



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

To the County Commission  
and  
Officeholders of Chariton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Chariton 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, 2011, 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, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

September 2012  
Report No. 2012-100

**INDEPENDENT AUDITORS' REPORT**

**CHARITON COUNTY, MISSOURI**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2011 AND 2010**

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

# CHARITON COUNTY, MISSOURI

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## **INDEPENDENT AUDITORS' REPORT**

# CASEY-BEARD-BOEHMER PC



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July 3, 2012

## INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Chariton County, Missouri

We have audited the accompanying financial statements of Chariton County, Missouri, as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of Chariton County, Missouri's management. Our responsibility is to express opinions 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Chariton County, Missouri, as of December 31, 2011 and 2010, and budgetary results for the years then ended, on the basis of accounting described in Note 1.

MEMBER  
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Public  
Accountants  
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Missouri  
Society of  
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Public  
Accountants  
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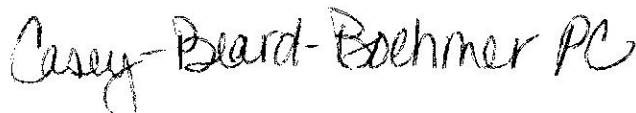
**CHARITON COUNTY, MISSOURI**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2012 on our consideration of Chariton 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

This report is intended solely for the information and use of management, County Commission and other boards, 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  
Certified Public Accountants

## **FINANCIAL SECTION**

**CHARITON COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Fund	Cash January 1, 2010	Receipts	Disbursements	Cash December 31, 2010	Receipts	Disbursements	Cash December 31, 2011
General Revenue	\$ 1,099,331	1,789,521	1,429,137	1,459,715	1,593,693	1,451,256	1,602,152
Special Road and Bridge	455,324	844,283	813,951	485,656	1,438,156	1,342,329	581,483
Assessment	100,600	189,444	165,899	124,145	227,171	170,657	180,659
Law Enforcement Sales Tax	-	541,429	537,542	3,887	539,465	543,352	-
Election Services	7,484	10,754	10,718	7,520	7,167	9,889	4,798
Tax Maintenance	15,447	9,565	10,793	14,219	10,242	8,134	16,327
Deputy Sheriff Supplemental	146	3,596	3,652	90	3,627	3,278	439
Law Enforcement Training	4,094	1,533	2,786	2,841	1,798	2,522	2,117
Prosecuting Attorney Training	151	372	330	193	293	315	171
Prosecuting Attorney Tax Fee	163	3	-	166	3	-	169
Law Enforcement Restitution	-	-	-	-	6,662	-	6,662
Victims of Domestic Violence	251	236	250	237	228	250	215
Prosecuting Attorney Bad Check	14,346	4,158	5,368	13,136	2,527	4,505	11,158
Recorder	5,640	5,688	8,286	3,042	7,493	13,235	(2,700)
Sheriff's	10,976	8,666	12,097	7,545	9,663	7,079	10,129
Local Emergency Planning Committee	17,794	2,000	10,255	9,539	6,145	4,945	10,739
Grant	3,015	71,882	71,879	3,018	10,120	7,823	5,315
Drainage District #3	8,490	709	-	9,199	767	-	9,966
Drainage District #4	155,315	19,885	35,000	140,200	22,821	-	163,021
Drainage District #6	2,330	240	-	2,570	290	-	2,860
Drainage District #7	13,565	1,043	110	14,498	1,295	-	15,793
Drainage District #8	563	2	482	83	2	-	85
Drainage District #17	121	2	-	123	2	-	125
Drainage District #18	13,979	1,327	-	15,306	923	-	16,229
Drainage District #19	14,860	273	2,810	12,323	231	-	12,554
Drainage District #20	31,632	2,892	-	34,524	3,064	-	37,588
Senate Bill 40 Board	203,082	126,544	89,443	240,183	169,838	136,152	273,869
E-911 Board	949,386	279,863	301,740	927,509	1	-	-
Totals	\$ 3,128,085	3,915,910	3,512,528	3,531,467	4,063,686	3,705,721	2,961,923

1 Balance presented is as of August 31, 2010.

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



**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>General Revenue Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 503,500	544,441	40,941	\$ 443,000	433,105	(9,895)
Sales taxes	412,000	359,470	(52,530)	740,000	726,708	(13,292)
Intergovernmental	113,250	86,333	(26,917)	107,750	98,585	(9,165)
Charges for services	394,850	419,020	24,170	355,350	335,726	(19,624)
Interest	27,600	33,454	5,854	38,000	29,670	(8,330)
Other	178,630	150,930	(27,700)	184,495	165,443	(19,052)
Transfers in	300	45	(255)	60,025	284	(59,741)
Total Receipts	\$ 1,630,130	1,593,693	(36,437)	\$ 1,928,620	1,789,521	(139,099)
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 82,562	79,354	(3,208)	\$ 80,130	76,662	(3,468)
County Clerk	113,584	101,201	(12,383)	113,106	101,159	(11,947)
Elections	25,350	15,565	(9,785)	50,850	39,732	(11,118)
Buildings and grounds	481,370	393,894	(87,476)	321,624	162,286	(159,338)
Employee fringe benefits	151,000	140,719	(10,281)	146,970	137,706	(9,264)
County Collector/Treasurer	85,114	83,137	(1,977)	86,604	79,820	(6,784)
Circuit Clerk	44,276	36,010	(8,266)	42,571	35,103	(7,468)
Court Administration	25,126	9,011	(16,115)	30,742	23,899	(6,843)
Public Administrator	23,550	22,604	(946)	22,050	21,077	(973)
Other	173,200	159,643	(13,557)	174,635	161,544	(13,091)
Public Safety-						
Sheriff	234,125	160,575	(73,550)	229,111	195,726	(33,385)
Jail	80,000	54,589	(25,411)	79,718	60,457	(19,261)
Prosecuting Attorney	77,770	71,261	(6,509)	75,481	70,994	(4,487)
Juvenile Officer	17,870	11,154	(6,716)	18,070	10,944	(7,126)
County Coroner	22,244	18,771	(3,473)	19,227	13,373	(5,854)
Transfers out	231,733	93,768	(137,965)	238,710	238,655	(55)
Emergency Fund	55,600	-	(55,600)	57,900	-	(57,900)
Total Disbursements	\$ 1,924,474	1,451,256	(473,218)	\$ 1,787,499	1,429,137	(358,362)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (294,344)	142,437	436,781	\$ 141,121	360,384	219,263
CASH, JANUARY 1	1,459,715	1,459,715	-	1,099,331	1,099,331	-
CASH, DECEMBER 31	\$ 1,165,371	1,602,152	436,781	\$ 1,240,452	1,459,715	219,263

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Special Road and Bridge Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 1,711,700	1,420,506	(291,194)	\$ 1,621,225	814,382	(806,843)
Interest	12,000	12,465	465	19,000	10,911	(8,089)
Other	2,250	5,185	2,935	2,500	16,421	13,921
Transfers in	-	-	-	2,600	2,569	(31)
Total Receipts	\$ 1,725,950	1,438,156	(287,794)	\$ 1,645,325	844,283	(801,042)
<b>DISBURSEMENTS</b>						
Salaries	\$ 123,720	120,833	(2,887)	\$ 121,328	111,053	(10,275)
Employee fringe benefits	50,700	47,220	(3,480)	52,100	40,671	(11,429)
Materials and supplies	36,150	18,647	(17,503)	28,000	19,121	(8,879)
Insurance	12,800	7,237	(5,563)	12,746	11,805	(941)
Equipment repairs	47,000	24,735	(22,265)	26,000	18,485	(7,515)
Equipment purchases	11,232	7,417	(3,815)	32,000	4,007	(27,993)
Road and bridge construction	709,645	595,443	(114,202)	733,000	592,532	(140,468)
Services and other	776,100	520,797	(255,303)	940,164	16,277	(923,887)
Transfers out	-	-	-	49,500	-	(49,500)
Total Disbursements	\$ 1,767,347	1,342,329	(425,018)	\$ 1,994,838	813,951	(1,180,887)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (41,397)	95,827	137,224	\$ (349,513)	30,332	379,845
CASH, JANUARY 1	485,656	485,656	-	455,324	455,324	-
CASH, DECEMBER 31	\$ 444,259	581,483	137,224	\$ 105,811	485,656	379,845

<b>Assessment Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 225,832	222,145	(3,687)	\$ 200,092	185,130	(14,962)
Interest	2,900	3,735	835	3,000	2,825	(175)
Other	1,200	1,291	91	1,300	1,489	189
Total Receipts	\$ 229,932	227,171	(2,761)	\$ 204,392	189,444	(14,948)
<b>DISBURSEMENTS</b>						
Assessor	\$ 36,300	36,300	-	\$ 36,000	36,000	-
Salaries	71,953	70,884	(1,069)	70,861	70,786	(75)
Employee fringe benefits	40,448	39,331	(1,117)	39,831	38,419	(1,412)
Materials and supplies	19,000	4,920	(14,080)	17,500	4,081	(13,419)
Services and other	109,150	19,222	(89,928)	30,350	16,613	(13,737)
Total Disbursements	\$ 276,851	170,657	(106,194)	\$ 194,542	165,899	(28,643)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (46,919)	56,514	103,433	\$ 9,850	23,545	13,695
CASH, JANUARY 1	124,145	124,145	-	100,600	100,600	-
CASH, DECEMBER 31	\$ 77,226	180,659	103,433	\$ 110,450	124,145	13,695

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Law Enforcement Sales Tax Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 262,000	280,526	18,526	\$ 260,000	262,810	2,810
Intergovernmental	60,000	147,180	87,180	50,000	21,150	(28,850)
Interest	500	519	19	500	380	(120)
Other	19,160	18,660	(500)	19,210	19,779	569
Transfers in	228,014	92,580	(135,434)	212,212	237,310	25,098
Total Receipts	\$ 569,674	539,465	(30,209)	\$ 541,922	541,429	(493)
<b>DISBURSEMENTS</b>						
Salary-Sheriff and deputies	\$ 257,285	248,839	(8,446)	\$ 242,545	242,544	(1)
Salary-dispatchers and cooks	181,976	172,674	(9,302)	178,149	176,807	(1,342)
Employee fringe benefits	134,300	121,839	(12,461)	130,670	118,191	(12,479)
Total Disbursements	\$ 573,561	543,352	(30,209)	\$ 551,364	537,542	(13,822)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,887)	(3,887)	-	\$ (9,442)	3,887	13,329
CASH, JANUARY 1	3,887	3,887	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ (9,442)	3,887	13,329

**Election Services Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 9,825	6,687	(3,138)	\$ 16,400	10,632	(5,768)
Interest	125	155	30	100	122	22
Transfers in	-	325	325	-	-	-
Total Receipts	\$ 9,950	7,167	(2,783)	\$ 16,500	10,754	(5,746)
<b>DISBURSEMENTS</b>						
Election expenses	\$ 11,920	9,889	(2,031)	\$ 20,200	10,718	(9,482)
Total Disbursements	\$ 11,920	9,889	(2,031)	\$ 20,200	10,718	(9,482)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,970)	(2,722)	(752)	\$ (3,700)	36	3,736
CASH, JANUARY 1	7,520	7,520	-	7,484	7,484	-
CASH, DECEMBER 31	\$ 5,550	4,798	(752)	\$ 3,784	7,520	3,736

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Tax Maintenance Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,035	9,827	792	\$ 9,000	9,050	50
Interest	345	331	(14)	300	345	45
Other	180	84	(96)	100	170	70
Total Receipts	\$ 9,560	10,242	682	\$ 9,400	9,565	165
DISBURSEMENTS						
Materials and supplies	\$ 3,175	2,857	(318)	\$ 12,575	8,957	(3,618)
Services and other	13,300	5,277	(8,023)	2,255	1,836	(419)
Total Disbursements	\$ 16,475	8,134	(8,341)	\$ 14,830	10,793	(4,037)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,915)	2,108	9,023	\$ (5,430)	(1,228)	4,202
CASH, JANUARY 1	14,219	14,219	-	15,447	15,447	-
CASH, DECEMBER 31	\$ 7,304	16,327	9,023	\$ 10,017	14,219	4,202

<b>Deputy Sheriff Supplemental Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,398	3,625	227	\$ 3,298	3,594	296
Interest	2	2	-	2	2	-
Total Receipts	\$ 3,400	3,627	227	\$ 3,300	3,596	296
DISBURSEMENTS						
Other	\$ 3,400	3,278	(122)	\$ 3,655	3,652	(3)
Total Disbursements	\$ 3,400	3,278	(122)	\$ 3,655	3,652	(3)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	349	349	\$ (355)	(56)	299
CASH, JANUARY 1	90	90	-	146	146	-
CASH, DECEMBER 31	\$ 90	439	349	\$ (209)	90	299

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Law Enforcement Training Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,000	1,749	(251)	\$ 3,150	1,456	(1,694)
Interest	100	49	(51)	100	77	(23)
Total Receipts	\$ 2,100	1,798	(302)	\$ 3,250	1,533	(1,717)
DISBURSEMENTS						
Training	\$ 1,050	885	(165)	\$ 1,050	890	(160)
Services and other	1,400	1,048	(352)	1,250	1,211	(39)
Other	950	589	(361)	950	685	(265)
Total Disbursements	\$ 3,400	2,522	(878)	\$ 3,250	2,786	(464)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,300)	(724)	576	\$ -	(1,253)	(1,253)
CASH, JANUARY 1	2,841	2,841	-	4,094	4,094	-
CASH, DECEMBER 31	\$ 1,541	2,117	576	\$ 4,094	2,841	(1,253)

<b>Prosecuting Attorney Training Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 367	291	(76)	\$ 398	369	(29)
Interest	3	2	(1)	2	3	1
Total Receipts	\$ 370	293	(77)	\$ 400	372	(28)
DISBURSEMENTS						
Training	\$ 300	115	(185)	\$ 300	230	(70)
Materials and other	200	200	-	100	100	-
Total Disbursements	\$ 500	315	(185)	\$ 400	330	(70)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (130)	(22)	108	\$ -	42	42
CASH, JANUARY 1	193	193	-	151	151	-
CASH, DECEMBER 31	\$ 63	171	108	\$ 151	193	42

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Prosecuting Attorney Tax Fee Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 3	3	-	\$ 10	3	(7)
Total Receipts	\$ 3	3	-	\$ 10	3	(7)
DISBURSEMENTS						
Materials and supplies	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3	3	-	\$ 10	3	(7)
CASH, JANUARY 1	166	166	-	163	163	-
CASH, DECEMBER 31	\$ 169	169	-	\$ 173	166	(7)

<b>Law Enforcement Restitution Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,000	6,600	5,600	\$ -	-	-
Interest	-	62	62	-	-	-
Total Receipts	\$ 1,000	6,662	5,662	\$ -	-	-
DISBURSEMENTS						
Equipment	\$ 1,000	-	(1,000)	\$ -	-	-
Total Disbursements	\$ 1,000	-	(1,000)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	6,662	6,662	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	6,662	6,662	\$ -	-	-

<b>Victims of Domestic Violence Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over ( Under) Budget
RECEIPTS						
Charges for services	\$ 225	225	-	\$ 200	230	30
Interest	5	3	(2)	2	6	4
Total Receipts	\$ 230	228	(2)	\$ 202	236	34
DISBURSEMENTS						
Expenses (shelter)	\$ 250	250	-	\$ 250	250	-
Total Disbursements	\$ 250	250	-	\$ 250	250	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20)	(22)	(2)	\$ (48)	(14)	34
CASH, JANUARY 1	237	237	-	251	251	-
CASH, DECEMBER 31	\$ 217	215	(2)	\$ 203	237	34

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Prosecuting Attorney Bad Check Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 1,850	2,285	435	\$ 1,850	2,055	205
Interest	220	242	22	300	238	(62)
Other	-	-	-	-	1,865	1,865
Total Receipts	\$ 2,070	2,527	457	\$ 2,150	4,158	2,008
<b>DISBURSEMENTS</b>						
Supplies and equipment	\$ 7,750	4,245	(3,505)	\$ 9,500	5,013	(4,487)
Other	355	260	(95)	500	355	(145)
Total Disbursements	\$ 8,105	4,505	(3,600)	\$ 10,000	5,368	(4,632)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,035)	(1,978)	4,057	\$ (7,850)	(1,210)	6,640
CASH, JANUARY 1	13,136	13,136	-	14,346	14,346	-
CASH, DECEMBER 31	\$ 7,101	11,158	4,057	\$ 6,496	13,136	6,640

<b>Recorder Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 8,950	7,467	(1,483)	\$ 6,200	5,602	(598)
Interest	100	26	(74)	225	86	(139)
Transfers in	2,525	-	(2,525)	-	-	-
Total Receipts	\$ 11,575	7,493	(4,082)	\$ 6,425	5,688	(737)
<b>DISBURSEMENTS</b>						
Office expenses	\$ 13,824	13,235	(589)	\$ 10,200	8,286	(1,914)
Total Disbursements	\$ 13,824	13,235	(589)	\$ 10,200	8,286	(1,914)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,249)	(5,742)	(3,493)	\$ (3,775)	(2,598)	1,177
CASH, JANUARY 1	3,042	3,042	-	5,640	5,640	-
CASH, DECEMBER 31	\$ 793	(2,700)	(3,493)	\$ 1,865	3,042	1,177

<b>Sheriff's Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 10,000	7,768	(2,232)	\$ 10,000	7,301	(2,699)
Interest	200	175	(25)	200	165	(35)
Other	1,000	1,720	720	350	1,200	850
Total Receipts	\$ 11,200	9,663	(1,537)	\$ 10,550	8,666	(1,884)
<b>DISBURSEMENTS</b>						
Supplies and equipment	\$ 13,030	7,079	(5,951)	\$ 16,730	12,097	(4,633)
Total Disbursements	\$ 13,030	7,079	(5,951)	\$ 16,730	12,097	(4,633)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,830)	2,584	4,414	\$ (6,180)	(3,431)	2,749
CASH, JANUARY 1	7,545	7,545	-	10,976	10,976	-
CASH, DECEMBER 31	\$ 5,715	10,129	4,414	\$ 4,796	7,545	2,749

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Local Emergency Planning Committee Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 4,155	6,145	1,990	\$ 6,000	2,000	(4,000)
Total Receipts	\$ 4,155	6,145	1,990	\$ 6,000	2,000	(4,000)
DISBURSEMENTS						
Salaries	\$ 2,075	1,650	(425)	\$ 3,000	3,000	-
Employee fringe benefits	-	-	-	839	818	(21)
Material and supplies	3,615	1,995	(1,620)	3,370	3,235	(135)
Grants	1,300	1,300	-	4,500	3,202	(1,298)
Total Disbursements	\$ 6,990	4,945	(2,045)	\$ 11,709	10,255	(1,454)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,835)	1,200	4,035	\$ (5,709)	(8,255)	(2,546)
CASH, JANUARY 1	9,539	9,539	-	17,794	17,794	-
CASH, DECEMBER 31	\$ 6,704	10,739	4,035	\$ 12,085	9,539	(2,546)

<b>Grant Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 43,561	10,120	(33,441)	\$ 254,143	71,882	(182,261)
Total Receipts	\$ 43,561	10,120	(33,441)	\$ 254,143	71,882	(182,261)
DISBURSEMENTS						
Expenses	\$ 41,838	7,749	(34,089)	\$ 244,122	69,310	(174,812)
Transfers out	4,741	74	(4,667)	13,036	2,569	(10,467)
Total Disbursements	\$ 46,579	7,823	(38,756)	\$ 257,158	71,879	(185,279)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,018)	2,297	5,315	\$ (3,015)	3	3,018
CASH, JANUARY 1	3,018	3,018	-	3,015	3,015	-
CASH, DECEMBER 31	\$ -	5,315	5,315	\$ -	3,018	3,018

<b>Drainage District #3 Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 565	585	20	\$ 600	548	(52)
Interest	235	182	(53)	300	161	(139)
Total Receipts	\$ 800	767	(33)	\$ 900	709	(191)
DISBURSEMENTS						
Material and supplies	\$ 50	-	(50)	\$ 50	-	(50)
Services and other	4,000	-	(4,000)	4,000	-	(4,000)
Total Disbursements	\$ 4,050	-	(4,050)	\$ 4,050	-	(4,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,250)	767	4,017	\$ (3,150)	709	3,859
CASH, JANUARY 1	9,199	9,199	-	8,490	8,490	-
CASH, DECEMBER 31	\$ 5,949	9,966	4,017	\$ 5,340	9,199	3,859

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



**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Drainage District #4 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 17,600	19,910	2,310	\$ 18,400	16,857	(1,543)
Interest	3,000	2,911	(89)	5,000	3,028	(1,972)
Total Receipts	\$ 20,600	22,821	2,221	\$ 23,400	19,885	(3,515)
DISBURSEMENTS						
Materials and supplies	\$ 300	-	(300)	\$ 2,000	-	(2,000)
Services and other	80,000	-	(80,000)	100,000	35,000	(65,000)
Total Disbursements	\$ 80,300	-	(80,300)	\$ 102,000	35,000	(67,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (59,700)	22,821	82,521	\$ (78,600)	(15,115)	63,485
CASH, JANUARY 1	140,200	140,200	-	155,315	155,315	-
CASH, DECEMBER 31	\$ 80,500	163,021	82,521	\$ 76,715	140,200	63,485

**Drainage District #6 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 180	240	60	\$ 180	192	12
Interest	50	50	-	100	48	(52)
Total Receipts	\$ 230	290	60	\$ 280	240	(40)
DISBURSEMENTS						
Materials and supplies	\$ 50	-	(50)	\$ 50	-	(50)
Services and other	1,000	-	(1,000)	1,000	-	(1,000)
Total Disbursements	\$ 1,050	-	(1,050)	\$ 1,050	-	(1,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (820)	290	1,110	\$ (770)	240	1,010
CASH, JANUARY 1	2,570	2,570	-	2,330	2,330	-
CASH, DECEMBER 31	\$ 1,750	2,860	1,110	\$ 1,560	2,570	1,010

**Drainage District #7 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 780	1,010	230	\$ 800	782	(18)
Interest	295	285	(10)	400	261	(139)
Total Receipts	\$ 1,075	1,295	220	\$ 1,200	1,043	(157)
DISBURSEMENTS						
Materials and supplies	\$ 50	-	(50)	\$ 50	-	(50)
Services and other	7,000	-	(7,000)	7,500	110	(7,390)
Total Disbursements	\$ 7,050	-	(7,050)	\$ 7,550	110	(7,440)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,975)	1,295	7,270	\$ (6,350)	933	7,283
CASH, JANUARY 1	14,498	14,498	-	13,565	13,565	-
CASH, DECEMBER 31	\$ 8,523	15,793	7,270	\$ 7,215	14,498	7,283

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Drainage District #8 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 3	2	(1)	\$ 1	2	1
Total Receipts	\$ 3	2	(1)	\$ 1	2	1
DISBURSEMENTS						
Transfer out	\$ -	-	-	\$ 483	482	(1)
Total Disbursements	\$ -	-	-	\$ 483	482	(1)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3	2	(1)	\$ (482)	(480)	2
CASH, JANUARY 1	83	83	-	563	563	-
CASH, DECEMBER 31	\$ 86	85	(1)	\$ 81	83	2

**Drainage District #17 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 3	2	(1)	\$ 5	2	(3)
Total Receipts	\$ 3	2	(1)	\$ 5	2	(3)
DISBURSEMENTS						
Materials and supplies	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3	2	(1)	\$ 5	2	(3)
CASH, JANUARY 1	123	123	-	121	121	-
CASH, DECEMBER 31	\$ 126	125	(1)	\$ 126	123	(3)

**Drainage District #18 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 620	626	6	\$ 1,100	1,044	(56)
Interest	280	297	17	430	283	(147)
Total Receipts	\$ 900	923	23	\$ 1,530	1,327	(203)
DISBURSEMENTS						
Materials and supplies	\$ 50	-	(50)	\$ 50	-	(50)
Services and other	5,000	-	(5,000)	6,000	-	(6,000)
Total Disbursements	\$ 5,050	-	(5,050)	\$ 6,050	-	(6,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,150)	923	5,073	\$ (4,520)	1,327	5,847
CASH, JANUARY 1	15,306	15,306	-	13,979	13,979	-
CASH, DECEMBER 31	\$ 11,156	16,229	5,073	\$ 9,459	15,306	5,847

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Drainage District #19 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 280	231	(49)	\$ 350	273	(77)
Total Receipts	\$ 280	231	(49)	\$ 350	273	(77)
DISBURSEMENTS						
Materials and supplies	\$ -	-	-	\$ 50	-	(50)
Services and other	3,500	-	(3,500)	2,810	2,810	-
Total Disbursements	\$ 3,500	-	(3,500)	\$ 2,860	2,810	(50)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,220)	231	3,451	\$ (2,510)	(2,537)	(27)
CASH, JANUARY 1	12,323	12,323	-	14,860	14,860	-
CASH, DECEMBER 31	\$ 9,103	12,554	3,451	\$ 12,350	12,323	(27)

**Drainage District #20 Fund**

	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 2,300	2,374	74	\$ 2,450	2,259	(191)
Interest	650	690	40	1,100	633	(467)
Total Receipts	\$ 2,950	3,064	114	\$ 3,550	2,892	(658)
DISBURSEMENTS						
Materials and supplies	\$ 50	-	(50)	\$ 50	-	(50)
Services and other	8,000	-	(8,000)	8,000	-	(8,000)
Total Disbursements	\$ 8,050	-	(8,050)	\$ 8,050	-	(8,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,100)	3,064	8,164	\$ (4,500)	2,892	7,392
CASH, JANUARY 1	34,524	34,524	-	31,632	31,632	-
CASH, DECEMBER 31	\$ 29,424	37,588	8,164	\$ 27,132	34,524	7,392

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

**CHARITON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>Senate Bill 40 Board Fund</b>						
	2011			2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 167,342	164,882	(2,460)	\$ 127,001	121,702	(5,299)
Intergovernmental	3	150	147	3	135	132
Interest	4,000	4,806	806	4,500	4,707	207
Total Receipts	\$ 171,345	169,838	(1,507)	\$ 131,504	126,544	(4,960)
DISBURSEMENTS						
Contracted services	\$ 50,534	18,026	(32,508)	\$ 50,534	19,536	(30,998)
County workshop	213,395	117,448	(95,947)	108,500	69,897	(38,603)
Miscellaneous	1,034	678	(356)	560	10	(550)
Total Disbursements	\$ 264,963	136,152	(128,811)	\$ 159,594	89,443	(70,151)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (93,618)	33,686	127,304	\$ (28,090)	37,101	65,191
CASH, JANUARY 1	240,183	240,183	-	203,082	203,082	-
CASH, DECEMBER 31	\$ 146,565	273,869	127,304	\$ 174,992	240,183	65,191

<b>E-911 Fund</b>						
	2011			January 1 through August 31, 2010		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ -	-	-	\$ 246,192	254,431	8,239
Other	-	-	-	19	6,430	6,411
Interest	-	-	-	19,414	19,002	(412)
Total Receipts	\$ -	-	-	\$ 265,625	279,863	14,238
DISBURSEMENTS						
Salaries	\$ -	-	-	\$ 202,648	206,152	3,504
Employee fringe benefits	-	-	-	31,038	32,250	1,212
Materials and supplies	-	-	-	3,240	3,121	(119)
Services and other	-	-	-	62,981	59,288	(3,693)
Capital outlay	-	-	-	8,100	929	(7,171)
Total Disbursements	\$ -	-	-	\$ 308,007	301,740	(6,267)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ (42,382)	(21,877)	20,505
CASH, JANUARY 1	-	-	-	949,386	949,386	-
CASH, DECEMBER 31	\$ -	-	-	\$ 907,004	927,509	20,505

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

## **NOTES TO FINANCIAL STATEMENTS**

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which 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, county recorder, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Senate Bill 40 Board, and the Emergency 911 Board.

The financial statements referred to above include the primary government of Chariton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This includes the Senate Bill 40 Board Fund through December 31, 2011, and the Emergency 911 Board Fund through August 31, 2010. Effective August 28, 2010, state law provided that the 911 Board would be considered a separate governing body.

**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, particularly the County Collector/Treasurer, Public Administrator, and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

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

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

The county follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Senate Bill 40 officials and the Emergency 911 Director prepares and submits their budgets to the respective boards for review.
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. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. In 2010, the Law Enforcement Sales Tax Fund had a deficit budgeted cash balance of \$9,442 and the Deputy Sheriff Supplemental Fund had a deficit budgeted cash balance of \$209. No other funds had a deficit budgeted cash balance for 2011 and 2010.
5. In 2011, the Recorder Fund had a deficit ending cash balance of \$2,700 due to overspending of the beginning cash balance and actual receipts for the year.
6. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, Senate Bill 40 Board, and the Emergency 911 Board, the budget documents are available for public inspection.
7. Prior to February 1, the budget is legally enacted by a vote of the County Commission, the Senate Bill Board, and the Emergency 911 Board.
8. Subsequent to its formal approval of the budget, the County Commission, Senate Bill 40 Board, and the Emergency 911 Board have the authority to make necessary adjustments to the budget by formal vote of the Commission and elected boards. Budgeted amounts are as originally adopted, or as amended by the County Commission or elected boards during the year. The County Commission amended budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue	2011 and 2010
Special Road and Bridge	2011 and 2010
Recorder	2011 and 2010
Election Services	2011
Drainage District #19	2011 and 2010
Law Enforcement Sales Tax	2010
Tax Maintenance	2010
Deputy Sheriff Supplemental	2010
Sheriff's	2010

9. Budgets are prepared and adopted on the cash basis of accounting.

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**1. E. USE OF ESTIMATES**

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**1. F. 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 on 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 2011 and 2010 for purposes of local taxation was:

		2011		2010
Real Estate	\$	59,230,110	\$	58,595,050
Personal Property		29,963,540		29,022,190
Railroad and Utilities		82,773,328		80,406,110
Total Assessed Valuation	\$	<u>171,966,978</u>	\$	<u>168,023,350</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2011 and 2010 for purposes of local taxation was:

		2011		2010
General Revenue Fund	\$	.3150	\$	.3150
Senate Bill 40	\$	.1000	\$	.0992

**1. G. CASH DEPOSITS AND INVESTMENTS**

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents 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.



**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**1. H. 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, 2011 and 2010 were as follows:

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Fund	\$ 45	\$ 93,768
Law Enforcement Sales Tax Fund	92,580	-
Election Services Fund	325	-
Grant Fund	-	74
Totals	\$ <u>92,950</u>	\$ <u>93,842</u>

	Year Ended December 31, 2010	
	Transfers In	Transfers out
<b>FUNDS:</b>		
General Fund	\$ 284	\$ 238,655
Special Road and Bridge Fund	2,569	-
Law Enforcement Sales Tax Fund	237,310	-
Grant Fund	-	2,569
Drainage District # 8 Fund	-	482
Totals	\$ <u>240,163</u>	\$ <u>241,706</u>

The difference between transfers in and transfers out are mainly related to transfers recorded on the budget documents in various funds that were either not actually transfers between governmental funds but payments to or from county fiduciary funds or shown within receipts and disbursements in the corresponding governmental funds.

**1. I. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo 2000, 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, 2011 and 2010, the published financial statements included all funds and the required information.

**NOTE 2. CASH AND INVESTMENTS**

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

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, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks and savings institutions.

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, 2011 and 2010, the total of all county's deposits (including the Treasurer/Ex-Officio Collector) held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held at the Federal Reserve Bank in the county's name or by its agent in the county's name.

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

At December 31, 2011 and 2010, the Senate Bill 40 Board's bank deposits and certificates of deposit held at the respective depository banks were entirely covered by Federal Depository Insurance Coverage.

At August 31, 2010, the Emergency 911 Board's bank deposits and certificates of deposit held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral securities pledged.

**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. Missouri Local Government Employees Retirement System (LAGERS)**

**1) Plan Description**

Chariton County participates in the Missouri Local Government Employees' Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax-exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

**2) Pension Benefits**

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

**3) Funding Policy**

The county's full-time employees are required to contribute 4% to the LAGERS pension plan. The county is required by state statute to contribute at an actuarially determined rate: the rate for 2011 was 11.6% (general) and 8.2% (police) and for 2010 the rate contributed was 11.10% (general) and 7.2% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

**4) Annual Pension Cost**

For 2011 and 2010, total payments to LAGERS were \$99,848 and \$91,109, respectively.

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

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

**1) Plan Description**

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

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

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service or at the age of fifty-five with reduced benefits. 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 0% (LAGERS member) or 2% (non-LAGERS member) of annual salary is required for eligible employees hired before February 25, 2002. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% (LAGERS member) or 6% (non-LAGERS member) in order to participate in CERF. During 2011 and 2010, the county collected and remitted to CERF \$49,826 and \$46,926, respectively, for the years then ended.

**NOTE 4. POST EMPLOYMENT BENEFITS**

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

**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Regular full-time employees who have completed 12 consecutive calendar months of service are eligible to receive vacation time as follows: 1 to 2 years, 1 week; 2 to 10 years, 2 weeks; over 10 years, 3 weeks. Employees may accumulate and carry forward vacation leave as follows: 1-10 years of continuous service, 20 days; and, over 10 years of continuous service, 30 days. Upon termination of employment, an employee with more than one year of service will receive equivalent cash reimbursement for all unused accrued vacation leave. Regular full-time employees earn one full day of sick leave for each complete calendar month of employment. Sick leave may accrue to a maximum of 30 days. Upon termination of employment, no payment will be made for unused days.

**CHARITON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**NOTE 5. 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 6. RISK MANAGEMENT**

The county is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and have established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been to 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.

## **SUPPLEMENTARY INFORMATION**

**CHARITON COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2011	2010
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
10.923	Direct Program - NRCS-EWP	DSR 041-09-058	\$ -	\$ 7,023
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Social Services-			
14.257	ARRA - Homelessness Prevention and Rapid Re-Housing Program	ER16410009A	7,667	-
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
15.659	Refuge Revenue Sharing Act	N/A	24,698	33,244
	U. S. DEPARTMENT OF JUSTICE			
	Passed through:			
	State Department of Public Safety -			
16.579	Edward Byrne Memorial Justice Assistance Grant Program			
	MOSMART	2010//CKWX0183	18,625	-
	MOSMART	2009-DI-BX-0017	-	44,128
	JAG	2009-JAGRA-064	70,090	-
	NCAP	2009-JAG0925	-	79,435
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO - 30	-	1,651
		BRO - 32	-	165
		BRO - 33	-	14,073
		BRO - 34	512,366	-
	Department of Public Safety			
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			
	Hazardous Materials Emergency Preparedness	HM-HMP-0009-09-01-00	3,295	702
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration			
39.011	Election Reform Payments	N/A	2,125	2,833
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State			
90.401	Help America Vote Act Requirements Payments			
	2011 Internet Service Provider Grant	N/A	581	382
	2010 Internet Service Provider Grant	SOSEIA2 10Z	-	605
	Replacement and Repair Grant	N/A	1,091	-
	Repair Grant	N/A	832	-
	Printer/Scanner Grant	N/A	476	581
	Poll Worker Training Grant	N/A	-	1,950
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
	Department of Public Safety-			
97.067	Homeland Security Grant Program			
	FEMA	1934-DR-MO	-	27,050
	Total Expenditures of Federal Awards		\$ 641,846	\$ 213,822

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**



**CHARITON COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

The schedule includes all federal awards administered by Chariton 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. Because Chariton County expended no noncash awards for the years ended December 31, 2011 and 2010, the schedule includes expenditures of cash awards only.

**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 Homeless Prevention & Rapid Re-Housing ARRA, CFDA 14.257, to the Missouri Valley Community Action Agency in the amount of \$7,667 to assist in providing temporary housing.

## **COMPLIANCE SECTION**

# CASEY-BEARD-BOEHMER PC



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July 3, 2012

## **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 Chariton County, Missouri

We have audited the financial statements of Chariton County, Missouri, as of and for the years ended December 31, 2011 and 2010, which comprise Chariton County's basic financial statements and have issued our report thereon dated July 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

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However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02).

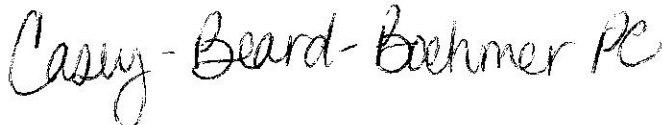
A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chariton 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 11-03.

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

This report is intended solely for the information and use of management, County Commission and other boards, 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.



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Certified Public Accountants

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July 3, 2012

## **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**

To the County Commission  
and Officeholders  
of Chariton County, Missouri

### Compliance

We have audited Chariton 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 the county's major federal program for the years ended December 31, 2011 and 2010. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

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

### Internal Control Over Compliance

Management of Chariton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our

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

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audit, we considered Chariton County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chariton County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, County Commission and other boards, 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  
Certified Public Accountants

**CHARITON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

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

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

**CHARITON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

**11-01 Budgetary Controls not in Compliance with State Law**

Condition: The County Commission approved budget amendments for several county funds during 2010 and 2011. The approved amended documents presented by the county indicated that for the Law Enforcement Sales Tax Fund and the Deputy Sheriff Supplemental Fund for 2010 noted the revised budgeted revenues and expenditures left a budgeted cash balance of (\$9,422), and (\$209), respectively, as shown in the financial statements presented. There was no amended cash reconciliation pages included with the revised amended budgets to show what the amended budgeted cash balance would be. Also, the Recorder Fund for 2011 had an ending deficit cash balance of \$2,700 due to overspending.

Per discussions with the County Clerk's office, the Recorder Fund expected money shortly after year-end that paid for the expenditures made they were under contract to do, the Sheriff's office was expecting payments for the Deputy Sheriff Supplemental salaries and the Deputy Sheriff Supplemental Fund had spent additional monies not originally budgeted requiring an amendment. The County Commission should provide an amended reconciliation page on each budget amendment to ensure that the budgeted cash balance does not show as a negative amount on the budget document.

Criteria: Section 50.622 RSMo, requires that the same procedures should be followed for amending the budget as were required for the adoption of the annual budget. Section 50.540 RSMo states the estimated ending fund balance cannot be a deficit balance.

Cause: County officials did not consider the beginning cash balance and, therefore, did not realize that the funds had a deficit budgeted cash balance when they were amended.

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

Recommendation:

The County Commission and County Clerk ensure the amended budgets do not indicate a negative budgeted cash balance in accordance with state law or overspend the fund balance in any fund.

*Response:*

*Future budgets will be reviewed and amended if necessary to show positive cash balances. Reports showing cash balances will be sent to the State Auditor's Office.*

**11-02 E-911 Assets**

Condition: The Emergency 911 Director does not record the balances of the certificates of deposit on the balance sheet causing the assets to be understated by \$905,156 at August 31, 2010. The Director records all the disbursements and purchases of CD's on the income statement, thereby overstating total receipts and disbursements. The only item presented on the E-911 balance sheet at August 31, 2010 was the amount held in the checking account.



**CHARITON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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Criteria: Generally accepted accounting principles require all assets be recorded at cost on the balance sheet.

Cause: The Emergency 911 board did not provide oversight to assure their financial statements were accurately prepared.

Effect: Cash is understated and income and expenses are overstated.

Recommendation:

The Emergency 911 Director and Board of Directors should follow proper accounting principles on recording assets and review the financial statements on a regular basis.

*Response:*

*The Board of Directors will instruct the Director to provide the Board with accurately prepared financial statements on a regular basis.*

**11-03 Accounting for Transfers**

Condition: The financial statements of the county as represented in the annual budget document do not present the proper amount of budgeted and actual transfers between the various county funds and, therefore, total transfers in do not agree with total transfers out for the year ended December 31, 2011 and 2010. Budgeted and actual amounts for transfers in each year are not properly reconciled to total budgeted and actual amounts transferred out. Our review noted that payments made from the Unclaimed Fees Fund, partial payment accounts, and payments to the state were recorded as transfers to and from other funds. Several transfers were erroneously recorded within receipts or disbursements of the corresponding funds instead of as actual transfers. We also noted that the county approved a budget amendment in 2010 to transfer \$2,525 from the General Revenue Fund to the Recorder Fund; however, this transfer was never made.

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

Cause: The County Commission and County Clerk did not report actual or budgeted transfers properly.

Effect: The transfers between funds are not in balance on the budget documents filed with the state.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement and that other types of transactions that are not operating transfers are not presented in the "Transfers" account category.

*Response:*

*We will ensure that total budgeted and actual transfers in agree with transfers out and that other expenditures are not included as transfers.*

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

For the two years ended December 31, 2011, there were no federal award findings to report.

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

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In accordance with Government Auditing Standards, this section reports the auditor's follow-up on the action taken by Chariton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2009 and 2008.

1. County did not prepare an accurate SEFA schedule as required by the Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300 (A). On the 2009 and 2008 SEFA's, the County reported funds expended from both federal and state awards.

*Status – Resolved.*

2. County's personnel policies manual had not been updated for approximately 20 years.

*Status – Partially Implemented.* The Commission has made changes and updates to the personnel policy but has not yet completed a new policy manual.