



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Cooper County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Cooper County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

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

Thomas A. Schweich
State Auditor

September 2013
Report No. 2013-086

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CASEY-BEARD-BOEHMER PC



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August 8, 2013

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Cooper County, Missouri

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

MEMBER
•
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Public
Accountants
•

COOPER 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 Cooper 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 Cooper County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2013, on our consideration of Cooper 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 Cooper County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cooper County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

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

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

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants

COOPER 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 | \$ 1,135,925 | 2,431,838 | 2,351,791 | 1,215,972 | 2,368,850 | 2,657,757 | 927,065 |
| Special Road and Bridge | 380,991 | 1,343,928 | 1,297,521 | 427,398 | 1,612,716 | 1,516,776 | 523,338 |
| Assessment | 100,589 | 284,625 | 246,666 | 138,548 | 278,114 | 233,680 | 182,982 |
| Road and Bridge Trust | 293,662 | 1,069,469 | 1,362,624 | 507 | 1,209,885 | 1,208,544 | 1,848 |
| Enhanced 911 | 300,980 | 511,478 | 473,768 | 338,690 | 493,075 | 508,268 | 323,497 |
| Law Enforcement Center | 79,423 | 1,058,771 | 923,846 | 214,348 | 970,073 | 961,140 | 223,281 |
| Election Services | 22,835 | 2,845 | 2,138 | 23,542 | 9,849 | - | 33,391 |
| Collector Tax Maintenance | 45,966 | 27,950 | 5,239 | 68,677 | 23,271 | 51,576 | 40,372 |
| Recorder User Fee | 35,275 | 5,724 | 3,623 | 37,376 | 6,687 | 7,691 | 36,372 |
| Recorders Technical | 5,988 | 3,404 | 338 | 9,054 | 3,991 | 282 | 12,763 |
| Time Payment | 967 | 1,807 | 694 | 2,080 | 2,308 | 848 | 3,540 |
| Law Enforcement Training | 4,510 | 5,911 | 5,173 | 5,248 | 7,165 | 4,996 | 7,417 |
| Sheriff | 18,041 | 31,070 | 34,822 | 14,289 | 20,745 | 28,784 | 6,250 |
| Sheriff Interest | 3,804 | 23 | - | 3,827 | 26 | - | 3,853 |
| Prosecuting Attorney Training | 220 | 1,056 | 1,026 | 250 | 1,302 | 796 | 756 |
| Prosecuting Attorney Bad Check | 26,298 | 15,612 | 19,091 | 22,819 | 10,651 | 17,503 | 15,967 |
| Drug Court | 2,304 | 5,500 | 2,476 | 5,328 | 3,494 | 4,770 | 4,052 |
| Administrative Bond Fee ATM | 4,883 | 20,064 | 19,200 | 5,747 | 31,638 | 31,000 | 6,385 |
| Adult Abuse | 2,592 | 5,505 | 5,027 | 3,070 | 5,347 | 6,039 | 2,378 |
| Cemetery Trust | 6,565 | 92 | - | 6,657 | 5,061 | 5,000 | 6,718 |
| Deputy Supplementation | - | 11,503 | 11,503 | - | 9,690 | 9,690 | - |
| Sheriff Revolving | 4,651 | 9,188 | 3,160 | 10,679 | 10,210 | 4,154 | 16,735 |
| Local Law Enforcement Block Grant | - | 9,024 | 9,012 | 12 | - | 12 | - |
| Delinquent Tax | 231 | 4,200 | 1,746 | 2,685 | 4,867 | 250 | 7,302 |
| FEMA Reimburse Account | - | - | - | - | 70,171 | - | 70,171 |
| Totals | \$ 2,476,700 | 6,860,587 | 6,780,484 | 2,556,803 | 7,159,186 | 7,259,556 | 2,456,433 |

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

COOPER 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 | \$ 515,000 | 599,924 | 84,924 | \$ 510,000 | 571,998 | 61,998 |
| Sales taxes | 850,000 | 832,541 | (17,459) | 800,000 | 858,701 | 58,701 |
| Intergovernmental | 351,890 | 413,305 | 61,415 | 345,787 | 422,928 | 77,141 |
| Charges for services | 297,500 | 345,953 | 48,453 | 283,500 | 333,389 | 49,889 |
| Interest | 18,000 | 6,652 | (11,348) | 20,000 | 16,577 | (3,423) |
| Other | 249,322 | 123,327 | (125,995) | 188,314 | 228,245 | 39,931 |
| Transfers in | 9,000 | 47,148 | 38,148 | 9,000 | - | (9,000) |
| Total Receipts | \$ 2,290,712 | 2,368,850 | 78,138 | \$ 2,156,601 | 2,431,838 | 275,237 |
| DISBURSEMENTS | | | | | | |
| General County Government - | | | | | | |
| County Commission | \$ 137,965 | 135,447 | (2,518) | \$ 134,664 | 132,733 | (1,931) |
| County Clerk | 149,932 | 148,685 | (1,247) | 129,292 | 113,103 | (16,189) |
| Elections | 150,539 | 129,547 | (20,992) | 79,789 | 52,189 | (27,600) |
| Buildings and grounds | 162,511 | 100,089 | (62,422) | 155,813 | 138,399 | (17,414) |
| Employee fringe benefits | 346,900 | 325,061 | (21,839) | 331,500 | 303,094 | (28,406) |
| County Treasurer | 48,298 | 47,417 | (881) | 48,688 | 45,230 | (3,458) |
| County Collector | 134,215 | 123,509 | (10,706) | 127,310 | 131,322 | 4,012 |
| Ex officio Recorder of Deeds | 53,920 | 48,250 | (5,670) | 56,070 | 44,909 | (11,161) |
| Circuit Clerk | 22,824 | 19,624 | (3,200) | 23,324 | 17,669 | (5,655) |
| Court Administration | 73,944 | 74,702 | 758 | 73,714 | 55,285 | (18,429) |
| Public Administrator | 69,364 | 68,314 | (1,050) | 63,257 | 63,439 | 182 |
| Public Safety - | | | | | | |
| Sheriff | 336,974 | 325,083 | (11,891) | 329,720 | 312,932 | (16,788) |
| Sheriff vehicles | 48,300 | 49,064 | 764 | 43,600 | 43,836 | 236 |
| Prosecuting Attorney | 277,841 | 260,117 | (17,724) | 245,900 | 237,567 | (8,333) |
| Juvenile Officer | 36,804 | 27,183 | (9,621) | 36,304 | 35,093 | (1,211) |
| County Coroner | 28,484 | 23,507 | (4,977) | 28,082 | 26,738 | (1,344) |
| Other - | | | | | | |
| General County Government | 122,500 | 125,715 | 3,215 | 117,700 | 114,726 | (2,974) |
| Contract services | 74,582 | 74,557 | (25) | 69,082 | 69,057 | (25) |
| Child support division | 136,458 | 142,300 | 5,842 | 138,781 | 131,276 | (7,505) |
| Deputy Juvenile Officer grant | 26,173 | 7,339 | (18,834) | 26,173 | 22,479 | (3,694) |
| Riverboat expenditures | 4,500 | 4,500 | - | 3,400 | 3,350 | (50) |
| Drug abuse resistance education (DARE) | 2,700 | 2,682 | (18) | 2,700 | 2,688 | (12) |
| Emergency management agency | 311,656 | 311,236 | (420) | 174,806 | 179,096 | 4,290 |
| Transfers out | 20,442 | 83,829 | 63,387 | 20,314 | 16,684 | (3,630) |
| Emergency fund | 100,000 | - | (100,000) | 100,000 | 58,897 | (41,103) |
| Total Disbursements | \$ 2,877,826 | 2,657,757 | (220,069) | \$ 2,559,983 | 2,351,791 | (208,192) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (587,114) | (288,907) | 298,207 | \$ (403,382) | 80,047 | 483,429 |
| CASH, JANUARY 1 | 1,215,972 | 1,215,972 | - | 1,135,925 | 1,135,925 | - |
| CASH, DECEMBER 31 | \$ 628,858 | 927,065 | 298,207 | \$ 732,543 | 1,215,972 | 483,429 |

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

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

| Special Road and Bridge Fund | | | | | | |
|-------------------------------------|---------------------|------------------|----------------------------------|---------------------|------------------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Property taxes | \$ 710,000 | 748,493 | 38,493 | \$ 685,000 | 686,799 | 1,799 |
| Intergovernmental | 523,000 | 723,208 | 200,208 | 523,000 | 525,560 | (523,000) |
| Interest | 1,500 | 2,523 | 1,023 | 1,500 | 2,889 | 1,389 |
| Other | 5,000 | 27,588 | 22,588 | 50,000 | 127,191 | 77,191 |
| Transfers in | 150,000 | 110,904 | (39,096) | 50,000 | 1,489 | (48,511) |
| Total Receipts | <u>\$ 1,389,500</u> | <u>1,612,716</u> | <u>223,216</u> | <u>\$ 1,309,500</u> | <u>1,343,928</u> | <u>(491,132)</u> |
| DISBURSEMENTS | | | | | | |
| Salaries | \$ 460,000 | 440,224 | (19,776) | \$ 490,000 | 438,523 | (51,477) |
| Employee fringe benefits | 157,100 | 138,335 | (18,765) | 175,000 | 157,592 | (17,408) |
| Supplies | 255,000 | 209,087 | (45,913) | 198,000 | 210,786 | 12,786 |
| Insurance | 25,500 | 24,048 | (1,452) | 25,000 | 23,140 | (1,860) |
| Road and bridge materials | 226,500 | 219,876 | (6,624) | 186,500 | 182,045 | (4,455) |
| Equipment repairs | 95,000 | 79,886 | (15,114) | 65,000 | 76,075 | 11,075 |
| Rentals | 45,000 | - | (45,000) | 54,000 | 55,878 | 1,878 |
| Equipment purchases | 300,000 | 207,657 | (92,343) | 200,000 | 43,077 | (156,923) |
| Road and bridge construction | 3,000 | 2,325 | (675) | 3,000 | 27 | (2,973) |
| Other expenditures | 179,750 | 195,338 | 15,588 | 104,794 | 110,378 | 5,584 |
| Total Disbursements | <u>\$ 1,746,850</u> | <u>1,516,776</u> | <u>(230,074)</u> | <u>\$ 1,501,294</u> | <u>1,297,521</u> | <u>(203,773)</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (357,350) | 95,940 | 453,290 | \$ (191,794) | 46,407 | 238,201 |
| CASH, JANUARY 1 | 427,398 | 427,398 | - | 380,991 | 380,991 | - |
| CASH, DECEMBER 31 | <u>\$ 70,048</u> | <u>523,338</u> | <u>453,290</u> | <u>\$ 189,197</u> | <u>427,398</u> | <u>238,201</u> |

| Assessment Fund | | | | | | |
|-------------------------------------|-------------------|----------------|----------------------------------|-------------------|----------------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Intergovernmental | \$ 257,521 | 256,015 | (1,506) | \$ 242,491 | 263,320 | 20,829 |
| Charges for services | 3,000 | 5,958 | 2,958 | 3,000 | 5,447 | 2,447 |
| Interest | 1,000 | 699 | (301) | 1,500 | 544 | (956) |
| Other | 15,442 | 15,442 | - | 15,314 | 15,314 | - |
| Total Receipts | <u>\$ 276,963</u> | <u>278,114</u> | <u>1,151</u> | <u>\$ 262,305</u> | <u>284,625</u> | <u>22,320</u> |
| DISBURSEMENTS | | | | | | |
| Assessor | \$ 276,963 | 233,680 | (43,283) | \$ 281,688 | 246,666 | (35,022) |
| Total Disbursements | <u>\$ 276,963</u> | <u>233,680</u> | <u>(43,283)</u> | <u>\$ 281,688</u> | <u>246,666</u> | <u>(35,022)</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | 44,434 | 44,434 | \$ (19,383) | 37,959 | 57,342 |
| CASH, JANUARY 1 | 138,548 | 138,548 | - | 100,589 | 100,589 | - |
| CASH, DECEMBER 31 | <u>\$ 138,548</u> | <u>182,982</u> | <u>44,434</u> | <u>\$ 81,206</u> | <u>138,548</u> | <u>57,342</u> |

COOPER 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 Trust Fund | | | | | | |
|-------------------------------------|---------------------|------------------|----------------------------------|---------------------|------------------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 1,000 | 1,037 | 37 | \$ 2,000 | 1,273 | (727) |
| Other | 1,245,000 | 1,208,848 | (36,152) | 1,555,000 | 1,068,196 | (486,804) |
| Total Receipts | <u>\$ 1,246,000</u> | <u>1,209,885</u> | <u>(36,115)</u> | <u>\$ 1,557,000</u> | <u>1,069,469</u> | <u>(487,531)</u> |
| DISBURSEMENTS | | | | | | |
| Miscellaneous and publications | \$ 3,000 | 2,223 | (777) | \$ 2,700 | 2,719 | 19 |
| Insurance | 1,650 | 1,637 | (13) | 3,000 | 1,805 | (1,195) |
| County bridge replacement | 200,000 | 198,428 | (1,572) | 200,000 | 330,089 | 130,089 |
| Off system 80/20 | 375,000 | 278,899 | (96,101) | 735,000 | 464,524 | (270,476) |
| Road system improvements | 570,000 | 569,305 | (695) | 650,000 | 561,998 | (88,002) |
| Transfers out | 88,500 | 158,052 | 69,552 | 58,000 | 1,489 | (56,511) |
| Total Disbursements | <u>\$ 1,238,150</u> | <u>1,208,544</u> | <u>(29,606)</u> | <u>\$ 1,648,700</u> | <u>1,362,624</u> | <u>(286,076)</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ 7,850 | 1,341 | (6,509) | \$ (91,700) | (293,155) | (201,455) |
| CASH, JANUARY 1 | 507 | 507 | - | 293,662 | 293,662 | - |
| CASH, DECEMBER 31 | <u>\$ 8,357</u> | <u>1,848</u> | <u>(6,509)</u> | <u>\$ 201,962</u> | <u>507</u> | <u>(201,455)</u> |

| Enhanced 911 Fund | | | | | | |
|---------------------------------------|-------------------|----------------|----------------------------------|-------------------|----------------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 2,500 | 1,681 | (819) | \$ 2,500 | 2,272 | (228) |
| Other | 500,500 | 491,394 | (9,106) | 475,500 | 509,206 | 33,706 |
| Total Receipts | <u>\$ 503,000</u> | <u>493,075</u> | <u>(9,925)</u> | <u>\$ 478,000</u> | <u>511,478</u> | <u>33,478</u> |
| DISBURSEMENTS | | | | | | |
| Salaries | \$ 405,680 | 391,663 | (14,017) | \$ 393,330 | 368,449 | (24,881) |
| Office | 17,500 | 25,857 | 8,357 | 18,300 | 16,995 | (1,305) |
| Equipment, service charges, and other | 108,000 | 90,748 | (17,252) | 90,500 | 88,324 | (2,176) |
| Total Disbursements | <u>\$ 531,180</u> | <u>508,268</u> | <u>(22,912)</u> | <u>\$ 502,130</u> | <u>473,768</u> | <u>(28,362)</u> |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (28,180) | (15,193) | 12,987 | \$ (24,130) | 37,710 | 61,840 |
| CASH, JANUARY 1 | 338,690 | 338,690 | - | 300,980 | 300,980 | - |
| CASH, DECEMBER 31 | <u>\$ 310,510</u> | <u>323,497</u> | <u>12,987</u> | <u>\$ 276,850</u> | <u>338,690</u> | <u>61,840</u> |

COOPER 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 Center Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|---------|----------------------------|--------------|-----------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 500 | 638 | 138 | \$ 500 | 465 | (35) |
| Other | 910,900 | 907,129 | (3,771) | 863,000 | 969,721 | 106,721 |
| Transfers in | 50,000 | 62,306 | 12,306 | 40,000 | 88,585 | 48,585 |
| Total Receipts | \$ 961,400 | 970,073 | 8,673 | \$ 903,500 | 1,058,771 | 155,271 |
| DISBURSEMENTS | | | | | | |
| Salaries | \$ 421,782 | 395,185 | (26,597) | \$ 412,496 | 372,745 | (39,751) |
| Employee fringe benefits | 137,600 | 119,432 | (18,168) | 133,100 | 111,016 | (22,084) |
| Communication assistance | 75,000 | 75,000 | - | 75,000 | 75,000 | - |
| Office | 160,600 | 119,976 | (40,624) | 152,100 | 131,457 | - |
| Grocery and other | 80,150 | 83,571 | 3,421 | 68,550 | 66,587 | (1,963) |
| Bond payment | 171,000 | 167,976 | (3,024) | 170,000 | 167,041 | (2,959) |
| Total Disbursements | \$ 1,046,132 | 961,140 | (84,992) | \$ 1,011,246 | 923,846 | (87,400) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (84,732) | 8,933 | 93,665 | \$ (107,746) | 134,925 | 242,671 |
| CASH, JANUARY 1 | 214,348 | 214,348 | - | 79,423 | 79,423 | - |
| CASH, DECEMBER 31 | \$ 129,616 | 223,281 | 93,665 | \$ (28,323) | 214,348 | 242,671 |

Election Services Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|--------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 92 | 92 | \$ - | 70 | 70 |
| Other | 4,800 | 9,757 | 4,957 | 1,200 | 2,775 | 1,575 |
| Total Receipts | \$ 4,800 | 9,849 | 5,049 | \$ 1,200 | 2,845 | 1,645 |
| DISBURSEMENTS | | | | | | |
| Election services | \$ 25,000 | - | (25,000) | \$ 23,000 | 2,138 | (20,862) |
| Total Disbursements | \$ 25,000 | - | (25,000) | \$ 23,000 | 2,138 | (20,862) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (20,200) | 9,849 | 30,049 | \$ (21,800) | 707 | 22,507 |
| CASH, JANUARY 1 | 23,542 | 23,542 | - | 22,835 | 22,835 | - |
| CASH, DECEMBER 31 | \$ 3,342 | 33,391 | 30,049 | \$ 1,035 | 23,542 | 22,507 |

COOPER 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

Collector Tax Maintenance Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|----------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 188 | 188 | \$ - | 175 | 175 |
| Other | 22,000 | 23,083 | 1,083 | 22,000 | 27,775 | 5,775 |
| Total Receipts | \$ 22,000 | 23,271 | 1,271 | \$ 22,000 | 27,950 | 5,950 |
| DISBURSEMENTS | | | | | | |
| Equipment | \$ 25,000 | 11,478 | (13,522) | \$ 25,000 | 5,239 | (19,761) |
| Training | 300 | 98 | (202) | 300 | - | (300) |
| Transfers out | 40,000 | 40,000 | - | 20,000 | - | (20,000) |
| Total Disbursements | \$ 65,300 | 51,576 | (13,724) | \$ 45,300 | 5,239 | (40,061) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (43,300) | (28,305) | 14,995 | \$ (23,300) | 22,711 | 46,011 |
| CASH, JANUARY 1 | 68,677 | 68,677 | - | 45,966 | 45,966 | - |
| CASH, DECEMBER 31 | \$ 25,377 | 40,372 | 14,995 | \$ 22,666 | 68,677 | 46,011 |

Recorder User Fee Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|---------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 121 | 121 | \$ - | 108 | 108 |
| Other | 4,000 | 6,566 | 2,566 | 4,000 | 5,616 | 1,616 |
| Total Receipts | \$ 4,000 | 6,687 | 2,687 | \$ 4,000 | 5,724 | 1,724 |
| DISBURSEMENTS | | | | | | |
| Recorder | \$ 34,000 | 7,691 | (26,309) | \$ 34,000 | 3,623 | (30,377) |
| Total Disbursements | \$ 34,000 | 7,691 | (26,309) | \$ 34,000 | 3,623 | (30,377) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (30,000) | (1,004) | 28,996 | \$ (30,000) | 2,101 | 32,101 |
| CASH, JANUARY 1 | 37,376 | 37,376 | - | 35,275 | 35,275 | - |
| CASH, DECEMBER 31 | \$ 7,376 | 36,372 | 28,996 | \$ 5,275 | 37,376 | 32,101 |

Recorders Technical Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|--------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 36 | 36 | \$ - | 21 | 21 |
| Other | 3,000 | 3,955 | 955 | 4,300 | 3,383 | (917) |
| Total Receipts | \$ 3,000 | 3,991 | 991 | \$ 4,300 | 3,404 | (896) |
| DISBURSEMENTS | | | | | | |
| Equipment | \$ 6,000 | 282 | (5,718) | \$ 5,000 | 338 | (4,662) |
| Total Disbursements | \$ 6,000 | 282 | (5,718) | \$ 5,000 | 338 | (4,662) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (3,000) | 3,709 | 6,709 | \$ (700) | 3,066 | 3,766 |
| CASH, JANUARY 1 | 9,054 | 9,054 | - | 5,988 | 5,988 | - |
| CASH, DECEMBER 31 | \$ 6,054 | 12,763 | 6,709 | \$ 5,288 | 9,054 | 3,766 |

COOPER 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

| Time Payment Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 8 | 8 | \$ - | 5 | 5 |
| Other | 200 | 2,300 | 2,100 | 200 | 1,802 | 1,602 |
| Total Receipts | \$ 200 | 2,308 | 2,108 | \$ 200 | 1,807 | 1,607 |
| DISBURSEMENTS | | | | | | |
| Office supplies | \$ 2,000 | 848 | (1,152) | \$ 750 | 694 | (56) |
| Total Disbursements | \$ 2,000 | 848 | (1,152) | \$ 750 | 694 | (56) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (1,800) | 1,460 | 3,260 | \$ (550) | 1,113 | 1,663 |
| CASH, JANUARY 1 | 2,080 | 2,080 | - | 967 | 967 | - |
| CASH, DECEMBER 31 | \$ 280 | 3,540 | 3,260 | \$ 417 | 2,080 | 1,663 |

| Law Enforcement Training Fund | | | | | | |
|--------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 21 | 21 | \$ - | 11 | 11 |
| Other | 3,850 | 7,144 | 3,294 | 5,000 | 5,900 | 900 |
| Total Receipts | \$ 3,850 | 7,165 | 3,315 | \$ 5,000 | 5,911 | 911 |
| DISBURSEMENTS | | | | | | |
| Sheriff | \$ 7,000 | 4,996 | (2,004) | \$ 6,500 | 5,173 | (1,327) |
| Total Disbursements | \$ 7,000 | 4,996 | (2,004) | \$ 6,500 | 5,173 | (1,327) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (3,150) | 2,169 | 5,319 | \$ (1,500) | 738 | 2,238 |
| CASH, JANUARY 1 | 5,248 | 5,248 | - | 4,510 | 4,510 | - |
| CASH, DECEMBER 31 | \$ 2,098 | 7,417 | 5,319 | \$ 3,010 | 5,248 | 2,238 |

| Sheriff Fund | | | | | | |
|-------------------------------------|-----------------|---------|----------------------------------|-----------------|---------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 50 | 60 | 10 | \$ - | 54 | 54 |
| Other | 25,000 | 20,685 | (4,315) | 25,000 | 31,016 | 6,016 |
| Total Receipts | \$ 25,050 | 20,745 | (4,305) | \$ 25,000 | 31,070 | 6,070 |
| DISBURSEMENTS | | | | | | |
| Vehicle purchases | \$ 30,000 | 25,929 | (4,071) | \$ 30,000 | 28,575 | (1,425) |
| Other | 5,000 | 2,855 | (2,145) | 5,000 | 6,247 | 1,247 |
| Total Disbursements | \$ 35,000 | 28,784 | (6,216) | \$ 35,000 | 34,822 | (178) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (9,950) | (8,039) | 1,911 | \$ (10,000) | (3,752) | 6,248 |
| CASH, JANUARY 1 | 14,289 | 14,289 | - | 18,041 | 18,041 | - |
| CASH, DECEMBER 31 | \$ 4,339 | 6,250 | 1,911 | \$ 8,041 | 14,289 | 6,248 |

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

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

| Sheriff Interest Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 13 | 13 | \$ - | 12 | 12 |
| Other | - | 13 | 13 | - | 11 | 11 |
| Total Receipts | \$ - | 26 | 26 | \$ - | 23 | 23 |
| DISBURSEMENTS | | | | | | |
| Sheriff | \$ 3,500 | - | (3,500) | \$ 3,500 | - | (3,500) |
| Total Disbursements | \$ 3,500 | - | (3,500) | \$ 3,500 | - | (3,500) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (3,500) | 26 | 3,526 | \$ (3,500) | 23 | 3,523 |
| CASH, JANUARY 1 | 3,827 | 3,827 | - | 3,804 | 3,804 | - |
| CASH, DECEMBER 31 | \$ 327 | 3,853 | 3,526 | \$ 304 | 3,827 | 3,523 |

| Prosecuting Attorney Training Fund | | | | | | |
|---|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 1 | 1 | \$ 1 | 1 | - |
| Other | 450 | 1,301 | 851 | 800 | 1,055 | 255 |
| Total Receipts | \$ 450 | 1,302 | 852 | \$ 801 | 1,056 | 255 |
| DISBURSEMENTS | | | | | | |
| Prosecuting attorney | \$ 400 | 796 | 396 | \$ 800 | 1,026 | 226 |
| Total Disbursements | \$ 400 | 796 | 396 | \$ 800 | 1,026 | 226 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ 50 | 506 | 456 | \$ 1 | 30 | 29 |
| CASH, JANUARY 1 | 250 | 250 | - | 220 | 220 | - |
| CASH, DECEMBER 31 | \$ 300 | 756 | 456 | \$ 221 | 250 | 29 |

| Prosecuting Attorney Bad Check Fund | | | | | | |
|--|-----------------|---------|----------------------------------|-----------------|---------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 100 | 73 | (27) | \$ 150 | 77 | (73) |
| Other | 18,200 | 10,578 | (7,622) | 18,700 | 15,535 | (3,165) |
| Total Receipts | \$ 18,300 | 10,651 | (7,649) | \$ 18,850 | 15,612 | (3,238) |
| DISBURSEMENTS | | | | | | |
| Public safety | \$ 23,799 | 17,503 | (6,296) | \$ 25,024 | 19,091 | (5,933) |
| Total Disbursements | \$ 23,799 | 17,503 | (6,296) | \$ 25,024 | 19,091 | (5,933) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (5,499) | (6,852) | (1,353) | \$ (6,174) | (3,479) | 2,695 |
| CASH, JANUARY 1 | 22,819 | 22,819 | - | 26,298 | 26,298 | - |
| CASH, DECEMBER 31 | \$ 17,320 | 15,967 | (1,353) | \$ 20,124 | 22,819 | 2,695 |

COOPER 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

Drug Court Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|---------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 13 | 13 | \$ - | 62 | 62 |
| Other | 3,500 | 3,481 | (19) | 3,500 | 5,438 | 1,938 |
| Total Receipts | \$ 3,500 | 3,494 | (6) | \$ 3,500 | 5,500 | 2,000 |
| DISBURSEMENTS | | | | | | |
| Training and supplies | \$ 3,650 | 4,770 | 1,120 | \$ 2,100 | 2,476 | 376 |
| Total Disbursements | \$ 3,650 | 4,770 | 1,120 | \$ 2,100 | 2,476 | 376 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (150) | (1,276) | (1,126) | \$ 1,400 | 3,024 | 1,624 |
| CASH, JANUARY 1 | 5,328 | 5,328 | - | 2,304 | 2,304 | - |
| CASH, DECEMBER 31 | \$ 5,178 | 4,052 | (1,126) | \$ 3,704 | 5,328 | 1,624 |

Help America Vote Act (HAVA) Administration Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|--------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Other | \$ 2,500 | - | (2,500) | \$ 2,500 | - | (2,500) |
| Total Receipts | \$ 2,500 | - | (2,500) | \$ 2,500 | - | (2,500) |
| DISBURSEMENTS | | | | | | |
| Elections equipment | \$ 2,500 | - | (2,500) | \$ 2,500 | - | (2,500) |
| Total Disbursements | \$ 2,500 | - | (2,500) | \$ 2,500 | - | (2,500) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | - | - | \$ - | - | - |
| CASH, JANUARY 1 | - | - | - | - | - | - |
| CASH, DECEMBER 31 | \$ - | - | - | \$ - | - | - |

Administrative Bond Fee ATM Fund

| | 2012 | | | 2011 | | |
|-------------------------------------|--------------|--------|----------------------------|--------------|--------|----------------------------|
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 10 | 10 | \$ - | 7 | 7 |
| Other | 18,650 | 31,628 | 12,978 | 18,650 | 20,057 | 1,407 |
| Total Receipts | \$ 18,650 | 31,638 | 12,988 | \$ 18,650 | 20,064 | 1,414 |
| DISBURSEMENTS | | | | | | |
| Other | \$ 18,000 | 31,000 | 13,000 | \$ 18,000 | 19,200 | 1,200 |
| Fees | 200 | - | (200) | 200 | - | (200) |
| Total Disbursements | \$ 18,200 | 31,000 | 12,800 | \$ 18,200 | 19,200 | 1,000 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ 450 | 638 | 188 | \$ 450 | 864 | 414 |
| CASH, JANUARY 1 | 5,747 | 5,747 | - | 2,463 | 4,883 | 2,420 |
| CASH, DECEMBER 31 | \$ 6,197 | 6,385 | 188 | \$ 2,913 | 5,747 | 2,834 |

COOPER 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

| Adult Abuse Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 5 | 5 | \$ - | 5 | 5 |
| Other | 4,300 | 5,342 | 1,042 | 2,000 | 5,500 | 3,500 |
| Total Receipts | \$ 4,300 | 5,347 | 1,047 | \$ 2,000 | 5,505 | 3,505 |
| DISBURSEMENTS | | | | | | |
| Domestic violence shelter | \$ 5,000 | 6,039 | 1,039 | \$ 2,000 | 5,027 | 3,027 |
| Total Disbursements | \$ 5,000 | 6,039 | 1,039 | \$ 2,000 | 5,027 | 3,027 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (700) | (692) | 8 | \$ - | 478 | 478 |
| CASH, JANUARY 1 | 3,070 | 3,070 | - | 2,592 | 2,592 | - |
| CASH, DECEMBER 31 | \$ 2,370 | 2,378 | 8 | \$ 2,592 | 3,070 | 478 |

| Cemetery Trust Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ 75 | 61 | (14) | \$ 75 | 92 | 17 |
| Other | - | 5,000 | 5,000 | - | - | - |
| Total Receipts | \$ 75 | 5,061 | 4,986 | \$ 75 | 92 | 17 |
| DISBURSEMENTS | | | | | | |
| Other | \$ - | 5,000 | 5,000 | \$ - | - | - |
| Maintenance | 5,000 | - | (5,000) | 5,000 | - | (5,000) |
| Total Disbursements | \$ 5,000 | 5,000 | - | \$ 5,000 | - | (5,000) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (4,925) | 61 | 4,986 | \$ (4,925) | 92 | 5,017 |
| CASH, JANUARY 1 | 6,657 | 6,657 | - | 6,565 | 6,565 | - |
| CASH, DECEMBER 31 | \$ 1,732 | 6,718 | 4,986 | \$ 1,640 | 6,657 | 5,017 |

COOPER 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

| Deputy Supplementation Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Other | \$ 30,000 | 9,690 | (20,310) | \$ 28,000 | 11,503 | (16,497) |
| Total Receipts | \$ 30,000 | 9,690 | (20,310) | \$ 28,000 | 11,503 | (16,497) |
| DISBURSEMENTS | | | | | | |
| Other | \$ 30,000 | 9,690 | (20,310) | \$ 28,000 | 11,503 | (16,497) |
| Total Disbursements | \$ 30,000 | 9,690 | (20,310) | \$ 28,000 | 11,503 | (16,497) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | - | - | \$ - | - | - |
| CASH, JANUARY 1 | - | - | - | - | - | - |
| CASH, DECEMBER 31 | \$ - | - | - | \$ - | - | - |

| Sheriff Revolving Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 43 | 43 | \$ - | 20 | 20 |
| Other | 8,000 | 10,167 | 2,167 | 4,000 | 9,168 | 5,168 |
| Total Receipts | \$ 8,000 | 10,210 | 2,210 | \$ 4,000 | 9,188 | 5,188 |
| DISBURSEMENTS | | | | | | |
| Equipment | \$ 4,000 | 913 | (3,087) | 4,000 | - | (4,000) |
| Other | 4,000 | 3,241 | (759) | - | 3,160 | 3,160 |
| Total Disbursements | \$ 8,000 | 4,154 | (3,846) | \$ 4,000 | 3,160 | (840) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | 6,056 | 6,056 | \$ - | 6,028 | 6,028 |
| CASH, JANUARY 1 | 10,679 | 10,679 | - | 4,651 | 4,651 | - |
| CASH, DECEMBER 31 | \$ 10,679 | 16,735 | 6,056 | \$ 4,651 | 10,679 | 6,028 |

| Local Law Enforcement Block Grant Fund | | | | | | |
|---|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | - | - | \$ - | 24 | 24 |
| Other | 9,000 | - | (9,000) | 9,000 | 9,000 | - |
| Total Receipts | \$ 9,000 | - | (9,000) | \$ 9,000 | 9,024 | 24 |
| DISBURSEMENTS | | | | | | |
| Equipment | \$ 9,000 | 12 | (8,988) | 9,000 | 9,012 | 12 |
| Total Disbursements | \$ 9,000 | 12 | (8,988) | \$ 9,000 | 9,012 | 12 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | (12) | (12) | \$ - | 12 | 12 |
| CASH, JANUARY 1 | 12 | 12 | - | - | - | - |
| CASH, DECEMBER 31 | \$ 12 | - | (12) | \$ - | 12 | 12 |

COOPER 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

| Delinquent Tax Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Interest | \$ - | 16 | 16 | - | 4 | 4 |
| Other | 6,000 | 4,851 | (1,149) | 1,200 | 4,196 | 2,996 |
| Total Receipts | \$ 6,000 | 4,867 | (1,133) | \$ 1,200 | 4,200 | 3,000 |
| DISBURSEMENTS | | | | | | |
| Schools | \$ 1,500 | 250 | (1,250) | - | 1,746 | 1,746 |
| Total Disbursements | \$ 1,500 | 250 | (1,250) | - | 1,746 | 1,746 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ 4,500 | 4,617 | 117 | \$ 1,200 | 2,454 | 1,254 |
| CASH, JANUARY 1 | 2,685 | 2,685 | - | 231 | 231 | - |
| CASH, DECEMBER 31 | \$ 7,185 | 7,302 | 117 | \$ 1,431 | 2,685 | 1,254 |

| FEMA Reimburse Account Fund | | | | | | |
|-------------------------------------|-----------------|--------|----------------------------------|-----------------|--------|----------------------------------|
| | 2012 | | | 2011 | | |
| | Final Budget | Actual | Actual Over (Under) Budget | Final Budget | Actual | Actual Over (Under) Budget |
| RECEIPTS | | | | | | |
| Other | \$ - | 70,171 | 70,171 | - | - | - |
| Total Receipts | \$ - | 70,171 | 70,171 | - | - | - |
| DISBURSEMENTS | | | | | | |
| Equipment | \$ - | - | - | - | - | - |
| Total Disbursements | \$ - | - | - | - | - | - |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ - | 70,171 | 70,171 | - | - | - |
| CASH, JANUARY 1 | - | - | - | - | - | - |
| CASH, DECEMBER 31 | \$ - | 70,171 | 70,171 | - | - | - |

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Cooper 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 State Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Collector Tax Maintenance Fund is under the control of the County Collector. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report. In addition, the Overton-Wooldridge Levee Fund is not included in this report since it also has a separate elected board that authorizes and approves all transactions for this fund.

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

1. B. BASIS OF PRESENTATION

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

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

**COOPER 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. C. BASIS OF ACCOUNTING

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

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 amended the Special Road and Bridge Fund and the Assessment Fund in 2011.
8. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the FEMA Reimburse Account Fund for 2012.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Law Enforcement Center Fund budgeted a deficit cash balance for 2011.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|-----------------------------------|---------------------------------|
| Prosecuting Attorney Training | 2012 and 2011 |
| Drug Court | 2012 and 2011 |
| Administrative Bond Fee ATM | 2012 and 2011 |
| Adult Abuse Fund | 2012 and 2011 |
| Delinquent Tax | 2011 |
| Local Law Enforcement Block Grant | 2011 |

**COOPER 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. E. PROPERTY TAXES

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

The assessed valuation of the tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

| | <u>2012</u> | | <u>2011</u> |
|--------------------------|-----------------------|-----------|--------------------|
| Real Estate | \$ 138,994,530 | \$ | 138,628,370 |
| Personal Property | 45,390,920 | | 45,640,606 |
| Railroad and Utilities | 39,599,856 | | 40,227,928 |
| Total Assessed Valuation | <u>\$ 223,985,306</u> | <u>\$</u> | <u>224,496,904</u> |

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

| | <u>2012</u> | | <u>2011</u> |
|------------------------------|-------------|----|-------------|
| General Revenue Fund | \$ 0.2390 | \$ | 0.2390 |
| Special Road and Bridge Fund | 0.3197 | | 0.3197 |
| Senate Bill 40 Board Fund | 0.2000 | | 0.2000 |

1. F. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts and in certificates of deposit to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. 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.

**COOPER 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. 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 primary government for the years ended December 31, 2012 and 2011 as shown on the budget documents are as follows:

| | Year Ended December 31, 2012 | |
|---------------------------|------------------------------|-------------------|
| | Transfers In | Transfers Out |
| FUNDS: | | |
| General Revenue | \$ 47,148 | \$ 83,829 |
| Special Road and Bridge | 110,904 | - |
| Road and Bridge Trust | - | 158,052 |
| Law Enforcement Center | 62,306 | - |
| Collector Tax Maintenance | - | 40,000 |
| Totals | \$ <u>220,358</u> | \$ <u>281,881</u> |

| | Year Ended December 31, 2011 | |
|-------------------------|------------------------------|------------------|
| | Transfers In | Transfers Out |
| FUNDS: | | |
| General Revenue | \$ - | \$ 16,684 |
| Special Road and Bridge | 1,489 | - |
| Road and Bridge Trust | - | 1,489 |
| Law Enforcement Center | 88,585 | - |
| Totals | \$ <u>90,074</u> | \$ <u>18,173</u> |

The difference between recorded transfers in and transfers out were mainly related to transfers recorded that were shown in other receipts and disbursement areas in the appropriate funds. Transfers not recorded as such on the budget documents are included in other receipts and disbursement areas in the appropriate funds.

1. H. PUBLISHED FINANCIAL STATEMENTS

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

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

NOTE 2. CASH AND INVESTMENTS

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

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.

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.

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

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$101,916 and \$92,542, respectively, for the years then ended.

B. County Employees Other Retirement Plans

The County Employees' CERF 401(a) and CERF 457 retirement funds were established by the state of Missouri to provide deferred pension options for County officials and employees. The County established an employees' 457 retirement plan to provide another deferred pension option for county officials and employees.

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

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

1) Plan Descriptions

The CERF 457 and County 457 retirement plans allow voluntary pre-tax contributions from the employee's wages. The CERF 401(a) requires a mandatory contribution from an employee's wages.

2) Pension Benefits

Those employees who leave county employment, reach retirement age (59 ½ for CERF 401(a) and 70 ½ for CERF 457 and County 457), have a financial hardship, or die have various payment options. Pension benefits are based on the total amount of each employee deferrals.

3) Funding Policy

The CERF 401(a) savings plan requires a .7% of an employee's salary as pre-tax deduction. CERF 457 plans are voluntary. CERF will match 50 cents for every dollar deferred up to 6% of the employee's salary for those who earned and received pay for at least 1,000 hours during the year, were on qualified leave, separated from service after retirement age of 62 if vested, or die during the year. The CERF match is deposited to the employee's 401(a) account. Employees who enroll in the county 457 plan will receive a contribution from the County of 1% of wages. Employees may not defer more than the maximum allowed by the IRS in their CERF 457 and County 457 plans combined. The maximum deferral was \$16,500 in 2011 and \$17,000 in 2012. Employees may contribute an additional \$5,500 in 2011 and 2012 if they are over 50 years of age.

NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute chapter 56.807 RSMo, the County contributed annually (instead of 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 \$-0- and \$4,488 for the years ended December 31, 2011 and 2012, respectively.

NOTE 5. POST- EMPLOYMENT BENEFITS

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

NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES

1) Compensated Absences

Regular full-time employees who have completed the introductory period are eligible to receive vacation time after one year as follows: 1 to 2 years of service, 5 days; 2 to 12 years of service, 10 days; and after 12 years of service, 15 days. Vacation leave must be used in its entirety within one year after being earned. Upon termination of employment, an employee will receive equivalent cash reimbursement for up to one year's accrued vacation leave. Regular full-time employees earn 1 day of sick leave per complete calendar month. Sick leave may accrue unlimited. Upon termination of employment, no payment will be made for unused sick leave.

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

NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES (CONTINUED)

2) Federal and State Assisted Programs

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

NOTE 7. RISK MANAGEMENT

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

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

NOTE 8. LONG-TERM DEBT

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

- A. The County refinanced and refunded its bond certificates in 2010 on the law enforcement center with United Missouri Bank being the paying agent. The County has long-term debt outstanding for these bonds at December 31, 2012 of \$1,235,000. The interest rates vary between 2.8% and 4.6% and the note ends August 2020. The approximate annual debt service requirements for the law enforcement center, including principal and interest are as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|---------------------|-------------------|
| 2013 | \$ 120,000 | \$ 49,093 |
| 2014 | 120,000 | 45,733 |
| 2015 | 125,000 | 41,892 |
| 2016 | 130,000 | 37,455 |
| 2017 | 135,000 | 32,515 |
| 2018-2020 | 605,000 | 62,800 |
| Totals | \$ <u>1,235,000</u> | \$ <u>269,488</u> |

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. In addition, the County entered into a lease-purchase agreement in July 2012 with a local bank for the purchase of two 2012 John Deere road graders. The interest rate is 2.25% and four annual payments of \$105,769 are required starting in August 2013. The payment schedule for principal and interest is shown as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------------|------------------|
| 2013 | \$ 96,644 | \$ 9,125 |
| 2014 | 98,849 | 6,920 |
| 2015 | 101,103 | 4,666 |
| 2016 | 103,404 | 2,365 |
| Totals | \$ <u>400,000</u> | \$ <u>23,076</u> |

NOTE 9. LEASES

The county entered into a lease agreement in December 2009 for use of a building for the extension service. The lease is for one three-year term with the option to renew the lease for three additional terms of one year each. The county renewed the lease in January 2013. The county pays a yearly rental of \$7,800. The county has a month-to-month lease for office space for the Prosecuting Attorney for a yearly rental fee of \$6,000.

NOTE 10. CHANGE IN BASIS OF ACCOUNTING

Cooper 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 in accordance with state law. The accounting change had no effect on the beginning cash balances of the various County funds. The County was last audited for the two years ended December 31, 2008.

NOTE 11. SUBSEQUENT EVENT

In April 2013, voters in Cooper County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.75%. The tax goes into effect on October 1, 2013.

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

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|---|--|---|-------------------------|------------------------|
| | | | Year Ended December 31, | |
| | | | 2012 | 2011 |
| U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| Passed through state: | | | | |
| 14.231 | Department of Social Services- Emergency Shelter Grants Program | 04ero1642012 | \$ - | \$ 17,300 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Passed through state: | | | | |
| 16.575 | Missouri Department of Public Safety Crime Victim Assistance | 2010-VOCA-007-SE | \$ 22,584 | \$ 25,913 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through state: | | | | |
| 20.205 | Highway and Transportation Commission - Highway Planning and Construction | BRO-027 (14) BRO-027 (15) | \$ 19,210 \$ 292,337 | \$ 446,488 \$ 1,078 |
| GENERAL SERVICES ADMINISTRATION | | | | |
| Passed through state: | | | | |
| 39.003 | Office of Administration Donation of Federal Surplus Personal Property | N/A | \$ 8,034 | \$ 1,308 |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through state: | | | | |
| 93.563 | Department of Social Services- Child Support Enforcement | N/A | \$ 103,438 | \$ 103,019 |
| U. S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| Passed through state: | | | | |
| 97.036 | Department of Public Safety- Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 163-99163-00 | \$ 42,103 | \$ 64,047 |
| 97.042 | Emergency Management Performance Grants | EMW-2011-EP-004 EMW-2012-EP-018 | \$ - \$ 83,360 | \$ 93,883 \$ - |
| Total Expenditures of Federal Awards | | | \$ 571,066 | \$ 753,036 |

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION

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

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

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value (23.3 percent of original acquisition cost) of the property at the time of receipt.

C. BASIS OF ACCOUNTING

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

D. MATCHING REQUIREMENTS

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

NOTE 2. SUBRECIPIENTS

The County provided federal awards from the U.S. Department of Housing and Urban Development, Emergency Shelter Grants Program, CFDA No. 14.231, totaling \$17,300 for the year ended December 31, 2011 to the Harvest House in Boonville, Missouri. The federal awards were used by the agency to assist in providing assistance to families and children.

CASEY-BEARD-BOEHMER PC



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August 8, 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
Cooper 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 Cooper County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Cooper County, Missouri's basic financial statements and have issued our report thereon dated August 8, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cooper 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 Cooper County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Cooper County, Missouri's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there

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

is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 12-01, 12-02, and 12-03.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cooper County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 12-05.

Cooper County, Missouri's Responses to Findings

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

Purpose of this Report

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

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

Casey-Beard-Boehmer PC

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Certified Public Accountants

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August 8, 2013

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

To the County Commission
and Officeholders of
Cooper County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Cooper 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 Cooper County, Missouri's major federal programs for the years ended December 31, 2012 and 2011. Cooper County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cooper County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cooper County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Unmodified Opinion on Each Major Federal Program

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-05. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of Cooper County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cooper County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cooper County, Missouri's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-05 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-05 to be a significant deficiency.

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

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

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

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

Casey-Beard-Boehmer PC

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Certified Public Accountants

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

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes No

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X No

Significant deficiency(ies) identified? X yes none reported

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

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

Identification of major programs:

| <u>CFDA Number</u> | <u>Program Title</u> |
|------------------------|---|
| 20.205 | Highway Planning and Construction |
| 97.042 | Emergency Management Performance Grants |

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

MATERIAL WEAKNESSES IN INTERNAL CONTROL

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

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

- A. Sales tax collections were misclassified as Other Revenues in the Road and Bridge Trust Fund, Enhanced 911 Fund, and the Law Enforcement Center Fund instead of being classified under Sales Tax. The total sales tax collections for these funds for 2011 and 2012 totaled \$2,146,748 and \$2,081,193, respectively.
- B. Various items that are charges for services were misclassified as Intergovernmental Revenues in the General Revenue Fund.
- C. Charges for services were misclassified as Other Revenues in many county funds.
- D. Grant income from several sources was included as Other Revenues in the General Revenue Fund rather than recorded as Intergovernmental Revenue.
- E. Intergovernmental Revenue was misclassified as Other Revenues in the Special Road and Bridge Fund, Road and Bridge Trust Fund, Election Services Fund, and Adult Abuse Fund.
- F. Auction proceeds and other revenue items were misclassified as Intergovernmental Revenues rather than Other Revenues in the Special Road and Bridge Fund and General Revenue Fund.
- G. In the Cemetery Trust Fund, the purchase and redemption of a certificate of deposit was incorrectly classified on the budget document as a disbursement and as other receipts and should not have been shown.
- H. The budget documents for the Administrative Bond Fee ATM Fund did not properly reconcile cash to the amounts held by the Treasurer at December 31, 2011.
- I. The Law Enforcement Center Fund cash balance presented on the budget document did not properly include the bond reserve fund certificate of deposit recorded on the County Treasurer's settlement held on behalf of the bond issuance. The amount of the certificate of deposit at December 31, 2011 and 2012 was \$158,355 and \$158,195, respectively.

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

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

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It appears that the financial process of preparing the budget document information has continued from prior years without any willing to change on the part of county officials.

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

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

Recommendation:

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

Auditee Response:

Cooper County's budget, with 30 funds, is balanced to the exact penny in each and every fund every year. Cooper County will work to sort, define and classify each revenue account and each expenditure account categorizing them in order to arrive at a schedule specific to each section of the budget in the categories such as Charges for Services, Intergovernmental Revenue, Other Revenue, and the increase and reduction in cash.

12-02 Accounting for Transfers Need Improvement

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

The total amount of transfers in presented on the budget documents in the various funds for 2011 and 2012 was \$90,074 and \$220,358, respectively, while total transfers out presented for 2011 and 2012 was \$18,173 and \$281,881, respectively. Total transfers in and out between funds per County Commission court orders for 2011 and 2012 were \$136,803 and \$413,665, respectively, or considerably different than what is presented on the budget documents. The differences in transfers are because the transfers are reflected in the various funds in various revenue and disbursement classifications instead of in the Transfers classification as designated on the budget document.

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

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

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

Recommendation:

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

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

Auditee Response:

While not discounting the finding that other types of transactions that are not operating transfers should be presented in the "Transfers" account category, all transfers between funds are balanced when all revenues and disbursements are taken into consideration. Cooper County will work out a composite of which account categories of various revenue and disbursement classifications can be substituted for the title "Transfers".

Auditor Response:

Even though the total receipts and disbursements are balanced out by fund, transfers in and out are not properly classified on the budget document as such but are included in other revenue and disbursement classifications. The total transfers in for all funds should equal the total amount of transfers out for each year and should be shown as such on the budget document under the heading of Transfers In and Transfers Out.

12-03 Treasurer's Bank Reconciliation Procedures Need Improvement

Condition: We noted the following issues with the Treasurer's bank statements during our audit:

- A. The Treasurer has not reconciled the respective bank statements balances for January 2013 as of June 2, 2013, while audit fieldwork was conducted. Consequently, the Commission does not have timely accurate financial information on which to base their decisions.
- B. The Treasurer listed on the December 31, 2012 bank reconciliation 18 outstanding checks written prior to 2010. Two were in 2004, three in 2006, two in 2007, seven in 2008 and four in 2009. The total amount of outstanding checks greater than three years old is \$5,399. All except a check written for \$4,179 in 2006 were for minor amounts.

None of these checks were voided or had follow-up action taken by the Treasurer or County Commission.

Criteria: Strong internal controls and good business practices dictate that financial records should be accurately prepared and properly balanced to ensure that the financial statements prepared by the County are presented fairly.

Cause: The Treasurer has not prepared timely reconciliations of the bank accounts or followed up on old outstanding checks.

Effect: The County Commission did not have current or accurate treasurer settlements to review.

Recommendation:

- A. The County Treasurer should ensure bank statements are timely reconciled and that the interim settlements are properly prepared and presented to the Commission.
- B. The Treasurer should immediately turn over unclaimed property including stale outstanding checks more than three years old and deemed abandoned to the Missouri State Treasurer. A Report of Unclaimed Property should be filed annually by November 1st as provided in RSMo 447.539.

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

Auditee Response: The County Treasurer responded as follows:

I agree with the auditor's recommendations concerning bank reconciliation and settlement procedures need improvement. However, it may always seem easy to make excuses for not doing what you want to accomplish. Here are the circumstances that occurred:

- In 2012, we decided to network the County Clerk's office and the Treasurer's office computers since the clerk's office has been using the software for some time. I had been doing the work by hand written ledger through 2011 and since 1991 with never a penny out of balance.*
- Until 2012, I had no control over the warrants written on the six main funds. The County Clerk and Commission had that control. I only saw the warrants in daily bunches. I reconciled the bank account by the last batch that came through the bank at the end of the month. The final balances on the six major funds were determined by the County Clerk's office. They only knew what warrants were outstanding. I did not know what warrants were outstanding until 2012. I will work with the clerk's office to get rid of the outstanding warrants mentioned by the auditor.*
- In 2012, I was faced with a new computer program about which I knew nothing. I got a little training but it was after I had fallen behind. So by the time we created a new chart of accounts, I decided to code the revenue and checks and had the person that sold us the program input the information. I am currently just learning the various features of the program.*
- Since I started as Treasurer in 1991, the work load for my office has increased by four times what it was in 1991. I am a one person office and you are not supposed to get sick or take a vacation. However, I did have some health issues in June 2010 when I had a heart attack but had to back to work sooner than I was supposed to. I had carpal tunnel surgery on June 2, 2012, and I had to take care of the estate issues. My back had been giving me trouble for a couple of years and I had outpatient surgery on November 27, 2012. When things go wrong or when things don't go wrong, the Treasurer is at the point where he needs help. I need help to keep our accounting records up to date. I asked for \$2,500 for part-time help in my 2013 budget, but it was declined. I was told that if I needed help I had to pay for it myself as was the Treasurer's practice in 1990. I am somewhat disappointed that other offices are treated with more respect than mine. I am an elected official by the people. I will ask again in the 2014 budget for \$2,500 for outside services. This would be money well spent for the county.*

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

12-04 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, and other County officials did not exercise adequate budgetary control over six funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

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

| <u>Fund</u> | <u>Year</u> | <u>Amount</u> |
|-----------------------------------|-------------|---------------|
| Prosecuting Attorney Training | 2012 | \$ 396 |
| | 2011 | 226 |
| Drug Court | 2012 | 1,120 |
| | 2011 | 376 |
| Administrative Bond Fee ATM | 2012 | 12,800 |
| | 2011 | 1,000 |
| Adult Abuse | 2012 | 1,039 |
| | 2011 | 3,027 |
| Local Law Enforcement Block Grant | 2011 | 12 |
| Delinquent Tax | 2011 | 1,746 |

- B. The County Commission and County Clerk did not prepare budget documents for the FEMA Reimburse Account Fund for the year ended December 31, 2012.
- C. The County Commission budgeted a deficit cash balance for the Law Enforcement Center Fund for the year ended December 31, 2011 at \$28,323.
- D. The County Commission approved Emergency expenditures totaling \$58,897 from the General Revenue Fund for the year ended December 31, 2011. However, the expenditures were not for unforeseen emergencies as required by state law. The total expenditures included a \$25,000 transfer from the General Revenue Fund to the Road and Bridge Trust Fund.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2011 and 2012 for all applicable County operating funds, and did not consider the improper use of the Emergency Fund category within the General Revenue 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, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.
- C. The County Commission cease budgeting a deficit cash balance in any county funds.
- D. The County Commission not use the Emergency Fund category from the General Revenue Fund except for unforeseen emergencies as required by state law.

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

Auditee Response:

- A. Cooper County will work with the County Treasurer using the Treasurer's monthly reconciliation to review the status of each fund with the other responsible county officials and department heads to ensure that the invoices submitted for payment do not exceed the approved expenditures in the budget for any fund.*
- B. Cooper County will prepare annual budgets for all county funds.*
- C. During the annual budget process, the County Commission will not budget a deficit balance.*
- D. The County Commission will follow the statutory guidelines for Emergency Fund classification of expenditures within the General Revenue Fund.*

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

12-05 Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation and U.S. Department of Homeland Security
Pass-Through Grantor: Various
Federal CFDA Number: 20.205, 97.036, and 97.042
Program Title: Various
Pass-Through Entity
 Identifying Number: Various
Award Year: 2012 and 2011
Questioned Costs: N/A

Condition: The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government. For the years ended December 31, 2011 and 2012, the County's SEFA was understated by \$468,586 and \$143,322, respectively, because some programs including the crime victim assistance grant, disaster grants – public assistance, and the emergency management performance grants for disaster relief were not properly included on the schedule while amounts presented for the highway planning and constructions programs were incorrectly presented. Also, the child support enforcement grant was misclassified in both 2011 and 2012 under community services block grant on the county's SEFA.

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

Cause: The County did not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly.

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

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

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

Auditee Response:

Cooper County will implement adequate procedures to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). Procedures such as requiring each county official and all county staff to report to the county the Federal portion of all grants and expenditures related to Federal awards.

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

Because Cooper 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.