



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Moniteau County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Moniteau 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

November 2013
Report No. 2013-128

AUDITED FINANCIAL STATEMENTS
MONITEAU COUNTY, MISSOURI
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011

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

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CASEY-BEARD-BOEHMER PC



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October 28, 2013

INDEPENDENT AUDITOR'S REPORT

To the County Commission
and Officeholders of
Moniteau County, Missouri

We have audited the accompanying financial statements of Moniteau County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis of each governmental fund as of December 31, 2012 and 2011, and the related statements of receipts, disbursements and changes in cash - budget and actual – regulatory basis for each governmental 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
•
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MONITEAU COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

As described in Note 1, the financial statements are prepared by Moniteau 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 Moniteau County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each governmental fund of Moniteau County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years 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 October 28, 2013, on our consideration of the Moniteau 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 Moniteau County, Missouri's internal control over financial reporting and compliance.

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

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants

MONITEAU 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 January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 34,841	1,446,817	1,472,139	9,519	1,539,738	1,524,733	24,524
Special Road and Bridge	127,560	1,010,848	1,001,374	137,034	1,110,561	1,065,083	182,512
Assessment	117,283	217,466	154,397	180,352	224,199	160,658	243,893
Capital Improvement	2,237,956	653,495	416,721	2,474,730	578,977	2,428,543	625,164
Law Enforcement Training	4,249	3,744	5,138	2,855	2,113	3,999	969
Sheriff Civil Fee	19,395	48,590	55,042	12,943	48,093	53,811	7,225
Prosecuting Attorney Training	65	1,095	1,035	125	925	975	75
Prosecuting Attorney Bad Check	27,490	9,256	10,908	25,838	11,751	6,491	31,098
Off System Bridge (1)	-	183,272	183,272	-	-	-	-
Election Service	9,275	3,898	4,170	9,003	6,645	10,967	4,681
Recorder User Fee	14,987	13,503	14,885	13,605	9,362	9,600	13,367
Local Emergency Planning Committee	768	20	-	788	23	-	811
Adult Abuse	2,449	2,755	2,911	2,293	2,442	2,570	2,165
Knierim Cemetery Trust	2,800	138	138	2,800	139	139	2,800
Enloe Cemetery Trust	12,000	593	593	12,000	594	594	12,000
Law Library	20,729	6,504	5,687	21,546	6,500	4,787	23,259
Tax Maintenance	28,418	15,065	11,322	32,161	14,984	11,613	35,532
Senate Bill 40 Board	349,703	1,162,067	1,083,948	427,822	1,274,769	1,151,889	550,702
Totals	\$ <u>3,009,968</u>	<u>4,779,126</u>	<u>4,423,680</u>	<u>3,365,414</u>	<u>4,831,815</u>	<u>6,436,452</u>	<u>1,760,777</u>

(1) Fund not used after 2011; therefore, no budget prepared for 2012.

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

MONITEAU 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

	General Revenue Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 358,000	347,410	(10,590)	\$ 342,000	352,048	10,048
Sales taxes	537,500	520,524	(16,976)	500,000	529,817	29,817
Intergovernmental	134,900	170,569	35,669	112,500	115,633	3,133
Charges for services	249,825	272,972	23,147	241,100	249,121	8,021
Interest	2,600	3,077	477	5,700	2,759	(2,941)
Other	59,000	100,186	41,186	53,000	68,189	15,189
Transfers in	75,000	125,000	50,000	170,000	129,250	(40,750)
Total Receipts	\$ 1,416,825	1,539,738	122,913	\$ 1,424,300	1,446,817	22,517
DISBURSEMENTS						
General County Government -						
County Commission	\$ 91,415	91,381	(34)	\$ 90,565	90,303	(262)
County Clerk	98,654	97,265	(1,389)	95,340	95,017	(323)
Elections	96,700	80,183	(16,517)	28,100	23,276	(4,824)
Buildings and grounds	34,300	28,378	(5,922)	32,700	31,241	(1,459)
Employee fringe benefits	192,100	175,496	(16,604)	185,500	183,481	(2,019)
County Treasurer	44,291	43,834	(457)	43,566	43,559	(7)
County Collector	81,482	81,267	(215)	80,815	81,100	285
Circuit Clerk/Ex Officio Recorder	54,254	53,744	(510)	54,346	51,401	(2,945)
Court Administration	11,500	9,197	(2,303)	11,500	9,599	(1,901)
Public Administrator	36,294	35,745	(549)	36,944	35,374	(1,570)
Public Safety -						
Sheriff	248,745	248,305	(440)	223,845	219,684	(4,161)
Jail	229,073	218,475	(10,598)	206,872	202,862	(4,010)
Prosecuting Attorney	178,040	176,609	(1,431)	177,738	175,959	(1,779)
Juvenile Officer	57,101	42,435	(14,666)	54,400	38,680	(15,720)
County Coroner	13,549	13,312	(237)	13,549	13,143	(406)
Other -						
General government	119,920	112,096	(7,824)	101,120	111,734	10,614
Court Reporters and Circuit Judges	9,162	4,561	(4,601)	9,539	5,726	(3,813)
Transfers out	-	12,450	12,450	-	60,000	60,000
Emergency Fund	21,965	-	(21,965)	4,629	-	(4,629)
Total Disbursements	\$ 1,618,545	1,524,733	(93,812)	\$ 1,451,068	1,472,139	21,071
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (201,720)	15,005	216,725	\$ (26,768)	(25,322)	1,446
CASH, JANUARY 1	9,519	9,519	-	34,841	34,841	-
OTHER RESOURCES AVAILABLE	195,000	-	(195,000)	-	-	-
CASH, DECEMBER 31	\$ 2,799	24,524	21,725	\$ 8,073	9,519	1,446

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

MONITEAU 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

Special Road and Bridge Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 443,250	473,221	29,971	\$ 434,000	436,433	2,433
Intergovernmental	497,000	504,981	7,981	495,000	495,002	2
Charges for services	60,000	79,623	19,623	27,500	67,134	39,634
Interest	5,500	9,607	4,107	8,300	5,967	(2,333)
Other	20,000	43,129	23,129	5,000	6,312	1,312
Total Receipts	\$ 1,025,750	1,110,561	84,811	\$ 969,800	1,010,848	41,048
DISBURSEMENTS						
Salaries	\$ 340,000	339,708	(292)	\$ 340,000	329,372	(10,628)
Employee fringe benefits	95,500	91,742	(3,758)	95,500	84,535	(10,965)
Supplies	184,000	203,556	19,556	174,000	226,584	52,584
Insurance	25,000	23,142	(1,858)	27,000	22,203	(4,797)
Road and bridge materials	180,000	142,735	(37,265)	150,000	198,439	48,439
Equipment repairs	75,000	84,519	9,519	75,000	109,184	34,184
Equipment purchases	180,000	177,668	(2,332)	130,000	9,200	(120,800)
Road and bridge construction	25,000	560	(24,440)	25,000	19,536	(5,464)
Other	4,000	1,453	(2,547)	4,000	2,321	(1,679)
Total Disbursements	\$ 1,108,500	1,065,083	(43,417)	\$ 1,020,500	1,001,374	(19,126)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (82,750)	45,478	128,228	\$ (50,700)	9,474	60,174
CASH, JANUARY 1	137,034	137,034	-	127,560	127,560	-
CASH, DECEMBER 31	\$ 54,284	182,512	128,228	\$ 76,860	137,034	60,174

Assessment Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 212,716	216,614	3,898	\$ 194,802	212,153	17,351
Interest	4,500	7,585	3,085	500	5,228	4,728
Other	100	-	(100)	-	85	85
Total Receipts	\$ 217,316	224,199	6,883	\$ 195,302	217,466	22,164
DISBURSEMENTS						
Assessor	\$ 179,361	160,658	(18,703)	\$ 170,795	154,397	(16,398)
Total Disbursements	\$ 179,361	160,658	(18,703)	\$ 170,795	154,397	(16,398)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 37,955	63,541	25,586	\$ 24,507	63,069	38,562
CASH, JANUARY 1	180,352	180,352	-	117,283	117,283	-
CASH, DECEMBER 31	\$ 218,307	243,893	25,586	\$ 141,790	180,352	38,562

MONITEAU 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

Capital Improvement Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 537,500	520,541	(16,959)	\$ 500,000	529,819	29,819
Interest	30,000	53,503	23,503	50,000	63,676	13,676
Other	-	4,933	4,933	-	-	-
Transfers in	-	-	-	-	60,000	60,000
Total Receipts	\$ 567,500	578,977	11,477	\$ 550,000	653,495	103,495
DISBURSEMENTS						
Buildings and grounds	\$ 14,000	21,732	7,732	\$ 10,000	6,083	(3,917)
Jail project	2,950,000	2,281,811	(668,189)	2,500,000	281,388	(2,218,612)
Transfers out	75,000	125,000	50,000	170,000	129,250	(40,750)
Total Disbursements	\$ 3,039,000	2,428,543	(610,457)	\$ 2,680,000	416,721	(2,263,279)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,471,500)	(1,849,566)	621,934	\$ (2,130,000)	236,774	2,366,774
CASH, JANUARY 1	2,474,730	2,474,730	-	2,237,956	2,237,956	-
CASH, DECEMBER 31	\$ 3,230	625,164	621,934	\$ 107,956	2,474,730	2,366,774

Law Enforcement Training Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,700	2,064	364	\$ 1,700	3,626	1,926
Interest	100	49	(51)	100	118	18
Total Receipts	\$ 1,800	2,113	313	\$ 1,800	3,744	1,944
DISBURSEMENTS						
Sheriff	\$ 4,511	3,999	(512)	\$ 4,500	5,138	638
Total Disbursements	\$ 4,511	3,999	(512)	\$ 4,500	5,138	638
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,711)	(1,886)	825	\$ (2,700)	(1,394)	1,306
CASH, JANUARY 1	2,855	2,855	-	4,249	4,249	-
CASH, DECEMBER 31	\$ 144	969	825	\$ 1,549	2,855	1,306

MONITEAU 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

Sheriff Civil Fee Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 5,000	1,940	(3,060)	\$ 5,000	5,000	-
Charges for services	25,000	31,468	6,468	16,000	25,464	9,464
Interest	500	290	(210)	550	420	(130)
Other	15,000	1,945	(13,055)	15,000	17,706	2,706
Transfers in	-	12,450	12,450	-	-	-
Total Receipts	\$ 45,500	48,093	2,593	\$ 36,550	48,590	12,040
DISBURSEMENTS						
Sheriff	\$ 58,000	53,811	(4,189)	\$ 55,778	55,042	(736)
Total Disbursements	\$ 58,000	53,811	(4,189)	\$ 55,778	55,042	(736)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,500)	(5,718)	6,782	\$ (19,228)	(6,452)	12,776
CASH, JANUARY 1	12,943	12,943	-	19,395	19,395	-
CASH, DECEMBER 31	\$ 443	7,225	6,782	\$ 167	12,943	12,776

Prosecuting Attorney Training Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,100	925	(175)	\$ 1,500	1,095	(405)
Total Receipts	\$ 1,100	925	(175)	\$ 1,500	1,095	(405)
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,100	975	(125)	\$ 1,500	1,035	(465)
Total Disbursements	\$ 1,100	975	(125)	\$ 1,500	1,035	(465)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(50)	(50)	\$ -	60	60
CASH, JANUARY 1	125	125	-	65	65	-
CASH, DECEMBER 31	\$ 125	75	(50)	\$ 65	125	60

MONITEAU 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

Prosecuting Attorney Bad Check Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 750	4,961	4,211	\$ 750	884	134
Charges for services	7,500	5,992	(1,508)	6,000	7,610	1,610
Interest	600	798	198	600	581	(19)
Other	-	-	-	-	181	181
Total Receipts	\$ 8,850	11,751	2,901	\$ 7,350	9,256	1,906
DISBURSEMENTS						
Prosecuting Attorney	\$ 11,000	6,491	(4,509)	\$ 12,000	10,908	(1,092)
Total Disbursements	\$ 11,000	6,491	(4,509)	\$ 12,000	10,908	(1,092)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,150)	5,260	7,410	\$ (4,650)	(1,652)	2,998
CASH, JANUARY 1	25,838	25,838	-	27,490	27,490	-
CASH, DECEMBER 31	\$ 23,688	31,098	7,410	\$ 22,840	25,838	2,998

Off System Bridge Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 190,000	183,272	(6,728)
Total Receipts	\$ -	-	-	\$ 190,000	183,272	(6,728)
DISBURSEMENTS						
Bridge projects	\$ -	-	-	\$ 190,000	183,272	(6,728)
Total Disbursements	\$ -	-	-	\$ 190,000	183,272	(6,728)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

MONITEAU 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

Election Service Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 5,000	6,470	1,470	\$ 6,500	3,651	(2,849)
Interest	200	175	(25)	150	247	97
Total Receipts	\$ 5,200	6,645	1,445	\$ 6,650	3,898	(2,752)
DISBURSEMENTS						
Elections	\$ 12,000	10,967	(1,033)	\$ 14,000	4,170	(9,830)
Total Disbursements	\$ 12,000	10,967	(1,033)	\$ 14,000	4,170	(9,830)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,800)	(4,322)	2,478	\$ (7,350)	(272)	7,078
CASH, JANUARY 1	9,003	9,003	-	9,275	9,275	-
CASH, DECEMBER 31	\$ 2,203	4,681	2,478	\$ 1,925	9,003	7,078

Recorder User Fee Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 8,000	8,985	985	\$ 9,100	13,148	4,048
Interest	350	377	27	400	355	(45)
Total Receipts	\$ 8,350	9,362	1,012	\$ 9,500	13,503	4,003
DISBURSEMENTS						
Ex Officio Recorder of Deeds	\$ 10,000	9,600	(400)	\$ 10,000	14,885	4,885
Total Disbursements	\$ 10,000	9,600	(400)	\$ 10,000	14,885	4,885
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,650)	(238)	1,412	\$ (500)	(1,382)	(882)
CASH, JANUARY 1	13,605	13,605	-	14,987	14,987	-
CASH, DECEMBER 31	\$ 11,955	13,367	1,412	\$ 14,487	13,605	(882)

MONITEAU 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	\$ -	-	-	\$ 1,000	-	(1,000)
Interest	15	23	8	-	20	20
Total Receipts	<u>\$ 15</u>	<u>23</u>	<u>8</u>	<u>\$ 1,000</u>	<u>20</u>	<u>(980)</u>
DISBURSEMENTS						
Other	\$ 750	-	(750)	\$ 1,500	-	(1,500)
Total Disbursements	<u>\$ 750</u>	<u>-</u>	<u>(750)</u>	<u>\$ 1,500</u>	<u>-</u>	<u>(1,500)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (735)	23	758	\$ (500)	20	520
CASH, JANUARY 1	788	788	-	768	768	-
CASH, DECEMBER 31	<u>\$ 53</u>	<u>811</u>	<u>758</u>	<u>\$ 268</u>	<u>788</u>	<u>520</u>

Adult Abuse Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,800	2,404	(396)	\$ 3,500	2,718	(782)
Interest	-	38	38	-	37	37
Total Receipts	<u>\$ 2,800</u>	<u>2,442</u>	<u>(358)</u>	<u>\$ 3,500</u>	<u>2,755</u>	<u>(745)</u>
DISBURSEMENTS						
Domestic violence shelter	\$ 3,200	2,570	(630)	\$ 3,500	2,911	(589)
Total Disbursements	<u>\$ 3,200</u>	<u>2,570</u>	<u>(630)</u>	<u>\$ 3,500</u>	<u>2,911</u>	<u>(589)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (400)	(128)	272	\$ -	(156)	(156)
CASH, JANUARY 1	2,293	2,293	-	2,449	2,449	-
CASH, DECEMBER 31	<u>\$ 1,893</u>	<u>2,165</u>	<u>272</u>	<u>\$ 2,449</u>	<u>2,293</u>	<u>(156)</u>

MONITEAU 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

Knierim Cemetery Trust Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 125	139	14	\$ 150	138	(12)
Total Receipts	\$ 125	139	14	\$ 150	138	(12)
DISBURSEMENTS						
Cemetery	\$ 1,500	139	(1,361)	\$ 1,500	138	(1,362)
Total Disbursements	\$ 1,500	139	(1,361)	\$ 1,500	138	(1,362)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,375)	-	1,375	\$ (1,350)	-	1,350
CASH, JANUARY 1	2,800	2,800	-	2,800	2,800	-
CASH, DECEMBER 31	\$ 1,425	2,800	1,375	\$ 1,450	2,800	1,350

Enloe Cemetery Trust Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 550	594	44	\$ 600	593	(7)
Total Receipts	\$ 550	594	44	\$ 600	593	(7)
DISBURSEMENTS						
Cemetery	\$ 3,500	594	(2,906)	\$ 3,000	593	(2,407)
Total Disbursements	\$ 3,500	594	(2,906)	\$ 3,000	593	(2,407)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,950)	-	2,950	\$ (2,400)	-	2,400
CASH, JANUARY 1	12,000	12,000	-	12,000	12,000	-
CASH, DECEMBER 31	\$ 9,050	12,000	2,950	\$ 9,600	12,000	2,400

MONITEAU 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 Library Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,500	6,500	-	\$ 6,000	6,482	482
Interest	25	-	(25)	20	22	2
Total Receipts	\$ 6,525	6,500	(25)	\$ 6,020	6,504	484
DISBURSEMENTS						
Law library maintenance	\$ 7,500	4,787	(2,713)	\$ 7,000	5,687	(1,313)
Total Disbursements	\$ 7,500	4,787	(2,713)	\$ 7,000	5,687	(1,313)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (975)	1,713	2,688	\$ (980)	817	1,797
CASH, JANUARY 1	21,546	21,546	-	20,729	20,729	-
CASH, DECEMBER 31	\$ 20,571	23,259	2,688	\$ 19,749	21,546	1,797

Tax Maintenance Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 16,500	14,088	(2,412)	\$ 16,000	14,269	(1,731)
Interest	-	896	896	-	796	796
Total Receipts	\$ 16,500	14,984	(1,516)	\$ 16,000	15,065	(935)
DISBURSEMENTS						
County Collector	\$ 11,000	11,613	613	\$ 11,000	11,322	322
Total Disbursements	\$ 11,000	11,613	613	\$ 11,000	11,322	322
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,500	3,371	(2,129)	\$ 5,000	3,743	(1,257)
CASH, JANUARY 1	32,933	32,161	(772)	28,418	28,418	-
CASH, DECEMBER 31	\$ 38,433	35,532	(2,901)	\$ 33,418	32,161	(1,257)

MONITEAU 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

Senate Bill 40 Board Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 206,384	208,820	2,436	\$ 196,269	202,183	5,914
Intergovernmental-						
Medicaid waiver	820,088	870,968	50,880	707,597	804,278	96,681
Medicaid waiver - TCM	117,500	120,018	2,518	86,000	90,157	4,157
Grant income	4,203	4,203	-	-	1,200	1,200
Charges for services-						
Transportation income	261	258	(3)	-	163	163
Client room/board income	63,995	63,329	(666)	51,463	52,573	1,110
Other local income	955	900	(55)	480	-	(480)
Interest	876	823	(53)	500	926	426
Donations	516	515	(1)	-	1,265	1,265
Miscellaneous	7,967	4,935	(3,032)	-	9,322	9,322
Total Receipts	<u>\$ 1,222,745</u>	<u>1,274,769</u>	<u>52,024</u>	<u>\$ 1,042,309</u>	<u>1,162,067</u>	<u>119,758</u>
DISBURSEMENTS						
Personnel expenses	\$ 779,619	777,605	(2,014)	\$ 628,128	686,595	58,467
Communications	14,070	14,114	44	17,429	14,318	(3,111)
Maintenance and repairs	36,586	36,432	(154)	32,363	25,358	(7,005)
Physical plant costs	35,929	32,835	(3,094)	113,365	100,333	(13,032)
Utilities	11,214	11,171	(43)	13,296	11,500	(1,796)
Food services	20,430	20,868	438	23,910	20,622	(3,288)
Materials and supplies	33,459	38,705	5,246	37,600	33,697	(3,903)
Professional services	16,362	15,276	(1,086)	20,000	19,470	(530)
Direct care staff training	1,056	1,055	(1)	5,351	4,719	(632)
Administrative staff travel	1,950	1,948	(2)	1,000	195	(805)
Insurance	2,651	700	(1,951)	2,654	4,744	2,090
Equipment and furnishings	24,858	21,004	(3,854)	14,619	1,894	(12,725)
Transportation expenses	31,931	37,858	5,927	31,671	28,955	(2,716)
Miscellaneous expense	4,460	5,394	934	4,252	1,123	(3,129)
Medicaid waiver match	147,672	136,924	(10,748)	116,800	130,425	13,625
Total Disbursements	<u>\$ 1,162,247</u>	<u>1,151,889</u>	<u>(10,358)</u>	<u>\$ 1,062,438</u>	<u>1,083,948</u>	<u>21,510</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 60,498	122,880	62,382	\$ (20,129)	78,119	98,248
CASH, JANUARY 1	427,822	427,822	-	349,703	349,703	-
CASH, DECEMBER 31	<u>\$ 488,320</u>	<u>550,702</u>	<u>62,382</u>	<u>\$ 329,574</u>	<u>427,822</u>	<u>98,248</u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Moniteau County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Ex Officio 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 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 property tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, 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, and the Senate Bill 40 Board of Trustees. The cemetery trust funds have been donated to the County for use of the interest only for cemetery upkeep; the Tax Maintenance Fund is under the control of the County Collector, and the Law Library Fund is under the control of the Prosecuting Attorney.

The financial statements referred to above include the primary government of Moniteau 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 Court Fund since it is controlled by the Circuit Clerk.

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

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

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 and the Senate Bill 40 Board adopts its annual budget.
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. The Senate Bill 40 Board Director prepares its budget document for board approval.
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. The Senate Bill 40 Board Director submits the proposed budget document to the Senate Bill 40 Board for approval.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 Board, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission and 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 during the year. The County Commission amended the General Revenue Fund and Special Road and Bridge Fund budgets for 2012 and 2011 in October 2012 and October 2011.
8. 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>
Tax Maintenance	2012 and 2011
General Revenue	2011
Law Enforcement Training	2011
Recorder User Fee	2011
Senate Bill 40 Board	2011

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 year 2012 and 2011 for purposes of local taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 114,393,010	\$ 113,405,880
Personal Property	41,893,172	38,130,723
Railroad and Utilities	26,291,915	26,339,016
Total Assessed Valuation	<u>\$ 182,578,097</u>	<u>\$ 177,875,619</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

	<u>2012</u>	<u>2011</u>
General Revenue Fund	\$ 0.1852	\$ 0.1881
Special Road and Bridge Fund	0.2473	0.2470
Senate Bill 40 Board Fund	0.1184	0.1182

1. F. CASH DEPOSITS

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer and Senate Bill 40 Board funds are invested in interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. 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. Transfers between funds of the County for the years ended December 31, 2012 and 2011 were as follows:

	<u>Year Ended December 31, 2012</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
FUNDS:		
General Revenue	\$ 125,000	\$ 12,450
Capital Improvement	-	125,000
Sheriff Civil Fee	12,450	-
Totals	<u>\$ 137,450</u>	<u>\$ 137,450</u>

	<u>Year Ended December 31, 2011</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
FUNDS:		
General Revenue	\$ 129,500	\$ 60,000
Capital Improvement	60,000	129,500
Totals	<u>\$ 189,500</u>	<u>\$ 189,500</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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 as required.

NOTE 2. CASH AND INVESTMENTS

Deposits

The County and Senate Bill 40 Board have determined through experience that business checking accounts and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in repurchase agreements to the extent possible at one depository bank. The Senate Bill 40 Board has banking accounts at two depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had investments in repurchase agreements.

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.

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 and Senate Bill 40 Board's deposits held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the county's name or Senate Bill 40 Board's name or by its agent in the county's name or Senate Bill 40 Board's name. The County's deposits and Senate Bill 40 Board'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 and Senate Bill 40 Board have not adopted a written investment policy in accordance with applicable state law.

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

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

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

2) Pension Benefits

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 \$117,485 and \$110,379, respectively, for the years then ended.

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

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

B. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Moniteau County Senate Bill 40 Board participates in the Missouri Local Government Employee Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statutes RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

2) Pension Benefits

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

3) Funding Policy

Moniteau County Senate Bill 40 Board's full-time employees do not contribute part of their salaries to the plan but is paid for by the Board. The Senate Bill 40 Board is required to contribute an actuarially determined rate; the rate as of December 31, 2012 and 2011 is 6.7 and 6.0 percent, respectively, of annual covered payroll. The Senate Bill 40 Board contributed \$26,471 in 2012 and \$19,343 in 2011 to the system. Trend information showing progress in accumulating sufficient assets to pay benefits when due is presented in the LAGERS report.

C. Prosecuting Attorney Retirement Fund

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

D. County Retirement Plan

Employees contribute to a 401(a) retirement plan and then the County will match the amount of the contribution up to \$20 per person per month. The County's contribution to this plan for the year ended December 31, 2012 and 2011 was \$6,180 and \$6,020, respectively.

NOTE 4. POST- EMPLOYMENT BENEFITS

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

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

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

1) Compensated Absences Commitments

Annual Leave

Regular or permanent county full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time as follows: 1 through 10 years of service, one day per month, maximum of 18 days; 11 through 15 years of service, 1.5 days per month, maximum of 27 days; and 16 years and above of service, 1.75 days per month, 31.5 days maximum. Upon termination of employment, county employees will receive equivalent cash reimbursement for all unused accrued vacation leave. Senate Bill 40 Board employees are eligible to receive vacation time of 3 days up to a maximum of 27 days per year depending on the employee's employment classification and length of service. Upon termination of employment, vacation benefits that have been accrued at termination will be paid.

Sick Leave

Regular or permanent county full-time employees earn sick leave as follows: 1 through 10 years of service, 3 hours per month, maximum of 320 hours; 11 through 15 years of service, 4 hours per month, maximum of 480 hours; and 16 years and above of service, 5 hours per month, maximum of 560 hours. Upon termination of employment, an employee shall be compensated 15% of their remaining sick leave balance. Senate Bill 40 Board employees are entitled to sick leave of 6 days to 12 days per year based on their employment classification and can accrue to a maximum from 10 days to 30 days. Sick leave is not paid upon termination.

2) Federal and State Assisted Programs Contingencies

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.

NOTE 6. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool (MoPERM), which is a corporate and political body created pursuant to Chapter 537.70 RSMo. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

NOTE 6. RISK MANAGEMENT (CONTINUED)

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

NOTE 7. CHANGE IN BASIS OF ACCOUNTING

Moniteau County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2007 and 2008 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds. The County did not have an audit for the years ended December 31, 2009 and 2010.

NOTE 8. SUBSEQUENT EVENT

In April 2013, voters in Moniteau 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 on July 1, 2013.

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October 28, 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 Moniteau 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 Moniteau County, Missouri, as of and for the two years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Moniteau County, Missouri's basic financial statements and have issued our report thereon dated October 28, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moniteau 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 Moniteau County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Moniteau 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 responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

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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)**

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 deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies as items 12-01 and 12-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moniteau 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 no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

Moniteau County, Missouri's Responses to Findings

Moniteau County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Moniteau 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, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

FINANCIAL STATEMENT FINDINGS

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

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

12-01 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 funds. Total amounts reflected on the budget documents for actual transfers in do not agree with total actual transfers out for the years ended December 31, 2012 and 2011. The total actual transfers in and out for the year ended December 31, 2012 per the budget documents were \$137,450 and \$146,929, respectively, for a difference of \$9,479. The total actual transfers in and out for the year ended December 31, 2011 per the budget documents were \$196,344 and \$210,144, respectively, for a difference of \$13,800.

The differences in transfers in and out were the result of other expenditures or corrections posted on the budget document to transfers in and out instead of to the appropriate expenditure classifications. Audit adjustments have been made to several county funds in the financial statements for the incorrect classifications to properly state the actual amount of transfers made by the County as restated on page 16 of the Notes to Financial Statements.

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 and County Clerk did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and misstate the financial statements presented by the county.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement each year.

Auditee's Response:

The County Commission and County Clerk will work together to ensure that both budgeted and actual transfers to and from funds are in agreement.

12-02 Budgetary Procedures Not in Compliance With State Law

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

- A. The County Commission, County Clerk, County Collector, and Recorder did not exercise adequate budgetary control over certain funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Tax Maintenance	2012	\$ 613
	2011	322
General Revenue	2011	21,071
Law Enforcement Training	2011	638
Recorder User Fee	2011	4,885

B. The County Commission amended the budget document for the General Revenue Fund in 2011 for \$38,100 by using much of the original appropriation from the Emergency Fund expenditure classification and allocating this amount to other expenditure classifications in order for those areas to not exceed their original budget appropriations. This amendment left the remaining amount appropriated in the Emergency Fund expenditure classification with a balance of \$4,629. These transfers did not meet the criteria of the state law to be for unforeseen emergencies.

C. The County Collector did not prepare accurate budgets for the Tax Maintenance Fund for the years ended December 31, 2012 and 2011. The County Collector inappropriately misclassified the receipts into the fund as all under Interest Income instead of separating the receipts out into fees from taxes and interest income. This has been adjusted on the financial statements to properly state the income for each year. In addition, the total receipts and expenditures were not properly stated each year on the budget document causing the budget to have the incorrect cash balance at December 31, 2011. This was caused mainly by not recording all interest income from the bank account and recording disbursements more than once on her ledger.

The financial statements have been adjusted for immaterial amounts to properly state the correct cash balances at December 31, 2012 and 2011.

D. The Senate Bill 40 Board exceeded its total expenditure appropriation for the year ended December 31, 2011 by \$21,510.

Criteria: Section 50.540 RSMo, requires that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials and Senate Bill 40 Board did not consider the importance of preparing proper amended budgets. The County Commission did not consider the improper use of the Emergency Fund expenditure classification within the General Revenue Fund. The County Collector did not properly review the budget document to ensure that the budget was properly and accurately prepared to reflect the actual receipts, disbursements, and cash balance for the Tax Maintenance Fund.

Effect: The County Commission, County Clerk, other County officials, and Senate Bill 40 Board did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

- B. The County Commission and County Clerk should only use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.
- C. The County Collector should prepare a proper and accurate budget document.
- D. The Senate Bill 40 Board should not approve expenditures in excess of budgeted amounts.

Auditee's Response:

The County Commission and County Clerk responded as follows:

- A. The County Commission will refrain from approving expenditures in excess of budgeted amounts. The County Commission will properly amend the budget in public meetings as required when unforeseen circumstances arise that increase expenditures in all county funds.
- B. The state law will be followed. The County Commission and County Clerk will only use the emergency fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.
- C. The County Collector has recently prepared a proper and accurate budget document.

The Senate Bill 40 Board responded as follows:

- D. The Moniteau County SB 40 Board will appropriately amend their budget in the future to avoid overspending budgeted line items.

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

The previous financial audit performed for Moniteau County, Missouri, was for the two years ended December 31, 2008. Because Moniteau County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2010, this section does not report the status of any prior audit findings.