$ 7,752	7,752	-	\$ 7,752	7,752	-
Total Receipts	\$ 7,752	7,752	-	\$ 7,752	7,752	-
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	\$ 7,752	7,752	-	\$ 7,752	7,752	-
Total Disbursements	\$ 7,752	7,752	-	\$ 7,752	7,752	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Domestic Violence Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 1,682	4,850	3,168	\$ 4,700	7,675	2,975
Interest	40	22	(18)	80	39	(41)
Total Receipts	\$ 1,722	4,872	3,150	\$ 4,780	7,714	2,934
<b>DISBURSEMENTS</b>						
Domestic violence shelters	\$ 1,721	1,722	1	\$ 8,200	8,200	-
Other reimbursements	-	-	-	-	2,799	2,799
Total Disbursements	\$ 1,721	1,722	1	\$ 8,200	8,200	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1	3,150	3,149	\$ (3,420)	(486)	2,934
CASH, JANUARY 1	1,396	1,396	-	4,681	4,681	-
CASH, DECEMBER 31	\$ 1,397	4,546	3,149	\$ 1,261	4,195	2,934

**Bad Check Collection Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 10,500	10,350	(150)	\$ 12,000	10,518	(1,482)
Interest	15	3	(12)	35	12	(23)
Total Receipts	\$ 10,515	10,353	(162)	\$ 12,035	10,530	(1,505)
<b>DISBURSEMENTS</b>						
Salaries	\$ 10,219	10,232	13	\$ 10,219	10,219	-
Office	-	-	-	1,610	710	(900)
Other	25	20	(5)	25	-	(25)
Total Disbursements	\$ 10,244	10,252	8	\$ 11,854	10,929	(925)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 271	101	(170)	\$ 181	(399)	(580)
CASH, JANUARY 1	-	-	-	399	399	-
CASH, DECEMBER 31	\$ 271	101	(170)	\$ 580	-	(580)

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Law Enforcement Sales Tax Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 1,030,000	1,064,037	34,037	\$ 1,065,000	1,084,271	19,271
Interest	2,000	4,357	2,357	3,000	2,362	(638)
Other	1,577,600	2,337,019	759,419	1,458,284	2,140,897	682,613
Transfers in	229,905	-	(229,905)	419,603	129,734	(289,869)
Total Receipts	<u>\$ 2,839,505</u>	<u>3,405,413</u>	<u>565,908</u>	<u>\$ 2,945,887</u>	<u>3,357,264</u>	<u>411,377</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ 1,517,152	1,452,868	(64,284)	\$ 1,307,432	1,337,741	30,309
Office	57,500	65,862	8,362	55,000	55,041	41
Equipment	62,000	38,050	(23,950)	70,500	56,805	(13,695)
Mileage and training	180,000	214,975	34,975	156,500	175,633	19,133
Other	179,615	174,853	(4,762)	198,069	193,587	(4,482)
Jail	310,000	399,118	89,118	299,250	317,198	17,948
Employee fringe benefits	303,800	286,925	(16,875)	288,080	273,505	(14,575)
Bond payment	465,000	458,882	(6,118)	465,000	444,803	(20,197)
Utilities	130,000	142,161	12,161	106,056	137,389	31,333
Total Disbursements	<u>\$ 3,205,067</u>	<u>3,233,694</u>	<u>28,627</u>	<u>\$ 2,945,887</u>	<u>2,991,702</u>	<u>45,815</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (365,562)	171,719	537,281	\$ -	365,562	365,562
CASH, JANUARY 1	365,562	365,562	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>537,281</u>	<u>537,281</u>	<u>\$ -</u>	<u>365,562</u>	<u>365,562</u>

<b>NID Debt Service Bond Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 8,360	6,690	(1,670)	\$ 11,260	9,020	(2,240)
NID tax levy proceeds	446,750	461,921	15,171	429,274	442,504	13,230
Total Receipts	<u>\$ 455,110</u>	<u>468,611</u>	<u>13,501</u>	<u>\$ 440,534</u>	<u>451,524</u>	<u>10,990</u>
<b>DISBURSEMENTS</b>						
Debt service principal, interest, and fees	\$ 383,637	200,432	(183,205)	\$ 388,895	218,438	(170,457)
NID maintenance	-	183,155	183,155	-	178,946	178,946
Total Disbursements	<u>\$ 383,637</u>	<u>383,587</u>	<u>(50)</u>	<u>\$ 388,895</u>	<u>397,384</u>	<u>8,489</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 71,473	85,024	13,551	\$ 51,639	54,140	2,501
CASH, JANUARY 1	502,749	502,749	-	448,609	448,609	-
CASH, DECEMBER 31	<u>\$ 574,222</u>	<u>587,773</u>	<u>13,551</u>	<u>\$ 500,248</u>	<u>502,749</u>	<u>2,501</u>

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NID Ongoing Maintenance and Construction Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 23,700	18,089	(5,611)	\$ 26,550	25,637	(913)
Fees from NID tax levies	204,300	183,155	(21,145)	143,600	178,946	35,346
Other	-	655	655	-	-	-
Total Receipts	\$ 228,000	201,899	(26,101)	\$ 170,150	204,583	34,433
<b>DISBURSEMENTS</b>						
NID construction and maintenance	\$ 226,000	453,296	227,296	\$ -	65,026	65,026
Total Disbursements	\$ 226,000	453,296	227,296	\$ -	65,026	65,026
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,000	(251,397)	(253,397)	\$ 170,150	139,557	(30,593)
CASH, JANUARY 1	1,599,433	1,599,433	-	1,459,876	1,459,876	-
CASH, DECEMBER 31	\$ 1,601,433	1,348,036	(253,397)	\$ 1,630,026	1,599,433	(30,593)

**Sheriff Fees Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 35,000	30,433	(4,567)	\$ 40,000	36,218	(3,782)
Interest	600	300	(300)	900	585	(315)
Other	-	4,883	4,883	5,000	-	(5,000)
Transfers in	-	19,292	19,292	-	-	-
Total Receipts	\$ 35,600	54,908	19,308	\$ 45,900	36,803	(9,097)
<b>DISBURSEMENTS</b>						
Sheriff	\$ 50,742	41,369	(9,373)	\$ 51,792	46,775	(5,017)
Total Disbursements	\$ 50,742	41,369	(9,373)	\$ 51,792	46,775	(5,017)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (15,142)	13,539	28,681	\$ (5,892)	(9,972)	(4,080)
CASH, JANUARY 1	28,122	28,122	-	38,094	38,094	-
CASH, DECEMBER 31	\$ 12,980	41,661	28,681	\$ 32,202	28,122	(4,080)

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**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Peace Officers Standard Training (POST) Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Other	\$ 1,600	1,346	(254)	\$ 1,600	1,465	(135)
Total Receipts	\$ 1,600	1,346	(254)	\$ 1,600	1,465	(135)
<b>DISBURSEMENTS</b>						
Sheriff	\$ 1,600	-	(1,600)	\$ 1,600	1,465	(135)
Total Disbursements	\$ 1,600	-	(1,600)	\$ 1,600	1,465	(135)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,346	1,346	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	1,346	1,346	\$ -	-	-

**Election Services Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 250	74	(176)	\$ 275	234	(41)
Other	4,000	7,040	3,040	200	2,893	2,693
Total Receipts	\$ 4,250	7,114	2,864	\$ 475	3,127	2,652
<b>DISBURSEMENTS</b>						
County Clerk	\$ 14,000	13,000	(1,000)	\$ 5,000	3,325	(1,675)
Total Disbursements	\$ 14,000	13,000	(1,000)	\$ 5,000	3,325	(1,675)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,750)	(5,886)	3,864	\$ (4,525)	(198)	4,327
CASH, JANUARY 1	13,597	13,597	-	13,795	13,795	-
CASH, DECEMBER 31	\$ 3,847	7,711	3,864	\$ 9,270	13,597	4,327

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**County Law Enforcement Restitution Fund**

	2012			no approved budget 2011		
	Final	Actual	Actual	Final	Actual	Actual
	Budget		Over (Under)	Budget		Over (Under)
<b>RECEIPTS</b>						
Interest	\$ 10	159	149	\$ -	12	12
Other	25,000	35,571	10,571	-	12,050	12,050
Total Receipts	\$ 25,010	35,730	10,720	\$ -	12,062	12,062
<b>DISBURSEMENTS</b>						
Transfers out	\$ 20,000	23,200	3,200	\$ -	-	-
Total Disbursements	\$ 20,000	23,200	3,200	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,010	12,530	7,520	\$ -	12,062	12,062
CASH, JANUARY 1	12,062	12,062	-	-	-	-
CASH, DECEMBER 31	\$ 17,072	24,592	7,520	\$ -	12,062	12,062

**Sheriff's Revolving Fund**

	2012			2011		
	Final	Actual	Actual	Final	Actual	Actual
	Budget		Over (Under)	Budget		Over (Under)
<b>RECEIPTS</b>						
Charges for services	\$ 11,000	18,745	7,745	\$ 12,000	10,910	(1,090)
Interest	800	647	(153)	1,000	859	(141)
Other	4,000	6,612	2,612	4,000	3,990	(10)
Total Receipts	\$ 15,800	26,004	10,204	\$ 17,000	15,759	(1,241)
<b>DISBURSEMENTS</b>						
Sheriff	\$ 30,600	19,634	(10,966)	\$ 20,700	3,812	(16,888)
Total Disbursements	\$ 30,600	19,634	(10,966)	\$ 20,700	3,812	(16,888)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,800)	6,370	21,170	\$ (3,700)	11,947	15,647
CASH, JANUARY 1	56,286	56,286	-	44,339	44,339	-
CASH, DECEMBER 31	\$ 41,486	62,656	21,170	\$ 40,639	56,286	15,647

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

	2012			2011		
	Final	Actual	Actual	Final	Actual	Actual
	Budget		Over (Under)	Budget		Over (Under)
<b>RECEIPTS</b>						
Interest	\$ 200	10,342	10,142	\$ -	1,305	1,305
Other	1,000	152	(848)	200	396	196
Total Receipts	\$ 1,200	10,494	9,294	\$ 200	1,701	1,501
<b>DISBURSEMENTS</b>						
HAVA expenses	\$ 13,000	13,167	167	\$ 5,000	1,079	(3,921)
Total Disbursements	\$ 13,000	13,167	167	\$ 5,000	1,079	(3,921)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,800)	(2,673)	9,127	\$ (4,800)	622	5,422
CASH, JANUARY 1	18,750	18,750	-	18,128	18,128	-
CASH, DECEMBER 31	\$ 6,950	16,077	9,127	\$ 13,328	18,750	5,422

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>MoSmart Grant Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS	no budget required					
Other	\$ -	-	-	\$ 84,784	-	(84,784)
Transfers in	-	-	-	-	84,530	84,530
Total Receipts	\$ -	-	-	\$ 84,784	84,530	(254)
DISBURSEMENTS						
Salaries	\$ -	-	-	\$ 64,354	74,027	9,673
Fringe benefits	-	-	-	19,930	10,503	(9,427)
Other	-	-	-	500	-	(500)
Total Disbursements	\$ -	-	-	\$ 84,784	84,530	(254)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

<b>Inmate Security Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,000	3,047	47	\$ 3,300	3,045	(255)
Interest	300	233	(67)	400	312	(88)
Total Receipts	\$ 3,300	3,280	(20)	\$ 3,700	3,357	(343)
DISBURSEMENTS						
Sheriff	\$ 12,000	-	(12,000)	\$ 13,300	-	(13,300)
Total Disbursements	\$ 12,000	-	(12,000)	\$ 13,300	-	(13,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,700)	3,280	11,980	\$ (9,600)	3,357	12,957
CASH, JANUARY 1	19,842	19,842	-	16,485	16,485	-
CASH, DECEMBER 31	\$ 11,142	23,122	11,980	\$ 6,885	19,842	12,957

<b>Law Library Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,100	9,519	419	\$ 3,000	10,143	7,143
Total Receipts	\$ 9,100	9,519	419	\$ 3,000	10,143	7,143
DISBURSEMENTS						
Law library maintenance	\$ 10,100	10,833	733	\$ 3,000	12,407	9,407
Total Disbursements	\$ 10,100	10,833	733	\$ 3,000	12,407	9,407
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	(1,314)	(314)	\$ -	(2,264)	(2,264)
CASH, JANUARY 1	1,767	1,767	-	4,031	4,031	-
CASH, DECEMBER 31	\$ 767	453	(314)	\$ 4,031	1,767	(2,264)

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Collector Tax Maintenance Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 45,000	46,051	1,051	\$ 50,000	46,736	(3,264)
Interest	-	1,301	1,301	-	-	-
Total Receipts	<u>\$ 45,000</u>	<u>47,352</u>	<u>2,352</u>	<u>\$ 50,000</u>	<u>46,736</u>	<u>(3,264)</u>
<b>DISBURSEMENTS</b>						
Collector	\$ 25,500	33,009	7,509	\$ 15,000	19,461	4,461
Transfers out	25,000	25,000	-	25,000	25,000	-
Total Disbursements	<u>\$ 50,500</u>	<u>58,009</u>	<u>7,509</u>	<u>\$ 40,000</u>	<u>44,461</u>	<u>4,461</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (5,500)</u>	<u>(10,657)</u>	<u>(5,157)</u>	<u>\$ 10,000</u>	<u>2,275</u>	<u>(7,725)</u>
CASH, JANUARY 1	<u>121,266</u>	<u>121,266</u>	<u>-</u>	<u>118,991</u>	<u>118,991</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 115,766</u>	<u>110,609</u>	<u>(5,157)</u>	<u>\$ 128,991</u>	<u>121,266</u>	<u>(7,725)</u>

<b>Drug Task Force Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 123,208	210,653	87,445	\$ 123,208	211,470	88,262
Interest	-	54	54	-	106	106
Other	17,500	41,411	23,911	-	19,860	19,860
Transfers in	-	-	-	-	2,764	2,764
Total Receipts	<u>\$ 140,708</u>	<u>252,118</u>	<u>111,410</u>	<u>\$ 123,208</u>	<u>234,200</u>	<u>110,992</u>
<b>DISBURSEMENTS</b>						
Salaries, benefits, and supplies	\$ 123,208	257,324	134,116	\$ 123,208	233,872	110,664
Total Disbursements	<u>\$ 123,208</u>	<u>257,324</u>	<u>134,116</u>	<u>\$ 123,208</u>	<u>233,872</u>	<u>110,664</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 17,500</u>	<u>(5,206)</u>	<u>(22,706)</u>	<u>\$ -</u>	<u>328</u>	<u>328</u>
CASH, JANUARY 1	<u>-</u>	<u>7,255</u>	<u>-</u>	<u>-</u>	<u>6,927</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>2,049</u>	<u>-</u>	<u>\$ -</u>	<u>7,255</u>	<u>-</u>

<b>Drug Task Force Supplemental Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 42,738	50,449	7,711	\$ 11,722	25,384	13,662
Transfers in	-	4,232	4,232	-	-	-
Total Receipts	<u>\$ 42,738</u>	<u>54,681</u>	<u>11,943</u>	<u>\$ 11,722</u>	<u>25,384</u>	<u>13,662</u>
<b>DISBURSEMENTS</b>						
Vehicle expenses, office, and retirement	\$ 44,620	32,619	(12,001)	\$ 11,722	29,855	18,133
Transfers out	-	-	-	-	2,764	2,764
Total Disbursements	<u>\$ 44,620</u>	<u>32,619</u>	<u>(12,001)</u>	<u>\$ 11,722</u>	<u>32,619</u>	<u>20,897</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (1,882)</u>	<u>22,062</u>	<u>23,944</u>	<u>\$ -</u>	<u>(7,235)</u>	<u>(7,235)</u>
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,235</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>22,062</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Senior Services Board Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 180,000	192,586	12,586	\$ 180,000	179,995	(5)
Interest	300	161	(139)	600	300	(300)
Total Receipts	\$ 180,300	192,747	12,447	\$ 180,600	180,295	(305)
<b>DISBURSEMENTS</b>						
Contract services and other	\$ 203,000	198,050	(4,950)	\$ 200,000	164,908	(35,092)
Total Disbursements	\$ 203,000	198,050	(4,950)	\$ 200,000	164,908	(35,092)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (22,700)	(5,303)	17,397	\$ (19,400)	15,387	34,787
CASH, JANUARY 1	74,556	74,556	-	59,169	59,169	-
CASH, DECEMBER 31	\$ 51,856	69,253	17,397	\$ 39,769	74,556	34,787

<b>Senate Bill 40 Board Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 181,590	193,337	11,747	\$ 195,325	180,363	(14,962)
Intergovernmental -						
Medicaid waiver-Target Case Management	204,000	266,444	62,444	240,000	184,997	(55,003)
Stimulus refund	-	-	-	-	28,628	28,628
Interest	360	238	(122)	1,573	340	(1,233)
Miscellaneous	-	3,536	3,536	-	-	-
Total Receipts	\$ 385,950	463,555	77,605	\$ 436,898	394,328	(42,570)
<b>DISBURSEMENTS</b>						
Contract services	\$ 84,000	84,000	-	\$ 84,000	84,000	-
Medicaid waiver match-state of Missouri	117,549	83,248	(34,301)	99,486	111,527	12,041
State medicaid reimbursements	48,000	44,112	(3,888)	-	8,250	8,250
Customer services	20,400	19,280	(1,120)	19,400	18,890	(510)
Personnel expenses	134,300	126,399	(7,901)	130,036	108,622	(21,414)
Insurance and bonds	2,500	1,838	(662)	-	1,651	1,651
Professional	1,000	-	(1,000)	-	-	-
Utilities	12,420	10,801	(1,619)	10,980	9,716	(1,264)
Office supplies	4,896	2,175	(2,721)	1,800	5,739	3,939
Travel and training expenses	7,200	4,928	(2,272)	8,700	1,790	(6,910)
Equipment and furnishings	9,292	3,320	(5,972)	4,200	4,359	159
Maintenance and repair	-	-	-	-	2,484	2,484
Miscellaneous	4,217	7,050	2,833	1,550	3,441	1,891
Total Disbursements	\$ 445,774	387,151	(58,623)	\$ 360,152	360,469	317
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (59,824)	76,404	136,228	\$ 76,746	33,859	(42,887)
CASH, JANUARY 1	114,660	114,660	-	80,801	80,801	-
CASH, DECEMBER 31	\$ 54,836	191,064	136,228	\$ 157,547	114,660	(42,887)

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

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

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

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

**1. A. REPORTING ENTITY**

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Senate Bill 40 Board, or the Senior Services Board. The Collector Tax Maintenance Fund is under the control of the County Collector, the Law Library Fund is under the control of the Prosecuting Attorney, and the Help America Vote Act (HAVA) Fund is under the control of the County Clerk and the Drug Task Force Fund and Drug Task Force Supplemental Fund are under the control of the task force captain but the operations of these funds are ran through the County Treasurer.

The financial statements referred to above include the primary government of Morgan County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Clerk Interest Fund since it is controlled by the Circuit Court.

**1. B. BASIS OF PRESENTATION**

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

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

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

**MORGAN COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County’s policy is to adopt a budget for each governmental fund. The Senior Services Board and the Senate Bill 40 Board prepare a budget and present it to the county.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the Senior Services Board, and the Senate Bill 40 Board the budget documents are available for public inspection.
5. Prior to February 1, the budgets are legally enacted by a vote of the County Commission, the Senior Services Board, and the Senate Bill 40 Board.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission, the Senior Services Board and the Senate Bill 40 Board during the year. The County Commission, Senior Services Board, or the Senate Bill 40 Board did not amend the budget documents in 2012 or 2011.
8. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the County Law Enforcement Restitution Fund for 2011.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Drug Task Force Supplemental Fund budgeted a deficit cash balance for 2012.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
911	2011
Prosecuting Attorney Delinquent Sales Tax	2012
Recorder User	2012 and 2011
Domestic Violence	2012 and 2011
Bad Check Collection	2012
Law Enforcement Sales Tax	2012 and 2011
NID Debt Service Bond	2011
NID Ongoing Maintenance and Construction	2012 and 2011
County Law Enforcement Restitution	2012
Help America Vote Act (HAVA)	2012
Law Library	2012 and 2011
Collector Tax Maintenance	2012 and 2011
Drug Task Force	2012 and 2011
Drug Task Force Supplemental	2011
Senate Bill 40 Board	2011

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the County. The assessed valuation of the tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	<u>2012</u>		<u>2011</u>
Real Estate	\$ 383,474,200	\$	381,913,140
Personal Property	60,202,914		62,535,172
Railroad and Utilities	22,747,088		23,220,307
Total Assessed Valuation	<u>\$ 466,424,202</u>	<u>\$</u>	<u>467,668,619</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	<u>2012</u>		<u>2011</u>
General Revenue Fund	\$ 0.0736	\$	0.0727
Special Road and Bridge Fund	0.1607		0.1592
Senior Services Board Fund	0.0403		0.0398
Senate Bill 40 Board Fund	0.0403		0.0398

**1. F. CASH DEPOSITS AND INVESTMENTS**

Cash deposits and investments are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts and in certificates of deposit to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. 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.

**MORGAN COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

Transfers between funds of the primary government for the years ended December 31, 2012 and 2011 as shown on the budget documents are as follows:

	Year Ended December 31, 2012	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 183,916	\$ 248,844
Special Road and Bridge	63	9,935
911	241,092	-
Prosecuting Attorney Retirement	7,752	-
Sheriff Fees	19,292	-
County Law Enforcement Restitution	-	23,200
Collector Tax Maintenance	-	25,000
Drug Task Force Supplemental	4,232	-
Totals	\$ <u>456,347</u>	\$ <u>306,979</u>

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 107,072	\$ 341,326
Special Road and Bridge	134	4,369
911	203,840	-
Prosecuting Attorney Retirement	7,752	-
Law Enforcement Sales Tax	129,734	-
MoSmart Grant	84,530	-
Collector Tax Maintenance	-	25,000
Drug Task Force	2,764	-
Drug Task Force Supplemental	-	2,764
Totals	\$ <u>535,826</u>	\$ <u>373,459</u>

The difference between recorded transfers in and transfers out were mainly related to disbursements from or to nongovernmental or fiduciary funds that were recorded as transfers and not in a separate receipt or disbursement classification.

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds and the required information.

**NOTE 2. CASH AND INVESTMENTS**

The County has determined through experience that business checking accounts, super NOW checking accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in certificates of deposit to the extent possible at two different depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption.

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did invest in nonnegotiable certificates of deposit during the two years ended December 31, 2012.

Insured and Collateralized Deposits

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

At December 31, 2012 and 2011, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted a written investment policy in accordance with applicable state law.

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

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

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

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County sheriffs covered under sections 57.949 to 57.997, RSMo; and certain

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$338,255 and \$312,605, respectively, for the years then ended.

**NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute chapter 56.807 RSMo, the County contributed to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$7,752 and \$7,752 for the years ended December 31, 2012 and 2011, respectively.

**NOTE 5. POST-EMPLOYMENT BENEFITS**

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

**MORGAN COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

1) Compensated Absences

Regular full-time employees who have completed the 90 day introductory period are eligible to receive vacation time as follows: starting date to completion of 3 years of service, 1/2 day per month; 4 through 9 years of service, 1 day per month; and 10 years of service and over, 1 and 1/2 days per month. Vacation leave can accumulate to a maximum of 18 days. Upon termination of employment, an employee will receive equivalent cash reimbursement for accrued vacation leave. Regular full-time employees earn 1 day of sick leave per complete calendar month. Sick leave may accrue up to a maximum of 36 days. Upon termination of employment, no payment will be made for unused sick leave.

2) Federal and State Assisted Programs

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

3) Litigation

The County is involved in a litigation matter at which time the probable outcome is not readily obtainable. The County's management and legal counsel do not know the probable outcome of the matter and the affect on the financial condition of the County at the present time.

**NOTE 7. RISK MANAGEMENT**

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

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

**NOTE 8. LONG-TERM DEBT**

The County had the following debt outstanding at December 31, 2012:

The County had long-term debt at December 31, 2012 for the 2010 series refunding bonds of the Morgan County Justice Center totaling \$885,000. Interest rates on these outstanding bonds range from 1.250% to 2.450% and the bonds are due September 2014. Bond principal and interest payments are recorded in the Law Enforcement Sales Tax Fund. The annual requirements to amortize the bonds outstanding as of December 31, 2012, including interest payments are as follows:

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 435,000	\$ 20,160	\$ 455,160
2014	450,000	11,025	461,025
Totals	\$ <u>885,000</u>	\$ <u>31,185</u>	\$ <u>916,185</u>

The County also has twelve Neighborhood Improvement Districts (NIDs) with individual bonded indebtedness remaining as of December 31, 2012 for only eleven districts (one district had no bonds outstanding as of December 31, 2011). The total of these bonds at December 31, 2012 is \$703,000 with interest rates ranging from 4.250% to 7.00% and payoff due dates varying between the NIDs of 2013-2026. Bond principal and interest payments for the NIDs are recorded in the NID Debt Service Funds. The annual requirements to amortize the bonds outstanding as of December 31, 2012, including interest payments are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 344,000	\$ 30,226	\$ 374,226
2014	136,000	17,558	153,558
2015	38,000	11,092	49,092
2016	40,000	9,036	49,036
2017	19,000	6,899	25,899
2018-2022	63,000	24,911	87,911
2023-2026	63,000	7,849	70,849
Total	\$ <u>703,000</u>	\$ <u>107,571</u>	\$ <u>810,571</u>

**NOTE 9. PROMISSORY NOTE**

As a result of an error by the state of Missouri Department of Revenue on the distribution of sales taxes for the period from January 1, 2007 through November 30, 2011, Morgan County received \$535,705 more in sales tax than it should have. This excess money should have been distributed to the Mid-Mo Ambulance District. On January 25, 2012, the County entered into a promissory note with the ambulance district to pay back this money by agreeing to pay \$107,141 per year commencing January 31, 2012, and continuing on the 31<sup>st</sup> day of January each year until paid in full.

**NOTE 10. LEASE/PURCHASE AGREEMENT**

In October 2012, the County entered into a lease/purchase agreement for 911 equipment totaling \$487,526 through a government leasing and finance agency. The lease term goes from November 2012 through October 2019 with a monthly lease payment of \$6,177.49 including interest. The annual requirements to amortize the lease agreement payments as of December 31, 2012, including interest payments, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 66,180	\$ 7,950	\$ 74,130
2014	67,368	6,762	74,130
2015	68,579	5,551	74,130
2016	69,809	4,321	74,130
2017	71,063	3,067	74,130
2018-2019	133,612	2,293	135,905
Total	\$ <u>476,611</u>	\$ <u>29,944</u>	\$ <u>506,555</u>

**MORGAN COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 11. SUBSEQUENT EVENT**

In April 2013, voters in Morgan County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.00%. The tax goes into effect July 1, 2013.

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31 2012	2011
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
14.228	Department of Economic Development- Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2008-DI-09	\$ -	\$ 200,000
U. S. DEPARTMENT OF JUSTICE				
Passed through:				
16.UNKNOWN	State Department of Public Safety- Equitable Sharing of Seized and Forfeited Property	N/A	24,125	-
16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	2009-JAG-013 2010-JAG-020 2011-JAG-016	- 113,367 74,938	86,438 86,501 -
16.803	ARRA-Edward Byrne Memorial Justice Assistance Grant (Recovery-JAG) Program	2009-JAG-RA-057 2009-JAG-RA-085 2009-JAG-RA-112	- 27,421 44,028	11,700 8,080 -
16.580	Cape Girardeau County- Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		-	84,530
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-B071 (8) BRO-B071 (7)	18,726 6,717	20,274 58,526
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state:				
97.036	Department of Public Safety- Disaster Grants - Public Assistance (Presidentially declared disasters)	163-99163-00	-	38,910
Total Expenditures of Federal Awards			<u>\$ 309,322</u>	<u>\$ 594,959</u>

**MORGAN COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

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

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

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

**B. BASIS OF PRESENTATION**

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

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

**C. BASIS OF ACCOUNTING**

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

**D. MATCHING REQUIREMENTS**

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

**NOTE 2. SUBRECIPIENTS**

The County did not provide any federal awards to any subrecipients during 2012 or 2011.

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A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

September 12, 2013

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

To the County Commission  
and Officeholders of  
Morgan County, Missouri

We have audited, in accordance with the 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, the financial statements of the various county funds of Morgan County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Morgan County, Missouri's basic financial statements and have issued our report thereon dated September 12, 2013.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morgan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 12-01 and 12-02.

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

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency as item 12-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Morgan County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 12-04.

**Morgan County, Missouri's Responses to Findings**

Morgan County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

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A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

September 12, 2013

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission  
and Officeholders of  
Morgan County, Missouri

### Report on Compliance for Each Major Federal Program

We have audited Morgan County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Morgan County, Missouri's major federal programs for the years ended December 31, 2012 and 2011. Morgan County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of Morgan County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Morgan County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Morgan County, Missouri's compliance.

### *Unmodified Opinion on Each Major Federal Program*

In our opinion, Morgan County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

MEMBER

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

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***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-04. Our opinion on each major federal program is not modified with respect to this matter.

Morgan County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Morgan County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morgan County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Morgan County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a significant deficiency.

Morgan County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

*Financial Statements*

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?  X  Yes   No

Significant deficiency(ies) identified?  X  Yes   none reported

Noncompliance material to financial statements noted?  X  Yes   No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?   Yes  X  No

Significant deficiency(ies) identified?  X  Yes   none reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant (Recovery-JAG) Program

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

Auditee qualified as a low-risk auditee?   Yes  X  No

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**12-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the year ended December 31, 2012 and 2011 materially misstated the various receipt classifications in various county funds as follows:

- A. Various items that are Intergovernmental Revenues were misclassified as Other Revenues in the General Revenue Fund.
- B. In the Special Road and Bridge Fund, a Community Development Grant for \$57,108 and \$142,892 for 2012 and 2011, respectively, were misclassified as Other Revenues instead of as Intergovernmental Revenues.
- C. In the Law Enforcement Sales Tax Fund, the large amount of board of prisoners' reimbursements from the Federal government and MoSmart Grant receipts for both 2012 and 2011 were misclassified as Other Revenues instead of as Intergovernmental Revenues.
- D. In the 911 Fund, the user fee charges were misclassified as Other Revenues instead of as Charges for Services and in a few other governmental funds the fees from officials were also classified as Other Revenues instead of as Charges for Services.

Due to the number of numerous misclassifications on the budget documents the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

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

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It appears that county officials do not know exactly where or how certain revenues are to be classified in the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds. Financial information presented in the published financial statements is also not accurately stated for the general public.

Recommendation:

The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the county redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

*Auditee Response:*

*The County agrees with these findings and will attempt to get all elected officials to abide by this recommendation.*

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**12-02      Accounting for Transfers Need Improvement**

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012 and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The total amount of transfers in presented on the budget documents in the various funds for 2012 and 2011 was \$456,347 and \$535,826, respectively, while total transfers out presented for 2012 and 2011 was \$306,979 and \$373,459, respectively. The differences in transfers are mainly because amounts are recorded within the various funds as transfers in and out that are from nongovernmental funds such as for criminal costs reimbursements, financial institution tax distributions, jury fee reimbursements, a payment to a road district for gas tax distributions, or the transfers are recorded in other receipt or disbursement classifications. These situations occurred in both 2012 and 2011.

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

Cause: The County Commission, County Clerk, and Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds and properly classifying the transfers.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and other classifications of receipts and disbursements or also misclassified and materially misstate the financial statements presented by the county.

Recommendation:

The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers not be shown in other revenue or disbursement categories.

*Auditee Response:*

*We agree with this recommendation and will try to ensure future compliance.*

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-03      Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process and budget documents during our audit:

- A. The County Commission, County Clerk, Senate Bill 40 Board, and other county officials did not exercise adequate budgetary control over the following funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
911	2011	\$ 6,554
Prosecuting Attorney Delinquent Sales Tax	2012	18
Recorder User	2012	1,958
	2011	1,373
Domestic Violence	2012	1
	2011	2,799
Bad Check Collection	2012	8
Law Enforcement Sales Tax	2012	28,627
	2011	45,815
NID Debt Service Bond	2011	8,489
NID Ongoing Maintenance and Construction	2012	227,296
	2011	65,026
County Law Enforcement Restitution	2012	3,200
Help America Vote Act (HAVA)	2012	167
Law Library	2012	733
	2011	9,407
Collector Tax Maintenance	2012	7,509
	2011	4,461
Drug Task Force	2012	134,116
	2011	110,664
Drug Task Force Supplemental	2011	20,897
Senate Bill 40 Board	2011	317

- B. The County did not prepare a budget for the County Law Enforcement Restitution Fund for the year ended December 31, 2011 when actual receipts and disbursements were made from the fund in 2011.
- C. We noted the following with respect to the Drug Task Force Fund and Drug Task Force Supplemental Fund budget documents provided to the county:
1. Budget documents for both funds did not have the budget reconciliation pages completed in order to present estimated and actual ending cash balances for each fund for either 2012 or 2011.
  2. The budget documents were mainly taken from the budget worksheets prepared from the county's computer system that also does not present the estimated ending cash balances for 2012 or 2011. The budget worksheets for the approved budget for 2012 showed more approved expenditures than approved revenues and with a zero balance at December 31, 2011 created a budgeted negative cash balance of \$1,882.
  3. The actual receipts and disbursements for the Drug Task Force Fund for 2012 did not properly agree with the totals as presented by the County Treasurer.
- D. The County's budget documents for the General Revenue Fund for 2012, the NID Ongoing Maintenance and Construction Fund for 2012, and the Help America Vote Act (HAVA) Fund for 2012 and 2011 did not properly agree to the total receipts and disbursements as presented on the settlements provided by the County Treasurer.
- E. We noted the following errors related to the Senior Services Board Fund budget documents:
1. The summary page for 2011 did not show the correct estimated revenues compared to the detailed budget by \$600 for interest income budgeted making the estimated ending balance \$39,169 instead of \$39,769.
  2. The budget document for 2012 did not show the correct revenues for 2011 on the budget reconciliation page by \$300 for interest income posted incorrectly showing cash available for December 31, 2011 overstated by \$300. This also caused the cash

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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balance at December 31, 2012 shown on the budget reconciliation page of the budget document to be incorrect by \$300.

3. The cash reconciliation page on the 2013 budget showed total actual expenditures for 2012 of \$198,049 but the detailed expenditures listed on the budget document showed total expenditures of \$209,875. Also on the 2013 budget document, the 2011 actual expenditures listed in detail totaled \$200,000 instead of the actual expenditures of \$164,608. It is apparent that the Senior Services Board is not reviewing the budget document thoroughly to ensure all amounts entered are complete and accurate. The financial statements have been amended to properly state the cash balance at each year end.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2011 for all applicable county operating funds.

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

Recommendation:

- A. The County Commission and Senate Bill 40 Board should not approve expenditures in excess of budgeted amounts. The County Commission and Senate Bill 40 Board should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission and County Clerk properly prepare annual budgets for all county funds in accordance with state law.
- C&D. The County Commission and County Clerk ensure that the budget documents are completed properly and that actual amounts presented agree with the amounts shown by the County Treasurer on the annual settlements or to the reconciled cash balance.
- E. The Senior Services Board ensure that the budget documents are completed properly and accurately.

*Auditee Response:*

*The County Commission and County Clerk responded as follows:*

*A, C, and D. We agree with the recommendations and will monitor the budgets more closely and take appropriate action in a timelier manner.*

*B. We will also make sure budgets are prepared for all funds.*

*The Senate Bill 40 Board responded as follows also to Recommendation A:*

*In FY2011, the Morgan County SB40 Board for the Developmentally Disabled embarked on a new endeavor with the commencement of the Morgan County Targeted Case Management Program. Now having the capabilities of locally controlled TCM services, the Morgan County SB40 Board for the Developmentally Disabled had a new-found understanding of the consumer's needs. This led to the development and expansion of the SB40 Board's Consumer Services expenditures in the middle of the fiscal year, to assist in meeting the needs of the individuals supported in Morgan County.*

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*The Senior Services Board responded as follows to Recommendation E:*

*These discrepancies will be discussed at our October board meeting and any future documents will be accurate.*

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

**12-04 Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Justice, U.S. Department of Transportation, and U.S. Department of Homeland Security  
Pass-Through Grantor: Various  
Federal CFDA Number: 16.738, 16.803, 16.580, 20.205, and 97.036  
Program Title: Various  
Pass-Through Entity Identifying Number: Various  
Award Year: 2012 and 2011  
Questioned Costs: N/A

Condition: The County again does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government. This condition has been noted in several past audit reports of the county.

For the years ended December 31, 2012 and 2011, the County's SEFA showed a total of \$126,533 and \$226,706 in expenditures of federal awards and actually understated the SEFA by \$182,789 and \$368,253 for 2012 and 2011, respectively. The differences were mainly caused by the County excluding a large payment from the Department of Economic Development in the amount of \$142,892, disaster grants from the Department of Public Safety totaling \$38,910, drug task force monies through the Department of Public Safety totaling \$452,473 but improperly showing a total budget amount of one grant for \$203,282. The County also understated the equitable sharing of seized and forfeited property by \$4,883 and understated the highway planning and construction payments through the Highway and Transportation Commission by \$55,377.

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

Cause: The County again does not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly. All officials did not properly complete the SEFA for their federal grants to present to the County Clerk for the budget document and no overall control of all federal grants and awards is controlled and monitored by the County Commission.

Effect: The County's SEFA was incorrectly prepared and materially misstated as prepared by the County.

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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Recommendation:

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

*Auditee Response:*

*We now have clarification on our responsibilities and will pay close attention to the county's SEFA to ensure compliance.*

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

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In accordance with Government Auditing Standards, this section reports the auditors' follow-up on the action taken by Morgan County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010.

1. An auditor assisting with clients on the preparation of the financial statements is at least indicative of a significant deficiency.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility but more responsibility in the accurate preparation of the budgets should be made. See current finding 12-01.

2. Inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: Implemented. An internal control policy document has been prepared and approved by the county.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. The Schedule of Expenditures of Federal Awards contained errors.

Status: Not implemented. The present Schedule of Expenditures of Federal Awards for the two years ended December 31, 2012 also contained errors and did not include all federal grant expenditures for several federal programs. See current finding 12-04.