



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

To the County Commission  
and  
Officeholders of Livingston County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2011, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

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

Thomas A. Schweich  
State Auditor

September 2012  
Report No. 2012-102

**The County of Livingston  
Chillicothe, Missouri  
Financial Statements, Independent Auditor's Reports and Supplementary Information  
December 31, 2011 & 2010**



**The County of Livingston  
Chillicothe, Missouri  
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## Independent Auditor's Report

To the County Commission and  
Officeholders of Livingston County, Missouri



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

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

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As described more fully in Note 1, Livingston County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

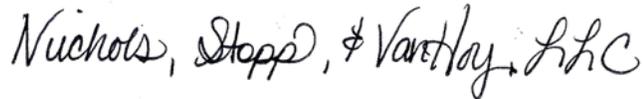
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Livingston County, Missouri, as of December 31, 2011 and 2010, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Livingston County, Missouri, as of December 31, 2011 and 2010, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1. As described in Note 5, the County has changed its basis of accounting for the years ended December 31, 2011 and 2010.

In accordance with Government Auditing Standards, we also have issued our report dated July 2, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral

part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHay, L.L.C." The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
July 2, 2012

**The County of Livingston  
Chillicothe, Missouri  
Statement of Receipts, Disbursements, and Changes in Cash  
All Governmental Funds: Regulatory Basis  
Year ended December 30, 2011**

<u>Fund</u>	Cash and Equivalents January 1, 2011	Receipts 2011	Disbursements 2011	Cash and Equivalents December 31, 2011
General Revenue	\$ 374,140	\$ 1,956,368	\$ 1,969,638	\$ 360,870
Road & Bridge	26,255	968,342	931,970	62,627
Law Enforcement Sales Tax	84,571	549,992	518,063	116,500
Use Tax	108,778	131,492	67,983	172,287
Assessment	14,786	197,911	205,520	7,177
Law Enforcement Training	1,370	4,171	6,109	(568)
Prosecuting Attorney Check	1,056	11,885	8,141	4,800
Special Election	-	84,658	45,621	39,037
Prosecuting Attorney Training	258	595	1,034	(181)
Child Abuse	147	1,661	-	1,808
Recorder Special	19,693	27,248	25,450	21,491
Local Emergency Planning Commission	6,870	11,821	14,237	4,454
Planning & Zoning	1,535	3	1,536	2
Enhanced 911	22,210	172,132	170,314	24,028
Election Services	9,634	10,230	10,598	9,266
Victim Advocates Grant	(2,925)	33,562	30,637	-
Grant	-	2,403	94	2,309
Concealed Carry Permit	421	1,927	-	2,348
Civil Fees	11,901	23,850	34,327	1,424
Collector's Tax Maintenance	25,753	22,233	16,814	31,172
Inmate Security	107	3,042	1,250	1,899
Senate Bill 40 Board	269,202	328,460	249,841	347,821
Total	<u>\$ 975,762</u>	<u>\$ 4,543,986</u>	<u>\$ 4,309,177</u>	<u>\$ 1,210,571</u>

See Notes to Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Statement of Receipts, Disbursements, and Changes in Cash  
All Governmental Funds: Regulatory Basis  
Year Ended December 31, 2010**

<u>Fund</u>	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	\$ 247,907	\$ 2,264,221	\$ 2,137,988	\$ 374,140
Road & Bridge	134,906	1,844,990	1,953,641	26,255
Law Enforcement Sales Tax	59,588	484,304	459,321	84,571
Use Tax	61,962	119,344	72,528	108,778
Assessment	1,011	202,306	188,531	14,786
Law Enforcement Training	1,297	5,107	5,034	1,370
Prosecuting Attorney Check	(874)	9,856	7,926	1,056
Special Election	-	38,673	38,673	-
Prosecuting Attorney Training	498	841	1,081	258
Child Abuse	60	955	868	147
Recorder Special	22,276	7,696	10,279	19,693
Local Emergency Planning Commission	5,405	5,104	3,639	6,870
Planning & Zoning	-	1,742	207	1,535
Enhanced 911	8,584	179,658	166,032	22,210
Election Services	2,359	14,357	7,082	9,634
Victim Advocates Grant	-	-	2,925	(2,925)
Grant	(4,508)	20,011	15,503	-
Concealed Carry Permit	808	1,418	1,805	421
Civil Fees	14,482	27,926	30,507	11,901
Collector's Tax Maintenance	21,525	20,357	16,129	25,753
Inmate Security	-	107	-	107
Senate Bill 40 Board	220,983	178,150	129,931	269,202
Total	<u>\$ 798,269</u>	<u>\$ 5,427,123</u>	<u>\$ 5,249,630</u>	<u>\$ 975,762</u>

See Notes to Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Comparative Statement of Receipts, Disbursements, and Changes in Cash  
Budget and Actual, All Governmental Funds: Regulatory Basis  
Years ended December 31, 2011 & 2010**

	General Revenue Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ 17,000	\$ 14,418	\$ 17,000	\$ 17,902
Sales Taxes	934,418	987,303	927,064	953,488
Intergovernmental	479,519	497,220	423,850	537,558
Charges for Services	440,000	422,992	414,000	455,106
Interest	2,000	2,985	1,000	5,482
Other	31,000	31,450	216,870	234,685
Transfers In	-	-	60,000	60,000
<b>Total Receipts</b>	<b>\$ 1,903,937</b>	<b>\$ 1,956,368</b>	<b>\$ 2,059,784</b>	<b>\$ 2,264,221</b>
<b>Disbursements</b>				
County Commission	\$ 146,038	\$ 146,037	\$ 148,500	\$ 148,490
County Clerk	131,313	120,457	113,368	106,688
Elections	68,004	59,934	148,266	137,211
Building and Grounds	153,053	148,569	153,400	153,350
Employee Fringe Benefits	114,300	110,935	112,452	111,898
County Treasurer	138,561	129,849	120,994	109,882
Recorder of Deeds	87,107	86,731	82,456	81,157
Circuit Clerk	22,950	26,202	25,482	22,504
Court Administration	18,000	7,329	12,400	11,441
Public Administrator	79,086	75,183	68,368	68,315
Sheriff	378,048	378,047	366,145	360,771
Jail	322,625	289,169	338,290	325,053
Prosecuting Attorney	120,615	120,614	107,600	107,585
Juvenile Officer	87,538	56,311	87,819	43,220
Planning and Zoning	10,000	4,440	10,000	11,195
Health and Welfare	19,367	25,867	20,100	20,087
Other	149,407	154,246	135,872	130,844
Transfers Out	47,063	18,962	31,757	-
Emergency Fund	165,254	10,756	188,300	188,297
<b>Total Disbursements</b>	<b>\$ 2,258,329</b>	<b>\$ 1,969,638</b>	<b>\$ 2,271,569</b>	<b>\$ 2,137,988</b>
Receipts Over (Under) Disbursements	\$ (354,392)	\$ (13,270)	\$ (211,785)	\$ 126,233
Cash, January 1	374,140	374,140	247,907	247,907
Cash, December 31	<b>\$ 19,748</b>	<b>\$ 360,870</b>	<b>\$ 36,122</b>	<b>\$ 374,140</b>

See Notes to the Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Comparative Statement of Receipts, Disbursements, and Changes in Cash  
Budget and Actual, All Governmental Funds: Regulatory Basis  
Years ended December 31, 2011 & 2010**

	Road and Bridge Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ 80,000	\$ 79,126	\$ 80,000	\$ 78,978
Sales Taxes	-	-	-	-
Intergovernmental	1,929,085	884,197	1,804,204	1,754,767
Charges for Services	-	-	-	-
Interest	1,500	983	-	1,785
Other	2,500	4,036	2,500	9,460
Transfers In	34,369	-	-	-
<b>Total Receipts</b>	<b>\$ 2,047,454</b>	<b>\$ 968,342</b>	<b>\$ 1,886,704</b>	<b>\$ 1,844,990</b>
<b>Disbursements</b>				
Salaries	\$ 76,862	\$ 76,862	\$ 75,662	\$ 75,662
Employee Fringe Benefits	29,247	27,065	30,164	29,870
Supplies	23,000	20,836	24,400	17,341
Insurance	11,000	11,479	11,000	10,127
Road & Bridge Materials	107,500	85,714	116,500	68,138
Equipment Repairs	10,000	20,781	7,500	9,837
Rentals	7,500	1,460	7,500	1,640
Equipment Purchases	9,000	4,809	5,000	578
R & B Construction	1,790,000	680,963	1,674,242	1,674,617
Other Expenditures	9,600	2,001	8,900	5,831
Transfers Out	-	-	60,000	60,000
<b>Total Disbursements</b>	<b>\$ 2,073,709</b>	<b>\$ 931,970</b>	<b>\$ 2,020,868</b>	<b>\$ 1,953,641</b>
Receipts Over (Under)				
Disbursements	\$ (26,255)	\$ 36,372	\$ (134,164)	\$ (108,651)
Cash, January 1	26,255	26,255	134,906	134,906
Cash, December 31	<u>\$ -</u>	<u>\$ 62,627</u>	<u>\$ 742</u>	<u>\$ 26,255</u>

See Notes to the Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Comparative Statement of Receipts, Disbursements, and Changes in Cash  
Budget and Actual, All Governmental Funds: Regulatory Basis  
Years ended December 31, 2011 & 2010**

	Law Enforcement Sales Tax Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	467,191	493,595	463,052	476,726
Intergovernmental	141,912	-	600	-
Charges for Services	-	-	-	-
Interest	300	581	600	361
Other	7,000	55,816	7,000	7,217
Transfers In	-	-	-	-
<b>Total Receipts</b>	<b>\$ 616,403</b>	<b>\$ 549,992</b>	<b>\$ 471,252</b>	<b>\$ 484,304</b>
<b>Disbursements</b>				
Sheriff	\$ 513,577	\$ 354,037	\$ 338,011	\$ 299,295
Prosecuting Attorney	35,041	27,311	36,395	38,676
Juvenile Officer	5,000	67	18,000	731
Coroner	33,473	46,450	34,658	32,249
Employee Fringe Benefits	21,517	21,330	28,000	26,519
Other	79,500	58,031	75,750	61,851
Transfers Out	-	-	-	-
Emergency Fund	-	10,837	-	-
<b>Total Disbursements</b>	<b>\$ 688,108</b>	<b>\$ 518,063</b>	<b>\$ 530,814</b>	<b>\$ 459,321</b>
Receipts Over (Under) Disbursements	\$ (71,705)	\$ 31,929	\$ (59,562)	\$ 24,983
Cash, January 1	84,571	84,571	59,588	59,588
Cash, December 31	<u>\$ 12,866</u>	<u>\$ 116,500</u>	<u>\$ 26</u>	<u>\$ 84,571</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Use Tax Fund				Assessment Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	90,000	99,117	100,000	86,930	-	-	-	-
Intergovernmental	-	-	-	355	187,567	196,528	168,400	201,405
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	775	-	459	100	333	100	460
Other	-	-	-	-	500	1,050	1,000	441
Transfers In	31,600	31,600	31,600	31,600	12,694	-	31,757	-
Total Receipts	<u>\$ 121,600</u>	<u>\$ 131,492</u>	<u>\$ 131,600</u>	<u>\$ 119,344</u>	<u>\$ 200,861</u>	<u>\$ 197,911</u>	<u>\$ 201,257</u>	<u>\$ 202,306</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 114,104	\$ 114,103	\$ 112,304	\$ 110,682
Employee Fringe Benefits	-	-	-	-	31,984	29,761	33,362	34,679
Materials and Supplies	-	-	-	-	26,425	25,015	14,050	14,809
Services and Other	85,000	66,483	101,000	72,528	43,134	36,641	42,552	28,361
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	70,000	1,500	70,000	-	-	-	-	-
Total Disbursements	<u>\$ 155,000</u>	<u>\$ 67,983</u>	<u>\$ 171,000</u>	<u>\$ 72,528</u>	<u>\$ 215,647</u>	<u>\$ 205,520</u>	<u>\$ 202,268</u>	<u>\$ 188,531</u>
 Receipts Over (Under)								
Disbursements	\$ (33,400)	\$ 63,509	\$ (39,400)	\$ 46,816	\$ (14,786)	\$ (7,609)	\$ (1,011)	\$ 13,775
 Cash, January 1	<u>108,778</u>	<u>108,778</u>	<u>61,962</u>	<u>61,962</u>	<u>14,786</u>	<u>14,786</u>	<u>1,011</u>	<u>1,011</u>
 Cash, December 31	<u>\$ 75,378</u>	<u>\$ 172,287</u>	<u>\$ 22,562</u>	<u>\$ 108,778</u>	<u>\$ -</u>	<u>\$ 7,177</u>	<u>\$ -</u>	<u>\$ 14,786</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Law Enforcement Training Fund				Prosecuting Attorney Check Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,710	4,165	6,000	5,101	9,820	11,880	9,900	9,833
Interest	-	6	-	6	20	5	-	23
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,710</u>	<u>\$ 4,171</u>	<u>\$ 6,000</u>	<u>\$ 5,107</u>	<u>\$ 9,840</u>	<u>\$ 11,885</u>	<u>\$ 9,900</u>	<u>\$ 9,856</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,680	\$ 4,680	\$ 4,530	\$ 4,530
Employee Fringe Benefits	-	-	-	-	2,001	1,951	2,019	1,955
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	6,110	6,109	7,250	5,034	1,461	1,510	1,451	1,441
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,110</u>	<u>\$ 6,109</u>	<u>\$ 7,250</u>	<u>\$ 5,034</u>	<u>\$ 8,142</u>	<u>\$ 8,141</u>	<u>\$ 8,000</u>	<u>\$ 7,926</u>
Receipts Over (Under)								
Disbursements	\$ (400)	\$ (1,938)	\$ (1,250)	\$ 73	\$ 1,698	\$ 3,744	\$ 1,900	\$ 1,930
Cash, January 1	<u>1,370</u>	<u>1,370</u>	<u>1,297</u>	<u>1,297</u>	<u>1,056</u>	<u>1,056</u>	<u>(874)</u>	<u>(874)</u>
Cash, December 31	<u>\$ 970</u>	<u>\$ (568)</u>	<u>\$ 47</u>	<u>\$ 1,370</u>	<u>\$ 2,754</u>	<u>\$ 4,800</u>	<u>\$ 1,026</u>	<u>\$ 1,056</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Special Election Fund				Prosecuting Attorney Training Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	84,658	-	38,673	850	594	1,000	838
Interest	-	-	-	-	-	1	-	3
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 84,658</u>	<u>\$ -</u>	<u>\$ 38,673</u>	<u>\$ 850</u>	<u>\$ 595</u>	<u>\$ 1,000</u>	<u>\$ 841</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	10,854	-	23,051	-	-	-	-
Services and Other	-	34,767	-	15,622	1,100	1,034	1,100	1,081
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 45,621</u>	<u>\$ -</u>	<u>\$ 38,673</u>	<u>\$ 1,100</u>	<u>\$ 1,034</u>	<u>\$ 1,100</u>	<u>\$ 1,081</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 39,037	\$ -	\$ -	\$ (250)	\$ (439)	\$ (100)	\$ (240)
Cash, January 1	-	-	-	-	258	258	498	498
Cash, December 31	<u>\$ -</u>	<u>\$ 39,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ (181)</u>	<u>\$ 398</u>	<u>\$ 258</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Child Abuse Fund				Recorder Special Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,200	1,657	1,100	952	8,500	27,102	7,000	7,515
Interest	-	4	-	3	200	146	150	181
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 1,661</u>	<u>\$ 1,100</u>	<u>\$ 955</u>	<u>\$ 8,700</u>	<u>\$ 27,248</u>	<u>\$ 7,150</u>	<u>\$ 7,696</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,200	-	1,160	868	28,300	25,450	10,300	10,279
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 1,160</u>	<u>\$ 868</u>	<u>\$ 28,300</u>	<u>\$ 25,450</u>	<u>\$ 10,300</u>	<u>\$ 10,279</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 1,661	\$ (60)	\$ 87	\$ (19,600)	\$ 1,798	\$ (3,150)	\$ (2,583)
Cash, January 1	<u>147</u>	<u>147</u>	<u>60</u>	<u>60</u>	<u>19,693</u>	<u>19,693</u>	<u>22,276</u>	<u>22,276</u>
Cash, December 31	<u>\$ 147</u>	<u>\$ 1,808</u>	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 93</u>	<u>\$ 21,491</u>	<u>\$ 19,126</u>	<u>\$ 19,693</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Local Emergency Planning Commission Fund				Planning and Zoning Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	27	-	58	-	3	-	1
Other	9,888	11,794	5,000	5,046	11,000	-	11,000	1,741
Transfers In	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 9,888</b>	<b>\$ 11,821</b>	<b>\$ 5,000</b>	<b>\$ 5,104</b>	<b>\$ 11,000</b>	<b>\$ 3</b>	<b>\$ 11,000</b>	<b>\$ 1,742</b>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	14,238	14,237	9,500	3,639	12,535	-	11,000	207
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	1,536	-	-
Emergency Fund	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 14,238</b>	<b>\$ 14,237</b>	<b>\$ 9,500</b>	<b>\$ 3,639</b>	<b>\$ 12,535</b>	<b>\$ 1,536</b>	<b>\$ 11,000</b>	<b>\$ 207</b>
Receipts Over (Under)								
Disbursements	\$ (4,350)	\$ (2,416)	\$ (4,500)	\$ 1,465	\$ (1,535)	\$ (1,533)	\$ -	\$ 1,535
Cash, January 1	6,870	6,870	5,405	5,405	1,535	1,535	-	-
Cash, December 31	<u>\$ 2,520</u>	<u>\$ 4,454</u>	<u>\$ 905</u>	<u>\$ 6,870</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 1,535</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Enhanced 911 Fund				Election Services Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	11,235	5,068	15,000	9,618
Charges for Services	-	-	-	-	1,500	2,149	7,500	3,432
Interest	200	287	-	231	30	63	30	28
Other	177,270	171,845	177,700	179,427	-	1,414	1,800	1,279
Transfers In	-	-	-	-	-	1,536	-	-
Total Receipts	<u>\$ 177,470</u>	<u>\$ 172,132</u>	<u>\$ 177,700</u>	<u>\$ 179,658</u>	<u>\$ 12,765</u>	<u>\$ 10,230</u>	<u>\$ 24,330</u>	<u>\$ 14,357</u>
<u>Disbursements</u>								
Salaries	\$ 78,684	\$ 76,058	\$ 77,980	\$ 75,076	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	28,704	23,863	29,407	26,411	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	36,955	38,793	42,841	32,945	12,400	10,598	28,000	7,082
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	31,600	31,600	31,600	31,600	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 175,943</u>	<u>\$ 170,314</u>	<u>\$ 181,828</u>	<u>\$ 166,032</u>	<u>\$ 12,400</u>	<u>\$ 10,598</u>	<u>\$ 28,000</u>	<u>\$ 7,082</u>
Receipts Over (Under)								
Disbursements	\$ 1,527	\$ 1,818	\$ (4,128)	\$ 13,626	\$ 365	\$ (368)	\$ (3,670)	\$ 7,275
Cash, January 1	<u>22,210</u>	<u>22,210</u>	<u>8,584</u>	<u>8,584</u>	<u>10,730</u>	<u>9,634</u>	<u>3,884</u>	<u>2,359</u>
Cash, December 31	<u>\$ 23,737</u>	<u>\$ 24,028</u>	<u>\$ 4,456</u>	<u>\$ 22,210</u>	<u>\$ 11,095</u>	<u>\$ 9,266</u>	<u>\$ 214</u>	<u>\$ 9,634</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Victim Advocates Grant Fund				Grant Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	41,181	14,600	7,516	-	88,657	2,403	90,645	20,011
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,500	-	-	-
Transfers In	-	18,962	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 41,181</b>	<b>\$ 33,562</b>	<b>\$ 7,516</b>	<b>\$ -</b>	<b>\$ 90,157</b>	<b>\$ 2,403</b>	<b>\$ 90,645</b>	<b>\$ 20,011</b>
<u>Disbursements</u>								
Salaries	\$ 24,500	\$ 22,458	\$ 4,625	\$ 2,042	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	8,636	5,598	441	542	-	-	-	-
Materials and Supplies	4,120	1,511	1,700	341	-	-	-	-
Services and Other	1,000	1,070	750	-	90,157	94	86,095	15,503
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 38,256</b>	<b>\$ 30,637</b>	<b>\$ 7,516</b>	<b>\$ 2,925</b>	<b>\$ 90,157</b>	<b>\$ 94</b>	<b>\$ 86,095</b>	<b>\$ 15,503</b>
Receipts Over (Under)								
Disbursements	\$ 2,925	\$ 2,925	\$ -	\$ (2,925)	\$ -	\$ 2,309	\$ 4,550	\$ 4,508
Cash, January 1	(2,925)	(2,925)	-	-	-	-	(4,508)	(4,508)
Cash, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,925)</u>	<u>\$ -</u>	<u>\$ 2,309</u>	<u>\$ 42</u>	<u>\$ -</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Concealed Carry Weapon Permit Fund				Civil Fees Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,410	1,920	1,100	1,409	25,000	23,780	25,000	27,835
Interest	9	7	-	9	-	70	-	91
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 1,419</b>	<b>\$ 1,927</b>	<b>\$ 1,100</b>	<b>\$ 1,418</b>	<b>\$ 25,000</b>	<b>\$ 23,850</b>	<b>\$ 25,000</b>	<b>\$ 27,926</b>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,800	-	1,810	1,805	35,300	34,327	38,761	30,507
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	1,500	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 1,810</b>	<b>\$ 1,805</b>	<b>\$ 36,800</b>	<b>\$ 34,327</b>	<b>\$ 38,761</b>	<b>\$ 30,507</b>
Receipts Over (Under)								
Disbursements	\$ (381)	\$ 1,927	\$ (710)	\$ (387)	\$ (11,800)	\$ (10,477)	\$ (13,761)	\$ (2,581)
Cash, January 1	421	421	808	808	11,901	11,901	14,482	14,482
Cash, December 31	<u>\$ 40</u>	<u>\$ 2,348</u>	<u>\$ 98</u>	<u>\$ 421</u>	<u>\$ 101</u>	<u>\$ 1,424</u>	<u>\$ 721</u>	<u>\$ 11,901</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**Years ended December 31, 2011 & 2010**

	Collector's Tax Maintenance Fund				Inmate Security Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	19,900	22,105	18,000	20,357	1,250	3,042	-	107
Interest	100	128	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 22,233</u>	<u>\$ 18,000</u>	<u>\$ 20,357</u>	<u>\$ 1,250</u>	<u>\$ 3,042</u>	<u>\$ -</u>	<u>\$ 107</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	22,250	16,814	31,130	16,129	1,250	1,250	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 22,250</u>	<u>\$ 16,814</u>	<u>\$ 31,130</u>	<u>\$ 16,129</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (2,250)	\$ 5,419	\$ (13,130)	\$ 4,228	\$ -	\$ 1,792	\$ -	\$ 107
Cash, January 1	<u>25,753</u>	<u>25,753</u>	<u>21,525</u>	<u>21,525</u>	<u>107</u>	<u>107</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u><u>\$ 23,503</u></u>	<u><u>\$ 31,172</u></u>	<u><u>\$ 8,395</u></u>	<u><u>\$ 25,753</u></u>	<u><u>\$ 107</u></u>	<u><u>\$ 1,899</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 107</u></u>

See Notes to the Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Comparative Statement of Receipts, Disbursements, and Changes in Cash  
Budget and Actual, All Governmental Funds: Regulatory Basis  
Years ended December 31, 2011 & 2010**

	Senate Bill 40 Board			
	2011		2010	
	Budget	Actual	Budget	Actual
<b>Receipts</b>				
Property Taxes	\$ 150,000	\$ 152,922	\$ 152,000	\$ 154,694
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	2,500	2,700	4,000	3,296
Other	248,380	172,838	15,000	20,160
Transfers In	-	-	-	-
<b>Total Receipts</b>	<b>\$ 400,880</b>	<b>\$ 328,460</b>	<b>\$ 171,000</b>	<b>\$ 178,150</b>
<b>Disbursements</b>				
Salaries	\$ 89,000	\$ 97,147	\$ 17,280	\$ 17,280
Employee Fringe Benefits	16,000	8,668	3,600	1,527
Materials and Supplies	-	-	-	-
Services and Other	295,602	144,026	142,312	111,124
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 400,602</b>	<b>\$ 249,841</b>	<b>\$ 163,192</b>	<b>\$ 129,931</b>
Receipts Over (Under) Disbursements	\$ 278	\$ 78,619	\$ 7,808	\$ 48,219
Cash, January 1	269,202	269,202	220,983	220,983
Cash, December 31	<b>\$ 269,480</b>	<b>\$ 347,821</b>	<b>\$ 228,791</b>	<b>\$ 269,202</b>

See Notes to the Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 1 - Summary of Significant Accounting Policies**

Organized in 1837, the county of Livingston was named after the Honorable Edward Livingston, the 11th Secretary of State of the United States under President Andrew Jackson. Livingston County's government is a county-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Chillicothe. Livingston County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex-officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Livingston County, Missouri and the Livingston County Senate Bill 40 Board.

Livingston County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Livingston County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Livingston County's legal entity. The Livingston County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Livingston County.

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

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Livingston County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. 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 General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Livingston County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Livingston County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures 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 unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The County did not adopt a budget for the Special Election Fund for 2011 and 2010.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

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

	<u>2011</u>	<u>2010</u>
Real Estate	115,968,829	111,443,560
Personal Property	40,399,124	39,526,350
Railroad and Utilities	11,213,965	11,002,586
	<u>167,581,918</u>	<u>161,972,496</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2011 and 2010 for the purpose of County taxation was as follows:

	<u>2011</u>	<u>2010</u>
Road and Bridge Fund	\$ 0.0500	\$ 0.0500

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of 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 Livingston County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

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.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Interfund Transactions (continued)

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

**Note 2 - Deposits and Investments**

Livingston County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2011 and 2010, the carrying amount of Livingston County's deposits was \$1,210,571 and \$975,762, respectively, and the bank balance was \$1,325,388 and \$1,062,852, respectively. At December 31, 2011 & 2010, 100% of Livingston County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2011, as follows:

Deposits	1,010,020
Investments	200,551
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2011	<u><u>\$ 1,210,571</u></u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	777,926
Investments	197,836
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2010	<u><u>\$ 975,762</u></u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Livingston County's investment policy does not include custodial credit risk requirements. Livingston County's deposits were not exposed to custodial credit risk for the years ended December 31, 2011, and 2010.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 2 - Deposits and Investments (continued)**

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Livingston County or its agent but not in the government's name. Livingston County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Livingston County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Livingston County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by Livingston County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Livingston County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Livingston County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2011 and 2010.

**Note 3 - Long Term Debt**

On June 22, 2006, the County issued Certificate of Participation (COP's) in the amount of \$656,000. The maturity of the COP's is June 1, 2021 and the interest rate ranges from 4.00% to 4.70%. L.J. Hart & Company is the holder of these COP's.

<u>Debt</u>	<u>Balance at 1/1/2011</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2011</u>	<u>Interest Paid During Year</u>
2006 COP's	525,000	-	40,000	485,000	23,055
Total	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 485,000</u>	<u>\$ 23,055</u>

<u>Debt</u>	<u>Balance at 1/1/2010</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2010</u>	<u>Interest Paid During Year</u>
2006 COP's	560,000	-	35,000	525,000	24,611
Total	<u>\$ 560,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 525,000</u>	<u>\$ 24,611</u>

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 3 - Long Term Debt (continued)**

2011 Amortizations  
Series 2006 Certificates of Participation Schedule

Year	Principal	Interest	Total
2012	40,000	21,395	61,395
2013	40,000	19,665	59,665
2014	45,000	17,753	62,753
2015	45,000	15,728	60,728
2016-2021	315,000	46,602	361,602
Total	<u>\$ 485,000</u>	<u>\$ 121,143</u>	<u>\$ 606,143</u>

2010 Amortizations  
Series 2006 Certificates of Participation Schedule

Year	Principal	Interest	Total
2011	40,000	23,055	63,055
2012	40,000	21,395	61,395
2013	40,000	19,665	59,665
2014	45,000	17,753	62,753
2015-2021	360,000	62,330	422,330
Total	<u>\$ 525,000</u>	<u>\$ 144,198</u>	<u>\$ 669,198</u>

**Note 4 - Interfund Transfers**

Transfers between funds for the years ended December 31, 2011 and 2010 are as follows:

Fund	2011		2010	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	-	18,962	60,000	-
Road & Bridge	-	-	-	60,000
Use Tax	31,600	-	31,600	-
Planning & Zoning	-	1,536	-	-
Enhanced 911	-	31,600	-	31,600
Election Services	1,536	-	-	-
Victim Advocates Grant	18,962	-	-	-
Total	<u>\$ 52,098</u>	<u>\$ 52,098</u>	<u>\$ 91,600</u>	<u>\$ 91,600</u>

**Note 5 - Change in Accounting Basis**

Livingston County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted by Missouri State Law. The accounting change had no effect on the beginning cash balances of the various county funds.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 6 - Local Government Employees Retirement System (LAGERS)**

Plan Description

Livingston County participates in the Missouri Local Government Employees 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 benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section 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 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO, 65102 or by calling 1-800-447-4334.

Funding Status

Livingston County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2011 are 13.2% (general) and 11.2% (police) and for 2010 they are 14.8% (general) and 13.1% (police) of the annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2011, the political subdivision's annual pension cost of \$161,676 for the County was not equal to the actual contributions of \$265,176, resulting in a credit towards future net pension obligations of \$103,500. The 2011 annual required contribution (ARC) was determined as part of the February 29, 2008 and/or February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. For 2010, the political subdivision's annual pension cost of \$173,555 for the County was equal to the required and actual contributions. The 2010 required contribution was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included ( a ) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, ( b ) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, ( c ) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, ( d ) pre-retirement mortality asked on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and ( e ) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period of February 29, 2008 was 21 years for the General division and 21 years for the Police division. The amortization period of February 28, 2009, was 18 years for the General division and 17 years for the Police division. The amortization period of February 28, 2010, was 17 years for the General division and 16 years for the Police division.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

**Note 6 - Local Government Employees Retirement System (LAGERS) (continued)**

**Three Year Trend Information - 2011**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 165,175	100%	\$ 165,175
6/30/2010	173,555	100%	173,555
6/30/2011	161,676	164%	(103,500)

**Required Supplementary Information - Schedule of Funding Progress 2011**

Actuarial Valuation Date	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)	( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
2/28/2009	\$ 795,574	\$ 1,796,208	\$ 1,000,634	44%	\$ 1,181,424	85%
2/28/2010	898,333	1,826,531	928,198	49%	1,279,820	73%
2/28/2011	1,042,100	1,796,135	791,925	58%	1,159,895	68%

**Three Year Trend Information - 2010**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 247,895	100%	\$ -
6/30/2009	165,175	100%	-
6/30/2010	173,555	100%	-

**Required Supplementary Information - Schedule of Funding Progress 2010**

Actuarial Valuation Date	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)	( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[ ( b - a ) / c ] UAL as a Percentage of Covered Payroll
2/28/2008	\$ 1,039,522	\$ 1,939,020	\$ 899,498	54%	\$ 1,224,823	73%
2/28/2009	795,574	1,796,208	1,000,634	44%	1,181,424	85%
2/28/2010	898,333	1,826,531	928,198	49%	1,279,820	73%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 7 - County Employees Retirement Fund (CERF)**

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

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1000) one thousand 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 Section 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.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's 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 1-877-632-2373.

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2011 and 2010, the County collected and remitted to CERF, employee contributions of approximately \$26,202 and \$26,746, respectively, for the years then ended.

**Note 8 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, Livingston 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. Livingston County has contributed \$1,840 and \$0, respectively, for the years ended December 31, 2011 and 2010.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
Years ended December 31, 2011 & 2010**

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**Note 9 - Post Employment Benefits**

Livingston 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 Primary Government.

**Note 10 - Claims, Commitments, and Contingencies**

Litigation

Livingston County is involved in pending litigation as of December 31, 2011. The extent of the liability, if any, cannot be determined at this time.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. Unused sick time is not reimbursed. These have not been subjected to auditing procedures.

**Note 11 - Risk Management**

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

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific 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-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**Note 12 - Subsequent Events**

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 2, 2012, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



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 Livingston County, Missouri

We have audited the accompanying financial statements of Livingston County, Missouri as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

10425 Old Olive  
Street Road,  
Suite 101  
  
Creve Coeur,  
Missouri 63141

PHONE:  
314-569-3800  
FAX:  
314-569-0020

[www.nsvcpa.com](http://www.nsvcpa.com)

Management of Livingston County, Missouri, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Livingston County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Livingston County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Livingston County, Missouri's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: 11/10-1 through 11/10-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

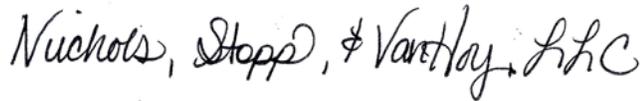
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Livingston County, Missouri's financial statements are free of material misstatement, we performed tests

of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs 11/10-4.

Livingston County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Livingston County, Missouri's responses and, accordingly, we express no opinion on them.

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

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHay, L.L.C." The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
July 2, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Nichols  
Stopp &  
VanHoy LLC

Certified Public  
Accountants

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Street Road,  
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To the County Commission and  
Officeholders of Livingston County, Missouri

Compliance

We have audited Livingston County, Missouri's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Livingston County, Missouri's major federal programs for the years ended December 31, 2011 and 2010. Livingston County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Livingston County, Missouri's management. Our responsibility is to express an opinion on Livingston County, Missouri's compliance based on our audit.

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

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

Internal Control Over Compliance

Management of Livingston County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Livingston County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

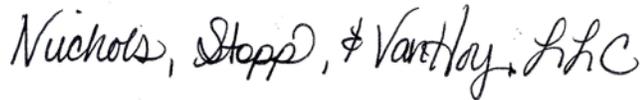
Accordingly, we do not express an opinion on the effectiveness of Livingston County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 11/10-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHay, L.L.C." The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
July 2, 2012

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Expenditures of Federal Awards  
Years ended December 31, 2011 & 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2011	2010
<b>U.S. Department of Agriculture</b>				
Passed through state:				
Office of Administration - Emergency Watershed Protection Program	10.923	N/A	\$ 5,697	\$ 1,196,640
<b>U.S. Department of Housing and Urban Development</b>				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	2006-PF-848	-	1,462
<b>U.S. Department of Justice</b>				
Passed through state:				
Department of Public Safety - Crime Victim Assistance	16.575	VOCA	19,001	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-2BGJ-035	-	9,000
Total U.S. Department of Justice			19,001	9,000
<b>U.S. Department of Transportation</b>				
Passed through state:				
Highway and Transportation Commission - Highway Planning and Construction	20.205	BRO - 59(18)(19)	341,177	76,321
State and Community Highway Safety	20.600	11-PT-02-32	2,578	-
State and Community Highway Safety	20.600	10-PT-02-32	-	1,536
Alcohol Impaired Driving Incentive Grant	20.601	11-K8-03-26	2,800	-
Alcohol Impaired Driving Incentive Grant	20.601	10-K8-03-23	-	9,342
University of Central Missouri - State and Community Highway Safety	20.600	N/A	475	-
Department of Public Safety - Interagency Hazardous Materials Public Sector Grant	20.703	HMEP	3,095	2,000
Total U.S. Department of Transportation			350,125	89,199
<b>General Services Administration</b>				
Passed through state:				
Office of Secretary of State - Donation of Federal Surplus Property	39.003	N/A	-	113
Election Reform Payments	39.011	N/A	3,417	4,550
Total General Services Administration			3,417	4,663
<b>U.S. Election Assistance Commission</b>				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	N/A	2,084	-
<b>U.S. Department of Health and Human Services</b>				
Passed through state:				
Department of Social Services - Child Support Enforcement	93.563	N/A	533	548
<b>U.S. Department of Homeland Security</b>				
Passed through state:				
Department of Public Safety - Emergency Management Performance Grants	97.042	EMW-2011-EP-0004-S01	17,534	5,883
Disaster Grants - Public Assistance	97.036	FEMA 1847-DR-MO	-	63,439
Total U.S. Department of Homeland Security			17,534	69,322
Total Expenditures of Federal Awards			<u>\$ 398,391</u>	<u>\$ 1,370,834</u>

**The County of Livingston**  
**Chillicothe, Missouri**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Years ended December 31, 2011 & 2010**

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**Note 1 - Summary of Significant Accounting Policies**

Purpose of Schedule and Reporting Entity

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

This schedule includes all federal awards administered by Livingston County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

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

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**Note 2 - Subrecipients**

During the years ended December 31, 2011 & 2010, the County passed through federal funds under the Emergency Watershed Protection Program (CFDA #10.923) to subawardees consisting of County townships in the amount of \$63,439, and under the Emergency Management Performance Grant (CFDA #97.042) to a City within the County in the amount of \$23,417.

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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**Section 1 - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued Unqualified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes \_\_\_\_\_ None Reported

Any noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiencies identified not considered to be material weaknesses?   X   Yes \_\_\_\_\_ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
10.923	Emergency Watershed Protection Program

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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**Section 2 - Financial Statement Findings**

11/10-1 Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: Without the assistance of the auditors preparing the external financial statements, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Due to increasing financial reporting requirements management of the County is unable to prepare the external financial statements and notes without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: Third Class counties do not have a need or the budget to support the permanent employment of an individual with the accounting skills to prepare or take responsibility for the financial statement as suggested by the auditor. Nor do we have the need to contract with an outside accountant to prepare the external financial statements. It has been the understanding of the County Commission and other elected officials that this is the duty of the contracted auditor; however, management is open to contracting with an independent accountant to review the financial statement audit.

11/10-2 Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: Livingston County is in the process of creating documented internal controls. Even though Internal Controls have not been in writing, they have been in place, communicated and practiced by all elected officials and staff for many years. In fact, many efforts are made to ensure that all parties involved recognize the importance of accountability and consistency. The Livingston County Internal Controls have worked effectively and efficiently for many decades.

11/10-3 Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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**Section 2 - Financial Statement Findings (Continued)**

- 11/10-3 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud (cont.) occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: Livingston County has many procedures in place to ensure that the opportunity for fraud is very minimal if not non-existent. The Collector-Treasurer and the County Clerk work very close with one another to ensure accountability. The Collector-Treasurer and the County Clerk each balance the monetary assets monthly and independently of one another. This balancing process also includes the taxes (delinquent and distributed). Other areas of Risk Assessment are indirectly addressed throughout the year while meeting with various county elected officials. The County Commission will plan to meet annually during budget time to discuss any areas of concern with the county elected officials.

- 11/10-4 Condition: During our audit, we noted one fund in which the County did not adopt a formal budget.

Effect: Missouri statutes require Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding the budget in a fund the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: All funds have actual budgets with the exception of the Special Election Fund. This is a fund specifically used for elections which political sub-divisions other than the county have and the funds "Pass through" the fund. All revenues in this account are received from the political sub-division having an election and all expenditures pay for the expenses specific to that election.

**Section 3 - Federal Award Findings and Questioned Cost**

- 11/10-5 Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Cause: Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported on the SEFA were incorrect.

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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**Section 3 - Federal Award Findings and Questioned Cost (Continued)**

11/10-5 Recommendation: We recommend that management develop internal controls over reporting and consult with (cont.) outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The Schedule of Expenditures of Federal Awards (SEFA) was amended upon discovery of the exclusion of applicable funding and an amended SEFA was sent to the State Auditor's office. The County Clerk made the discovery of the funding exclusion during the time of the external financial statement audit and brought the information to the attention of the auditor. The State Auditor and contracted auditor are well aware of the difficulty the Clerk faces in completing this schedule due to the reliance of the information being provided to the Clerk. Grants throughout the county are completed by a variety of elected officials and if the information is not provided to the Clerk, the SEFA cannot be completed properly.

**The County of Livingston  
Chillicothe, Missouri  
Follow-Up to Prior Audit Findings for an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

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

**Prior Year Financial Statement Findings**

None

**Prior Year Federal Award Findings and Questioned Cost**

None