



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Maries County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Maries 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. 2013-130

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CASEY-BEARD-BOEHMER PC



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November 4, 2013

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Maries County, Missouri

We have audited the accompanying financial statements of Maries 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.

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MARIES 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 Maries 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 Maries 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 Maries 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 November 4, 2013, on our consideration of the Maries 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 Maries 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

MARIES 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	\$ 158,966	1,044,317	989,516	213,767	1,108,490	1,158,257	164,000
Road and Bridge (Road #1)	3,563	817,322	809,379	11,506	452,715	460,413	3,808
Assessment	19,482	127,442	127,729	19,195	120,330	124,969	14,556
Road and Bridge (Road #2)	37,702	402,328	403,649	36,381	375,536	370,638	41,279
Law Enforcement Training	4,180	3,343	3,645	3,878	3,785	2,427	5,236
Prosecuting Attorney Training	791	295	807	279	24	115	188
Bad Check	1,668	2,493	1,096	3,065	2,488	1,155	4,398
Children's Trust	453	1,660	1,697	416	1,668	1,473	611
Record Storage	30,613	6,878	5,917	31,574	7,996	16,112	23,458
911	68,392	78,749	50,308	96,833	202,626	173,894	125,565
Special Sheriff	361	5,059	88	5,332	5,139	2,800	7,671
Election Service	1,387	1,443	1,199	1,631	3,402	2,429	2,604
Citizen Safety	(13,330)	544,904	510,690	20,884	537,423	536,570	21,737
Prosecuting Attorney Delinquent Tax	741	391	-	1,132	5	-	1,137
Over Under	266	22	-	288	91	-	379
Inmate Security	1,722	1,199	-	2,921	1,281	-	4,202
Sheriff Revolving	6,678	3,383	2,025	8,036	3,946	-	11,982
Law Enforcement - Restricted	4,577	2,546	1,280	5,843	6,878	4,415	8,306
Tax Maintenance	51,753	12,274	19,750	44,277	12,057	7,190	49,144
Civil Summons - Deputy Sheriff Supplement	2,177	2,704	4,400	481	2,774	1,972	1,283
Commissary	11,776	-	8,920	2,856	720	2,237	1,339
Totals	\$ 393,918	3,058,752	2,942,095	510,575	2,849,374	2,867,066	492,883

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

MARIES 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	\$ 396,989	408,620	11,631	\$ 391,427	410,900	19,473
Sales tax	349,000	357,728	8,728	358,746	351,194	(7,552)
Intergovernmental	85,755	126,445	40,690	72,476	88,733	16,257
Charges for services	186,001	200,556	14,555	189,895	173,873	(16,022)
Interest	1,000	1,724	724	773	2,383	1,610
Other	9,600	13,417	3,817	11,775	17,234	5,459
Transfers in	1,411	-	(1,411)	-	-	-
Total Receipts	\$ 1,029,756	1,108,490	78,734	\$ 1,025,092	1,044,317	19,225
DISBURSEMENTS						
General County Government-						
County Commission	\$ 77,904	77,473	(431)	\$ 76,152	76,100	(52)
County Clerk	77,771	79,900	2,129	79,507	80,832	1,325
Elections	95,234	83,595	(11,639)	33,400	33,526	126
Buildings and grounds	78,084	148,937	70,853	69,467	70,309	842
Employee fringe benefits	79,440	63,597	(15,843)	84,141	56,929	(27,212)
County Treasurer	40,761	40,553	(208)	40,706	41,058	352
County Collector	74,282	73,050	(1,232)	73,759	73,810	51
Circuit Clerk	40,440	38,418	(2,022)	43,940	36,273	(7,667)
Court Administration	12,571	7,167	(5,404)	14,884	12,910	(1,974)
Public Administrator	35,473	32,927	(2,546)	32,683	30,696	(1,987)
Public Safety-						
Sheriff	40,267	40,267	-	40,267	40,267	-
Prosecuting Attorney	87,720	88,642	922	88,477	85,679	(2,798)
Juvenile Officer	25,286	25,535	249	28,833	27,968	(865)
County Coroner	16,961	19,626	2,665	15,085	17,701	2,616
Other-						
Trash patrol	9,809	10,767	958	9,696	9,948	252
License office	50,122	46,674	(3,448)	48,567	47,770	(797)
Emergency management	-	6,296	6,296	3,445	3,790	345
Other government	64,683	112,233	47,550	79,134	63,250	(15,884)
Health and welfare	16,200	16,153	(47)	17,500	15,781	(1,719)
Transfers out	193,940	146,447	(47,493)	180,071	164,919	(15,152)
Total Disbursements	\$ 1,116,948	1,158,257	41,309	\$ 1,059,714	989,516	(70,198)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (87,192)	(49,767)	37,425	\$ (34,622)	54,801	89,423
CASH, JANUARY 1	213,767	213,767	-	158,966	158,966	-
CASH, DECEMBER 31	\$ 126,575	164,000	37,425	\$ 124,344	213,767	89,423

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

MARIES 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

Road and Bridge (Road #1) Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 133,024	132,673	(351)	\$ 130,799	145,446	14,647
Sales tax	65,500	65,374	(126)	68,000	64,222	(3,778)
Intergovernmental	220,431	230,636	10,205	565,500	575,359	9,859
Interest	400	228	(172)	600	319	(281)
Other	1,140,000	23,804	(1,116,196)	15,125	21,976	6,851
Transfers in	-	-	-	-	10,000	10,000
Total Receipts	<u>\$ 1,559,355</u>	<u>452,715</u>	<u>(1,106,640)</u>	<u>\$ 780,024</u>	<u>817,322</u>	<u>37,298</u>
DISBURSEMENTS						
Salaries	\$ 148,240	129,534	(18,706)	\$ 146,920	142,499	(4,421)
Employee fringe benefits	27,290	26,465	(825)	26,162	26,113	(49)
Supplies	130,000	115,057	(14,943)	115,000	122,711	7,711
Insurance	6,656	7,077	421	7,500	6,016	(1,484)
Road and bridge materials	90,000	141,196	51,196	70,000	79,753	9,753
Equipment repairs	7,000	8,836	1,836	6,000	8,628	2,628
Equipment purchases	1,135,500	25,510	(1,109,990)	68,000	68,497	497
Bridge project	-	-	-	330,000	348,893	18,893
Other	12,480	6,738	(5,742)	7,600	6,269	(1,331)
Total Disbursements	<u>\$ 1,557,166</u>	<u>460,413</u>	<u>(1,096,753)</u>	<u>\$ 777,182</u>	<u>809,379</u>	<u>32,197</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 2,189</u>	<u>(7,698)</u>	<u>(9,887)</u>	<u>\$ 2,842</u>	<u>7,943</u>	<u>5,101</u>
CASH, JANUARY 1	11,506	11,506	-	3,563	3,563	-
CASH, DECEMBER 31	<u>\$ 13,695</u>	<u>3,808</u>	<u>(9,887)</u>	<u>\$ 6,405</u>	<u>11,506</u>	<u>5,101</u>

Assessment Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 115,560	113,337	(2,223)	\$ 115,296	116,040	744
Charges for services	-	269	269	100	212	112
Interest	150	153	3	150	198	48
Other	-	2,600	2,600	100	542	442
Transfers in	14,421	3,971	(10,450)	25,602	10,450	(15,152)
Total Receipts	<u>\$ 130,131</u>	<u>120,330</u>	<u>(9,801)</u>	<u>\$ 141,248</u>	<u>127,442</u>	<u>(13,806)</u>
DISBURSEMENTS						
Assessor	\$ 136,793	124,969	(11,824)	\$ 139,435	127,729	(11,706)
Total Disbursements	<u>\$ 136,793</u>	<u>124,969</u>	<u>(11,824)</u>	<u>\$ 139,435</u>	<u>127,729</u>	<u>(11,706)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (6,662)</u>	<u>(4,639)</u>	<u>2,023</u>	<u>\$ 1,813</u>	<u>(287)</u>	<u>(2,100)</u>
CASH, JANUARY 1	19,195	19,195	-	19,482	19,482	-
CASH, DECEMBER 31	<u>\$ 12,533</u>	<u>14,556</u>	<u>2,023</u>	<u>\$ 21,295</u>	<u>19,195</u>	<u>(2,100)</u>

MARIES 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

Road and Bridge (Road #2) Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 113,578	113,144	(434)	\$ 110,335	110,415	80
Sales tax	52,546	53,488	942	53,701	52,546	(1,155)
Intergovernmental	180,353	188,641	8,288	182,700	216,472	33,772
Interest	400	231	(169)	784	394	(390)
Other	4,980	20,032	15,052	36,551	22,501	(14,050)
Total Receipts	\$ 351,857	375,536	23,679	\$ 384,071	402,328	18,257
DISBURSEMENTS						
Salaries	\$ 134,000	88,830	(45,170)	\$ 135,000	125,375	(9,625)
Employee fringe benefits	23,306	19,968	(3,338)	25,700	22,168	(3,532)
Supplies	129,862	99,427	(30,435)	128,000	131,533	3,533
Insurance	6,300	6,739	439	7,500	5,793	(1,707)
Road and bridge materials	4,000	73,897	69,897	5,000	62,330	57,330
Equipment repairs	1,000	-	(1,000)	1,500	1,705	205
Equipment purchases	46,494	41,876	(4,618)	41,000	10,494	(30,506)
Bridge project	-	36,855	36,855	-	30,925	30,925
Other	3,050	3,046	(4)	8,500	3,326	(5,174)
Transfers out	-	-	-	-	10,000	10,000
Total Disbursements	\$ 348,012	370,638	22,626	\$ 352,200	403,649	51,449
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,845	4,898	1,053	\$ 31,871	(1,321)	(33,192)
CASH, JANUARY 1	36,381	36,381	-	37,702	37,702	-
CASH, DECEMBER 31	\$ 40,226	41,279	1,053	\$ 69,573	36,381	(33,192)

Law Enforcement Training Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,200	2,014	814	\$ 3,600	1,184	(2,416)
Interest	25	19	(6)	30	23	(7)
Other	2,000	1,752	(248)	500	2,136	1,636
Total Receipts	\$ 3,225	3,785	(248)	\$ 4,130	3,343	(787)
DISBURSEMENTS						
Mileage and training	\$ 3,200	2,427	(773)	\$ 3,600	3,491	(109)
Other	-	-	-	500	154	(346)
Total Disbursements	\$ 3,200	2,427	(773)	\$ 4,100	3,645	(455)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 25	1,358	1,333	\$ 30	(302)	(332)
CASH, JANUARY 1	3,878	3,878	-	4,180	4,180	-
CASH, DECEMBER 31	\$ 3,903	5,236	1,333	\$ 4,210	3,878	(332)

MARIES 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 Training Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	23	23	\$ 300	293	(7)
Interest	-	1	1	7	2	(5)
Total Receipts	\$ -	24	24	\$ 307	295	(12)
DISBURSEMENTS						
Mileage and training	\$ -	115	115	\$ 850	807	(43)
Transfers out	279	-	(279)	-	-	-
Total Disbursements	\$ 279	115	(164)	\$ 850	807	(43)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (279)	(91)	188	\$ (543)	(512)	31
CASH, JANUARY 1	279	279	-	791	791	-
CASH, DECEMBER 31	\$ -	188	188	\$ 248	279	31

Bad Check Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,400	2,472	72	\$ 1,994	2,481	487
Interest	-	16	16	6	12	6
Total Receipts	\$ 2,400	2,488	88	\$ 2,000	2,493	493
DISBURSEMENTS						
Salaries and wages	\$ -	-	-	\$ 2,000	-	(2,000)
Other	1,980	1,155	(825)	600	1,096	496
Total Disbursements	\$ 1,980	1,155	(825)	\$ 2,600	1,096	(1,504)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 420	1,333	913	\$ (600)	1,397	1,997
CASH, JANUARY 1	3,065	3,065	-	1,668	1,668	-
CASH, DECEMBER 31	\$ 3,485	4,398	913	\$ 1,068	3,065	1,997

Children's Trust Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,000	1,666	666	\$ 2,829	1,655	(1,174)
Interest	5	2	(3)	6	5	(1)
Total Receipts	\$ 1,005	1,668	663	\$ 2,835	1,660	(1,175)
DISBURSEMENTS						
Other	\$ 1,000	1,473	473	\$ 1,705	1,697	(8)
Total Disbursements	\$ 1,000	1,473	473	\$ 1,705	1,697	(8)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	195	190	\$ 1,130	(37)	(1,167)
CASH, JANUARY 1	416	416	-	453	453	-
CASH, DECEMBER 31	\$ 421	611	190	\$ 1,583	416	(1,167)

MARIES 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

Record Storage Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 7,000	7,879	879	\$ 7,500	6,716	(784)
Interest	-	117	117	200	162	(38)
Total Receipts	<u>\$ 7,000</u>	<u>7,996</u>	<u>996</u>	<u>\$ 7,700</u>	<u>6,878</u>	<u>(822)</u>
DISBURSEMENTS						
Storage maintenance	\$ 6,000	16,112	10,112	\$ 6,000	5,917	(83)
Total Disbursements	<u>\$ 6,000</u>	<u>16,112</u>	<u>10,112</u>	<u>\$ 6,000</u>	<u>5,917</u>	<u>(83)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,000	(8,116)	(9,116)	\$ 1,700	961	(739)
CASH, JANUARY 1	31,574	31,574	-	30,613	30,613	-
CASH, DECEMBER 31	<u>\$ 32,574</u>	<u>23,458</u>	<u>(9,116)</u>	<u>\$ 32,313</u>	<u>31,574</u>	<u>(739)</u>

911 Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	119,276	119,276	\$ -	-	-
Charges for services	80,250	82,929	2,679	70,050	78,241	8,191
Interest	325	421	96	400	508	108
Total Receipts	<u>\$ 80,575</u>	<u>202,626</u>	<u>122,051</u>	<u>\$ 70,450</u>	<u>78,749</u>	<u>8,299</u>
DISBURSEMENTS						
Salaries	\$ 10,450	-	(10,450)	\$ 10,450	-	(10,450)
Office	215	841	626	250	211	(39)
Equipment	75,000	172,714	97,714	66,000	39,442	(26,558)
Mileage and training	5,950	-	(5,950)	1,500	-	(1,500)
Other	205	339	134	250	205	(45)
Transfers out	-	-	-	-	10,450	10,450
Total Disbursements	<u>\$ 91,820</u>	<u>173,894</u>	<u>82,074</u>	<u>\$ 78,450</u>	<u>50,308</u>	<u>(28,142)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,245)	28,732	39,977	\$ (8,000)	28,441	36,441
CASH, JANUARY 1	96,833	96,833	-	68,392	68,392	-
CASH, DECEMBER 31	<u>\$ 85,588</u>	<u>125,565</u>	<u>39,977</u>	<u>\$ 60,392</u>	<u>96,833</u>	<u>36,441</u>

Special Sheriff Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,800	3,149	(651)	\$ 11,000	3,860	(7,140)
Charges for services	1,200	1,955	755	3,000	1,185	(1,815)
Interest	-	35	35	50	14	(36)
Total Receipts	<u>\$ 5,000</u>	<u>5,139</u>	<u>139</u>	<u>\$ 14,050</u>	<u>5,059</u>	<u>(8,991)</u>
DISBURSEMENTS						
Equipment	\$ 5,000	-	(5,000)	\$ 11,500	-	(11,500)
Other	-	2,800	2,800	2,000	88	(1,912)
Total Disbursements	<u>\$ 5,000</u>	<u>2,800</u>	<u>(2,200)</u>	<u>\$ 13,500</u>	<u>88</u>	<u>(13,412)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	2,339	2,339	\$ 550	4,971	4,421
CASH, JANUARY 1	5,332	5,332	-	361	361	-
CASH, DECEMBER 31	<u>\$ 5,332</u>	<u>7,671</u>	<u>2,339</u>	<u>\$ 911</u>	<u>5,332</u>	<u>4,421</u>

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

MARIES 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						
Charges for services	\$ 2,000	3,394	1,394	\$ 1,115	1,435	320
Interest	10	8	(2)	7	8	1
Total Receipts	<u>\$ 2,010</u>	<u>3,402</u>	<u>1,392</u>	<u>\$ 1,122</u>	<u>1,443</u>	<u>321</u>
DISBURSEMENTS						
Salaries	\$ 1,627	1,605	(22)	\$ -	528	528
Other	-	544	544	-	16	16
Equipment	300	280	(20)	700	655	(45)
Total Disbursements	<u>\$ 1,927</u>	<u>2,429</u>	<u>502</u>	<u>\$ 700</u>	<u>1,199</u>	<u>499</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 83	973	890	\$ 422	244	(178)
CASH, JANUARY 1	1,631	1,631	-	1,387	1,387	-
CASH, DECEMBER 31	<u>\$ 1,714</u>	<u>2,604</u>	<u>890</u>	<u>\$ 1,809</u>	<u>1,631</u>	<u>(178)</u>

Citizen Safety Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales tax	\$ 310,433	316,285	5,852	\$ 301,392	310,433	9,041
Intergovernmental	16,901	33,032	16,131	60,544	39,593	(20,951)
Charges for services	17,500	20,861	3,361	21,500	18,524	(2,976)
Interest	100	177	77	69	132	63
Other	18,668	24,592	5,924	8,151	11,303	3,152
Transfers in	189,969	142,476	(47,493)	164,919	164,919	-
Total Receipts	<u>\$ 553,571</u>	<u>537,423</u>	<u>(16,148)</u>	<u>\$ 556,575</u>	<u>544,904</u>	<u>(11,671)</u>
DISBURSEMENTS						
Salaries	\$ 326,390	317,260	(9,130)	\$ 336,429	299,534	(36,895)
Office	12,000	8,518	(3,482)	8,600	9,760	1,160
Equipment	130,700	113,345	(17,355)	83,500	117,603	34,103
Other	101,565	97,447	(4,118)	90,950	83,793	(7,157)
Total Disbursements	<u>\$ 570,655</u>	<u>536,570</u>	<u>(34,085)</u>	<u>\$ 519,479</u>	<u>510,690</u>	<u>(8,789)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,084)	853	17,937	\$ 37,096	34,214	(2,882)
CASH, JANUARY 1	20,884	20,884	-	(13,330)	(13,330)	-
CASH, DECEMBER 31	<u>\$ 3,800</u>	<u>21,737</u>	<u>17,937</u>	<u>\$ 23,766</u>	<u>20,884</u>	<u>(2,882)</u>

Prosecuting Attorney Delinquent Tax Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 400	385	(15)
Interest	-	5	5	5	6	1
Total Receipts	<u>\$ -</u>	<u>5</u>	<u>5</u>	<u>\$ 405</u>	<u>391</u>	<u>(14)</u>
DISBURSEMENTS						
Transfers out	\$ 1,132	-	(1,132)	\$ -	-	-
Total Disbursements	<u>\$ 1,132</u>	<u>-</u>	<u>(1,132)</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,132)	5	1,137	\$ 405	391	(14)
CASH, JANUARY 1	1,132	1,132	-	741	741	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>1,137</u>	<u>1,137</u>	<u>\$ 1,146</u>	<u>1,132</u>	<u>(14)</u>

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

MARIES 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

	Over Under Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 20	90	70	\$ 20	21	1
Interest	2	1	(1)	-	1	1
Total Receipts	\$ 22	91	69	\$ 20	22	2
DISBURSEMENTS						
Other	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 22	91	69	\$ 20	22	2
CASH, JANUARY 1	288	288	-	266	266	-
CASH, DECEMBER 31	\$ 310	379	69	\$ 286	288	2

	Inmate Security Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,200	456	(744)	\$ 1,250	492	(758)
Charges for services	-	808	808	-	694	694
Interest	12	17	5	-	13	13
Total Receipts	\$ 1,212	1,281	69	\$ 1,250	1,199	(51)
DISBURSEMENTS						
Equipment	\$ 1,200	-	(1,200)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 1,200	-	(1,200)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12	1,281	1,269	\$ (1,250)	1,199	2,449
CASH, JANUARY 1	2,921	2,921	-	1,722	1,722	-
CASH, DECEMBER 31	\$ 2,933	4,202	1,269	\$ 472	2,921	2,449

	Sheriff Revolving Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,400	3,900	500	\$ 5,000	3,346	(1,654)
Interest	35	46	11	30	37	7
Total Receipts	\$ 3,435	3,946	511	\$ 5,030	3,383	(1,647)
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ 2,000	2,025	25
Other	500	-	(500)	1,500	-	(1,500)
Mileage and training	2,500	-	(2,500)	-	-	-
Total Disbursements	\$ 3,000	-	(3,000)	\$ 3,500	2,025	(1,475)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 435	3,946	3,511	\$ 1,530	1,358	(172)
CASH, JANUARY 1	8,036	8,036	-	6,678	6,678	-
CASH, DECEMBER 31	\$ 8,471	11,982	3,511	\$ 8,208	8,036	(172)

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

MARIES 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 - Restricted Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,000	6,845	3,845	\$ 4,000	2,516	(1,484)
Interest	-	33	33	40	30	(10)
Total Receipts	\$ 3,000	6,878	3,878	\$ 4,040	2,546	(1,494)
DISBURSEMENTS						
Other	\$ 5,000	4,415	(585)	\$ 8,600	1,280	(7,320)
Total Disbursements	\$ 5,000	4,415	(585)	\$ 8,600	1,280	(7,320)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	2,463	4,463	\$ (4,560)	1,266	5,826
CASH, JANUARY 1	5,843	5,843	-	4,577	4,577	-
CASH, DECEMBER 31	\$ 3,843	8,306	4,463	\$ 17	5,843	5,826

Tax Maintenance Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 12,500	11,891	(609)	\$ 13,000	12,079	(921)
Interest	200	166	(34)	250	195	(55)
Total Receipts	\$ 12,700	12,057	(643)	\$ 13,250	12,274	(976)
DISBURSEMENTS						
Office	\$ 1,412	2,323	911	\$ 1,312	424	(888)
Equipment	2,550	60	(2,490)	14,000	10,762	(3,238)
Mileage and training	100	50	(50)	300	50	(250)
Other	3,120	4,757	1,637	5,200	8,514	3,314
Total Disbursements	\$ 7,182	7,190	8	\$ 20,812	19,750	(1,062)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,518	4,867	(651)	\$ (7,562)	(7,476)	86
CASH, JANUARY 1	44,277	44,277	-	51,753	51,753	-
CASH, DECEMBER 31	\$ 49,795	49,144	(651)	\$ 44,191	44,277	86

Civil Summons - Deputy Sheriff Supplement Fund

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,500	2,770	270	\$ 1,100	2,698	1,598
Interest	5	4	(1)	10	6	(4)
Total Receipts	\$ 2,505	2,774	269	\$ 1,110	2,704	1,594
DISBURSEMENTS						
Deputy Sheriff	\$ 2,500	1,972	(528)	\$ -	4,400	4,400
Total Disbursements	\$ 2,500	1,972	(528)	\$ -	4,400	4,400
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	802	797	\$ 1,110	(1,696)	(2,806)
CASH, JANUARY 1	481	481	-	2,177	2,177	-
CASH, DECEMBER 31	\$ 486	1,283	797	\$ 3,287	481	(2,806)

MARIES 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

	Commissary Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,000	720	(280)	\$ 500	-	(500)
Total Receipts	\$ 1,000	720	(280)	\$ 500	-	(500)
DISBURSEMENTS						
Office	\$ 300	-	(300)	\$ -	157	157
Equipment	600	-	(600)	400	6,263	5,863
Other	100	1,937	1,837	100	2,500	2,400
Mileage and training	-	300	300	-	-	-
Total Disbursements	\$ 1,000	2,237	1,237	\$ 500	8,920	8,420
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(1,517)	(1,517)	\$ -	(8,920)	(8,920)
CASH, JANUARY 1	2,856	2,856	-	11,776	11,776	-
CASH, DECEMBER 31	\$ 2,856	1,339	(1,517)	\$ 11,776	2,856	(8,920)

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Maries 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 or an elected county official. The Tax Maintenance Fund is under the control of the County Collector and the Commissary Fund is under the control of the Sheriff. The General Revenue Fund also consists of the Money Market Demand Account held by the County for investment purposes budgeted as a separate Fund by the County. Interfund transfers to and from this separate Fund established by the County have been eliminated.

The financial statements referred to above include the primary government of Maries 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 Law Library Fund, Circuit Clerk Interest Fund, Circuit Court Maintenance Fund, and the Family Court Fund since they are 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.

**MARIES 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.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended budgets in November 2011 for the following funds:

General Revenue	911
Prosecuting Attorney Training	Election Service
Civil Summons – Deputy Sheriff Supplement	Prosecuting Attorney Delinquent Tax

The County Collector amended the 2011 budget for the Tax Maintenance Fund.

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>Year(s) Ended December 31,</u>
Road and Bridge (Road #2)	2012 and 2011
Election Service	2012 and 2011
Commissary	2012 and 2011
General Revenue	2012
Children’s Trust	2012
Record Storage	2012
911	2012
Tax Maintenance	2012
Road and Bridge (Road #1)	2011
Civil Summons – Deputy Sheriff Supplement	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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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	\$ 69,308,060	\$	68,011,420
Personal Property	32,517,230		31,115,790
Railroad and Utilities	12,653,934		12,667,137
Total Assessed Valuation	<u>\$ 114,479,224</u>	\$	<u>111,794,347</u>

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	\$ 0.3697	\$	0.3628
Road and Bridge (Road #1) Fund	0.2769		0.2753
Road and Bridge (Road #2) Fund	0.2406		0.2406

1. F. CASH DEPOSITS

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer 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	\$ -	\$ 146,447
Assessment	3,971	-
Citizen Safety	142,476	-
Totals	<u>\$ 146,447</u>	<u>\$ 146,447</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

	Year Ended December 31, 2011	
	<u>Transfers In</u>	<u>Transfers Out</u>
FUNDS:		
General Revenue	\$ -	\$ 164,919
Road and Bridge (Road #1)	10,000	-
Assessment	10,450	-
Road and Bridge (Road #2)	-	10,000
911	-	10,450
Citizen Safety	<u>164,919</u>	<u>-</u>
Totals	<u>\$ 185,369</u>	<u>\$ 185,369</u>

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 has determined through experience that business checking accounts, super NOW checking accounts, and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in an interest-bearing super NOW bank account to the extent possible at one depository bank. 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 no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did not invest in any nonnegotiable certificates of deposit or other investment vehicles during the two years ended December 31, 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.

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

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

The County's investment in a Money Market Demand Account has been consolidated with the General Revenue Fund and the balance in this account at December 31, 2012 and 2011 was \$105,186 and \$104,522, respectively.

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.

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

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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 \$84,604 and \$88,469, respectively, for the years then ended.

B. 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 \$2,244 and \$2,244, respectively, for the years ended December 31, 2012 and 2011.

NOTE 4. POST- EMPLOYMENT BENEFITS

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

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

1) Compensated Absences Commitments

Annual Leave

Regular full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time up to a 30 day maximum based on the number of years of continuing service. Upon termination of employment, an employee may receive up to thirty days of accumulated vacation time taken either in compensation or as early separation from the County.

Sick Leave

Regular full-time employees earn sick leave from the date of initial employment but cannot take sick leave during the probationary period. Sick leave is earned at the rate of six days per year and is cumulative with no maximum. Upon termination of employment, an employee may receive compensation for accrued sick leave with a one month maximum and may be taken in the form of compensation or as early separation from the County.

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

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES (CONTINUED)

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.

3) Litigation

The County has threatening litigation matters 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 matters and the affect on the financial condition of the County at the present time.

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 537.700 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.

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. LONG-TERM DEBT

The County has entered into several long-term lease purchase agreements with its depository bank for the purchase of road and bridge equipment, motor vehicles, and computer hardware and software. The loan amounts vary along with the payment terms and the dates ranging from August 2007 through March 2020. The interest rates on the loans vary from 3.750% to 4.002%. The remaining principal balance on all loans as of December 31, 2012 is \$887,698 and the schedule of long-term debt as of December 31, 2012 for all loans is as follows:

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

<u>Year</u>		<u>Payment</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	117,818	\$	83,663	\$	34,155
2014		149,620		118,797		30,823
2015		109,818		83,972		25,846
2016		231,056		208,447		22,609
2017		351,660		336,930		14,730
2018-2020		<u>59,917</u>		<u>55,889</u>		<u>4,028</u>
TOTALS	\$	<u>1,019,889</u>	\$	<u>887,698</u>	\$	<u>132,191</u>

NOTE 8. CHANGE IN BASIS OF ACCOUNTING

Maries County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2008 and 2007 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, 2010 and 2009.

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November 4, 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 Maries 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 Maries County, Missouri, as of and for the two years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Maries County, Missouri's basic financial statements and have issued our report thereon dated November 4, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Maries 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 Maries County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Maries 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 a material weakness 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 deficiency described in the accompanying schedule of findings and responses to be a material weakness as item 12-01.

MEMBER

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Public
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Missouri
Society of
Certified
Public
Accountants

**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 12-02 and 12-03.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maries 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*.

Maries County, Missouri's Responses to Findings

Maries County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Maries 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

**MARIES 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.

MATERIAL WEAKNESS IN INTERNAL CONTROL

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

Condition: The County's budget documents for the years ended December 31, 2012 and 2011 materially misstated the various receipt classifications for the Road and Bridge (Road #1) Fund, Road and Bridge (Road #2) Fund, and 911 Fund. The budget documents had misclassified bridge program and disaster relief monies in Other Receipts instead of Intergovernmental receipts and a public safety grant as Other Receipts instead of as Intergovernmental receipts also.

The General Revenue Fund, Special Sheriff Fund, Citizen Safety Fund, and Tax Maintenance Fund also had misclassifications of receipts recorded on the budget documents.

Reclassification adjustments were made during the audit to more fairly and materially state the receipts of 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.

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

Recommendation:

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

Auditee response:

The County Commission and County Clerk will implement.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

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 actual transfers in do not agree with total actual transfers out for the year ended December 31, 2011. The total actual transfers in and out per the budget documents for the year ended December 31, 2011 were \$175,369 and \$174,919 respectively, for a difference of \$450. A \$10,000 transfer in to

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

the Road and Bridge (Road #1) Fund from the Road and Bridge (Road #2) Fund was included under Miscellaneous Receipts instead of a transfer in and a \$10,450 transfer out from the 911 Fund to the Assessment Fund was shown as an expense to Salaries and Wages instead of to transfers out.

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 implement.

12-03 Budgetary Procedures Not in Compliance With State Law

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

- A. The County Commission, County Clerk, County Collector, and Sheriff 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:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Road and Bridge (Road #2)	2012	\$ 22,626
	2011	51,449
Election Service	2012	502
	2011	499
Commissary	2012	1,237
	2011	8,420
General Revenue	2012	41,309
Children's Trust	2012	473
Record Storage	2012	10,112
911	2012	82,074
Tax Maintenance	2012	8
Road and Bridge (Road #1)	2011	32,197
Civil Summons – Deputy Sheriff Supplement	2011	4,400

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

- B. The County Commission and County Clerk did not budget any amounts in 2012 or 2011 for the emergency fund within the General Revenue Fund of the County. The County Commission indicated that the monies set aside in the money market demand account maintained by the County would be sufficient to cover any county emergencies.
- C. The budgets for the Tax Maintenance Fund for the years ended December 31, 2012 and 2011 inappropriately misclassified the tax fee receipts into the fund under Intergovernmental instead of as Charges for Services. This has been adjusted on the financial statements to properly state the receipts for each year.

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 budget officer shall provide in his recommendations, and the county commission shall provide in its appropriation order, that an amount equal to not less than three percent of the total estimated general fund revenues shall be appropriated each year as an emergency fund. Proper accounting requires that receipts be properly classified on the budget documents.

Cause: County officials did not consider the importance of preparing proper amended budgets. The County Commission did not consider the statutory guidance regarding budgeting amounts for the emergency fund within the General Revenue Fund. The County Collector did not ensure that the budget was properly stated for the receipts collected for the Tax Maintenance Fund.

Effect: The County Commission, County Clerk, and other County officials 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.
- B. The County Commission and County Clerk should provide a budgeted amount for emergency fund expenditures in accordance with the provisions of state law.
- C. The County Collector and County Clerk should ensure that receipts are properly classified on the budget document.

Auditee's Response:

- A. *The County Commission and County Clerk will implement.*
- B. *Maries County has maintained an MMDA account for emergency purposes. Due to having this account, the 3% that is to be included within the budget will not be added in.*
- C. *The County Commission, County Clerk, and County Collector will implement.*

**MARIES 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 Maries County, Missouri, was for the two years ended December 31, 2008. Because Maries 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.