



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Oregon County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Oregon 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 Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas A. Schweich
State Auditor

September 2012
Report No. 2012-103

**The County of Oregon
Alton, Missouri
Independent Auditor's Report and Financial Statements
Years Ended December 31, 2011 & 2010**



**The County of Oregon
Alton, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Oregon County, Missouri



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Accountants

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

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

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

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

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

In accordance with Government Auditing Standards, we also have issued our report dated July 9, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

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

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 9, 2012

The County of Oregon
Alton, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2011

<u>Fund</u>	Cash and Equivalents January 1, 2011	Receipts 2011	Disbursements 2011	Cash and Equivalents December 31, 2011
General Revenue	\$ 389,235	\$ 1,372,967	\$ 1,211,323	\$ 550,879
Road and Bridge	551,145	928,349	816,501	662,993
Assessment	-	125,932	125,932	-
Unclaimed Fees	23	218	-	241
Prosecuting Attorney Training	2,263	293	35	2,521
Sheriff Legal Education	1,556	1,542	1,546	1,552
Federal Law Enforcement	271	3	-	274
River/Forest Patrol	-	6,871	6,871	-
Prosecuting Attorney Special	2,302	25	-	2,327
Tax Maintenance	14,713	10,346	7,431	17,628
Recorder User Fee	62,798	7,638	10,886	59,550
Operation Cash Crop	-	991	991	-
Law Enforcement Donation	762	406	-	1,168
Prosecuting Attorney Bad Check	1,881	8,810	9,001	1,690
Election	4,495	2,207	1,593	5,109
Forest Services Title III	424	69,757	28,337	41,844
Senior Citizens Service Board	7,652	42,932	43,805	6,779
Sheriff Revolving	-	5,547	1,365	4,182
Sheriff Civil	6,106	10,307	3,362	13,051
Inmate Security	-	638	-	638
Senate Bill 40 Board	59,026	86,703	70,100	75,629
Total	<u>\$ 1,104,652</u>	<u>\$ 2,682,482</u>	<u>\$ 2,339,079</u>	<u>\$ 1,448,055</u>

See Notes to Financial Statements

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

<u>Fund</u>	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	\$ 365,975	\$ 1,263,252	\$ 1,239,992	\$ 389,235
Road and Bridge	306,407	960,737	715,999	551,145
Assessment	3	123,514	123,517	-
Unclaimed Fees	181	10	168	23
Prosecuting Attorney Training	2,006	257	-	2,263
Sheriff Legal Education	1,114	1,503	1,061	1,556
Federal Law Enforcement	268	3	-	271
River/Forest Patrol	-	11,739	11,739	-
Prosecuting Attorney Special	2,276	26	-	2,302
Tax Maintenance	11,361	10,233	6,881	14,713
Recorder User Fee	88,943	7,400	33,545	62,798
Operation Cash Crop	1,245	1,515	2,760	-
Law Enforcement Donation	470	312	20	762
Prosecuting Attorney Bad Check	3,838	8,658	10,615	1,881
Election	5,697	2,230	3,432	4,495
Forest Services Title III	1,036	29,093	29,705	424
Senior Citizens Service Board	6,566	41,319	40,233	7,652
Sheriff Revolving	-	-	-	-
Sheriff Civil	9,458	9,953	13,305	6,106
Inmate Security	-	-	-	-
Senate Bill 40 Board	46,510	82,616	70,100	59,026
Total	<u>\$ 853,354</u>	<u>\$ 2,554,370</u>	<u>\$ 2,303,072</u>	<u>\$ 1,104,652</u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	General Revenue Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 85,650	\$ 103,384	\$ 79,300	\$ 92,557
Sales Taxes	840,000	884,080	835,000	852,151
Intergovernmental	188,880	217,020	137,290	153,933
Charges for Services	126,935	127,102	127,308	120,567
Interest	10,000	8,369	15,000	10,778
Other	23,172	32,519	27,813	29,996
Transfers In	1,553	493	163	3,270
Total Receipts	<u>\$ 1,276,190</u>	<u>\$ 1,372,967</u>	<u>\$ 1,221,874</u>	<u>\$ 1,263,252</u>
<u>Disbursements</u>				
County Commission	\$ 32,380	\$ 28,888	\$ 33,120	\$ 30,996
County Clerk	83,779	83,775	84,446	83,703
Elections	18,950	18,949	54,135	54,135
Buildings and Grounds	59,056	59,056	55,337	52,514
Employee Fringe Benefits	157,500	160,548	171,900	163,443
Treasurer	36,745	36,339	37,307	36,975
Collector	70,799	70,267	65,694	65,517
Recorder of Deeds	42,800	42,624	37,179	36,793
Circuit Clerk	27,500	22,216	22,685	21,002
Associate Circuit Court	-	-	1,212	-
Court Administration	1,722	1,104	1,722	1,054
Public Administrator	38,000	37,542	38,450	37,838
Sheriff	310,325	310,325	306,662	306,659
Jail	45,850	43,896	69,850	63,651
Prosecuting Attorney	92,198	90,220	91,613	87,492
Juvenile Officer	61,418	59,331	61,418	58,138
Coroner	11,500	10,679	11,500	10,028
Health and Welfare	500	-	500	-
Other	103,337	105,760	140,925	105,172
Transfers Out	36,445	29,804	39,609	24,882
Emergency Fund	40,000	-	40,000	-
Total Disbursements	<u>\$ 1,270,804</u>	<u>\$ 1,211,323</u>	<u>\$ 1,365,264</u>	<u>\$ 1,239,992</u>
Receipts Over (Under)				
Disbursements	\$ 5,386	\$ 161,644	\$ (143,390)	\$ 23,260
Cash, January 1	<u>389,235</u>	<u>389,235</u>	<u>365,975</u>	<u>365,975</u>
Cash, December 31	<u><u>\$ 394,621</u></u>	<u><u>\$ 550,879</u></u>	<u><u>\$ 222,585</u></u>	<u><u>\$ 389,235</u></u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Road and Bridge Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 142,725	\$ 154,531	\$ 142,725	\$ 145,460
Sales Taxes	-	-	-	-
Intergovernmental	596,914	602,353	596,775	604,804
Charges for Services	-	-	-	-
Interest	5,000	7,703	8,000	5,912
Other	105	163,762	150,190	204,561
Transfers In	-	-	-	-
Total Receipts	<u>\$ 744,744</u>	<u>\$ 928,349</u>	<u>\$ 897,690</u>	<u>\$ 960,737</u>
<u>Disbursements</u>				
Salaries	\$ 301,418	\$ 305,044	\$ 301,418	\$ 302,716
Employee Fringe Benefits	96,700	96,086	105,630	106,527
Supplies	129,500	129,813	129,500	106,778
Insurance	15,000	12,857	30,000	3,858
Road & Bridge Materials	94,500	61,291	105,500	54,150
Equipment Repairs	30,000	17,783	30,000	26,122
Rentals	2,000	1,908	2,000	3,351
Equipment Purchases	240,000	75,000	125,000	15,800
R & B Construction	79,000	76,101	81,500	76,820
Other Expenditures	12,860	40,618	16,560	19,877
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 1,000,978</u>	<u>\$ 816,501</u>	<u>\$ 927,108</u>	<u>\$ 715,999</u>
Receipts Over (Under)				
Disbursements	\$ (256,234)	\$ 111,848	\$ (29,418)	\$ 244,738
Cash, January 1	<u>551,145</u>	<u>551,145</u>	<u>306,407</u>	<u>306,407</u>
Cash, December 31	<u><u>\$ 294,911</u></u>	<u><u>\$ 662,993</u></u>	<u><u>\$ 276,989</u></u>	<u><u>\$ 551,145</u></u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Assessment Fund				Unclaimed Fees Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	90,718	95,020	88,718	97,318	10	216	50	9
Charges for Services	-	-	-	-	-	-	-	-
Interest	200	128	200	164	-	2	1	1
Other	1,500	980	1,505	1,150	-	-	-	-
Transfers In	36,445	29,804	39,609	24,882	-	-	-	-
Total Receipts	<u>\$ 128,863</u>	<u>\$ 125,932</u>	<u>\$ 130,032</u>	<u>\$ 123,514</u>	<u>\$ 10</u>	<u>\$ 218</u>	<u>\$ 51</u>	<u>\$ 10</u>
 <u>Disbursements</u>								
Salaries	\$ 80,505	\$ 76,931	\$ 79,505	\$ 76,208	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	24,228	22,573	25,800	24,618	-	-	-	-
Materials and Supplies	8,430	9,036	9,030	7,059	-	-	-	-
Services and Other	5,700	5,238	6,200	6,780	-	-	167	167
Capital Outlay	10,000	12,154	9,500	8,346	-	-	-	-
Transfers Out	-	-	-	506	-	-	1	1
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 128,863</u>	<u>\$ 125,932</u>	<u>\$ 130,035</u>	<u>\$ 123,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168</u>	<u>\$ 168</u>
 Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ (3)	\$ (3)	\$ 10	\$ 218	\$ (117)	\$ (158)
 Cash, January 1	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>23</u>	<u>23</u>	<u>181</u>	<u>181</u>
 Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33</u></u>	<u><u>\$ 241</u></u>	<u><u>\$ 64</u></u>	<u><u>\$ 23</u></u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Prosecuting Attorney Training Fund				Sheriff Legal Education Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	900	1,056	50	929
Charges for Services	250	267	310	233	-	-	-	-
Interest	25	26	15	24	10	16	10	16
Other	-	-	-	-	600	470	2,100	558
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 275</u>	<u>\$ 293</u>	<u>\$ 325</u>	<u>\$ 257</u>	<u>\$ 1,510</u>	<u>\$ 1,542</u>	<u>\$ 2,160</u>	<u>\$ 1,503</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,000	35	1,000	-	2,000	1,546	1,500	1,061
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 35</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 1,546</u>	<u>\$ 1,500</u>	<u>\$ 1,061</u>
 Receipts Over (Under)								
Disbursements	\$ (725)	\$ 258	\$ (675)	\$ 257	\$ (490)	\$ (4)	\$ 660	\$ 442
 Cash, January 1	<u>2,263</u>	<u>2,263</u>	<u>2,006</u>	<u>2,006</u>	<u>1,556</u>	<u>1,556</u>	<u>1,114</u>	<u>1,114</u>
 Cash, December 31	<u><u>\$ 1,538</u></u>	<u><u>\$ 2,521</u></u>	<u><u>\$ 1,331</u></u>	<u><u>\$ 2,263</u></u>	<u><u>\$ 1,066</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ 1,774</u></u>	<u><u>\$ 1,556</u></u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Federal Law Enforcement Fund				River/Forest Patrol Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,500	6,871	9,000	11,739
Charges for Services	-	-	-	-	-	-	-	-
Interest	1	3	1	3	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 10,500</u>	<u>\$ 6,871</u>	<u>\$ 9,000</u>	<u>\$ 11,739</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 3,004	\$ 3,900	\$ 4,507
Employee Fringe Benefits	-	-	-	-	352	236	352	349
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	250	-	-	-	5,050	3,178	6,487	5,402
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	898	453	1,000	1,481
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,500</u>	<u>\$ 6,871</u>	<u>\$ 11,739</u>	<u>\$ 11,739</u>
 Receipts Over (Under)								
Disbursements	\$ (249)	\$ 3	\$ 1	\$ 3	\$ -	\$ -	\$ (2,739)	\$ -
 Cash, January 1	<u>271</u>	<u>271</u>	<u>268</u>	<u>268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u><u>\$ 22</u></u>	<u><u>\$ 274</u></u>	<u><u>\$ 269</u></u>	<u><u>\$ 271</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,739)</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Prosecuting Attorney Special Fund				Tax Maintenance Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	9,000	10,160	9,000	10,075
Charges for Services	-	-	200	-	-	-	-	-
Interest	25	25	20	26	160	186	200	158
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 220</u>	<u>\$ 26</u>	<u>\$ 9,160</u>	<u>\$ 10,346</u>	<u>\$ 9,200</u>	<u>\$ 10,233</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	1,230	1,252
Services and Other	1,000	-	1,000	-	6,080	3,007	4,750	2,087
Capital Outlay	-	-	-	-	9,500	4,424	8,000	3,542
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 15,580</u>	<u>\$ 7,431</u>	<u>\$ 13,980</u>	<u>\$ 6,881</u>
 Receipts Over (Under)								
Disbursements	\$ (975)	\$ 25	\$ (780)	\$ 26	\$ (6,420)	\$ 2,915	\$ (4,780)	\$ 3,352
 Cash, January 1	<u>2,302</u>	<u>2,302</u>	<u>2,276</u>	<u>2,276</u>	<u>14,713</u>	<u>14,713</u>	<u>11,361</u>	<u>11,361</u>
 Cash, December 31	<u>\$ 1,327</u>	<u>\$ 2,327</u>	<u>\$ 1,496</u>	<u>\$ 2,302</u>	<u>\$ 8,293</u>	<u>\$ 17,628</u>	<u>\$ 6,581</u>	<u>\$ 14,713</u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Recorder User Fee Fund				Operation Cash Crop Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	991	1,500	1,500
Charges for Services	7,000	6,937	7,500	6,666	-	-	-	-
Interest	650	701	850	734	14	-	10	15
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,650</u>	<u>\$ 7,638</u>	<u>\$ 8,350</u>	<u>\$ 7,400</u>	<u>\$ 1,514</u>	<u>\$ 991</u>	<u>\$ 1,510</u>	<u>\$ 1,515</u>
 <u>Disbursements</u>								
Salaries	\$ 8,625	\$ 8,561	\$ -	\$ -	\$ 950	\$ 883	\$ 750	\$ 954
Employee Fringe Benefits	734	620	-	-	76	68	210	74
Materials and Supplies	860	128	-	33,545	-	-	-	-
Services and Other	-	-	32,600	-	450	-	645	450
Capital Outlay	2,000	1,577	1,000	-	-	-	-	-
Transfers Out	-	-	-	-	38	40	-	1,282
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,219</u>	<u>\$ 10,886</u>	<u>\$ 33,600</u>	<u>\$ 33,545</u>	<u>\$ 1,514</u>	<u>\$ 991</u>	<u>\$ 1,605</u>	<u>\$ 2,760</u>
 Receipts Over (Under)								
Disbursements	\$ (4,569)	\$ (3,248)	\$ (25,250)	\$ (26,145)	\$ -	\$ -	\$ (95)	\$ (1,245)
 Cash, January 1	<u>62,798</u>	<u>62,798</u>	<u>88,943</u>	<u>88,943</u>	<u>-</u>	<u>-</u>	<u>1,245</u>	<u>1,245</u>
 Cash, December 31	<u>\$ 58,229</u>	<u>\$ 59,550</u>	<u>\$ 63,693</u>	<u>\$ 62,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150</u>	<u>\$ -</u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Law Enforcement Donation Fund				Prosecuting Attorney Bad Check Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	9,000	8,772	10,000	8,604
Interest	4	10	4	8	50	38	100	54
Other	1,000	396	1,000	304	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,004</u>	<u>\$ 406</u>	<u>\$ 1,004</u>	<u>\$ 312</u>	<u>\$ 9,050</u>	<u>\$ 8,810</u>	<u>\$ 10,100</u>	<u>\$ 8,658</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 3,371	\$ 3,371	\$ 6,500	\$ 4,556
Employee Fringe Benefits	-	-	-	-	3,686	3,348	2,090	3,872
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,200	-	470	20	-	1,214	3,200	2,187
Capital Outlay	-	-	-	-	1,000	1,068	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 20</u>	<u>\$ 8,057</u>	<u>\$ 9,001</u>	<u>\$ 11,790</u>	<u>\$ 10,615</u>
 Receipts Over (Under)								
Disbursements	\$ (196)	\$ 406	\$ 534	\$ 292	\$ 993	\$ (191)	\$ (1,690)	\$ (1,957)
 Cash, January 1	<u>762</u>	<u>762</u>	<u>470</u>	<u>470</u>	<u>1,881</u>	<u>1,881</u>	<u>3,838</u>	<u>3,838</u>
 Cash, December 31	<u>\$ 566</u>	<u>\$ 1,168</u>	<u>\$ 1,004</u>	<u>\$ 762</u>	<u>\$ 2,874</u>	<u>\$ 1,690</u>	<u>\$ 2,148</u>	<u>\$ 1,881</u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Election Fund				Forest Service Title III Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	69,000	69,198	29,938	28,938
Charges for Services	-	-	-	-	-	-	-	-
Interest	67	51	150	67	150	559	100	155
Other	1,954	2,156	1,704	2,163	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,021</u>	<u>\$ 2,207</u>	<u>\$ 1,854</u>	<u>\$ 2,230</u>	<u>\$ 69,150</u>	<u>\$ 69,757</u>	<u>\$ 30,038</u>	<u>\$ 29,093</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 21,862	\$ 21,561	\$ 21,862	\$ 21,862
Employee Fringe Benefits	-	-	-	-	7,183	6,776	7,848	7,843
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,085	1,593	2,955	3,432	-	-	-	-
Capital Outlay	500	-	500	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,585</u>	<u>\$ 1,593</u>	<u>\$ 3,455</u>	<u>\$ 3,432</u>	<u>\$ 29,045</u>	<u>\$ 28,337</u>	<u>\$ 29,710</u>	<u>\$ 29,705</u>
 Receipts Over (Under)								
Disbursements	\$ (564)	\$ 614	\$ (1,601)	\$ (1,202)	\$ 40,105	\$ 41,420	\$ 328	\$ (612)
 Cash, January 1	<u>4,495</u>	<u>4,495</u>	<u>5,697</u>	<u>5,697</u>	<u>424</u>	<u>424</u>	<u>1,036</u>	<u>1,036</u>
 Cash, December 31	<u><u>\$ 3,931</u></u>	<u><u>\$ 5,109</u></u>	<u><u>\$ 4,096</u></u>	<u><u>\$ 4,495</u></u>	<u><u>\$ 40,529</u></u>	<u><u>\$ 41,844</u></u>	<u><u>\$ 1,364</u></u>	<u><u>\$ 424</u></u>

See Notes to the Financial Statements

The County of Oregon
Alton, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Senior Citizens Service Board				Sheriff Revolving Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 42,500	\$ 42,932	\$ 43,500	\$ 41,319	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	8,200	5,532	-	-
Interest	-	-	-	-	-	15	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 42,500</u>	<u>\$ 42,932</u>	<u>\$ 43,500</u>	<u>\$ 41,319</u>	<u>\$ 8,200</u>	<u>\$ 5,547</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	2,000	227	-	-
Services and Other	47,750	43,805	45,250	40,233	2,000	1,138	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 47,750</u>	<u>\$ 43,805</u>	<u>\$ 45,250</u>	<u>\$ 40,233</u>	<u>\$ 4,000</u>	<u>\$ 1,365</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (5,250)	\$ (873)	\$ (1,750)	\$ 1,086	\$ 4,200	\$ 4,182	\$ -	\$ -
Cash, January 1	<u>7,652</u>	<u>7,652</u>	<u>6,566</u>	<u>6,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u>\$ 2,402</u>	<u>\$ 6,779</u>	<u>\$ 4,816</u>	<u>\$ 7,652</u>	<u>\$ 4,200</u>	<u>\$ 4,182</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

The County of Oregon
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Sheriff Civil Fund				Inmate Security Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,500	10,194	8,900	9,873	-	-	-	-
Charges for Services	-	-	-	-	833	636	-	-
Interest	80	113	35	80	-	2	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 9,580</u>	<u>\$ 10,307</u>	<u>\$ 8,935</u>	<u>\$ 9,953</u>	<u>\$ 833</u>	<u>\$ 638</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	7,500	3,109	1,513	2,967	200	-	-	-
Capital Outlay	6,000	253	12,287	10,338	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 13,500</u>	<u>\$ 3,362</u>	<u>\$ 13,800</u>	<u>\$ 13,305</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Receipts Over (Under)								
Disbursements	\$ (3,920)	\$ 6,945	\$ (4,865)	\$ (3,352)	\$ 633	\$ 638	\$ -	\$ -
 Cash, January 1	<u>6,106</u>	<u>6,106</u>	<u>9,458</u>	<u>9,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash, December 31	<u><u>\$ 2,186</u></u>	<u><u>\$ 13,051</u></u>	<u><u>\$ 4,593</u></u>	<u><u>\$ 6,106</u></u>	<u><u>\$ 633</u></u>	<u><u>\$ 638</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements

The County of Oregon
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2011 & 2010

	Senate Bill 40 Board			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 70,100	\$ 83,714	\$ 81,000	\$ 81,731
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	2,989	850	885
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 70,100</u>	<u>\$ 86,703</u>	<u>\$ 81,850</u>	<u>\$ 82,616</u>
 <u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	70,100	70,100	70,100	70,100
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 70,100</u>	<u>\$ 70,100</u>	<u>\$ 70,100</u>	<u>\$ 70,100</u>
 Receipts Over (Under)				
Disbursements	\$ -	\$ 16,603	\$ 11,750	\$ 12,516
 Cash, January 1	<u>59,026</u>	<u>59,026</u>	<u>46,510</u>	<u>46,510</u>
Cash, December 31	<u>\$ 59,026</u>	<u>\$ 75,629</u>	<u>\$ 58,260</u>	<u>\$ 59,026</u>

See Notes to Financial Statements

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Oregon was named after the Oregon Territory and is home to a large area of the Mark Twain National Forest. Oregon County is a county-organized, third-class county and is part of the Thirty-Seventh Judicial Circuit. The county seat is Alton. Oregon County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

Reporting Entity

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

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

The financial statements referred to above include only the primary government of Oregon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Oregon County's legal entity. The Oregon County Senior Citizen's Service Board and Senate Bill 40 Board are controlled by separate boards and are also included under the control of Oregon County.

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

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Oregon County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

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

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

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

Budget and Budgetary Accounting

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

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

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Operation Cash Crop Fund for 2010 and the Prosecuting Attorney Bad Check Fund for 2011 had expenses exceeding their respective budgets. Also, the County budgeted a deficit for the River/Forest Patrol Fund for 2010.

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

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

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

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

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

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

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

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

	<u>2011</u>	<u>2010</u>
Real Estate	55,833,489	54,689,786
Personal Property	21,254,417	21,192,779
Railroad and Utilities	7,137,334	7,105,527
	<u>84,225,240</u>	<u>\$ 82,988,092</u>

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

	<u>2011</u>	<u>2010</u>
General Revenue Fund	\$ 0.1046	\$ 0.1128
Road and Bridge Fund	0.2680	0.2690
Senate Bill 40 Board	0.0998	0.1000
Senior Citizens Service Board	0.0499	0.0500

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

Cash Deposits and Investments

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

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

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

Note 2 - Deposits and Investments

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

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2011 and 2010, the carrying amount of Oregon County's deposits was \$1,448,055 and \$1,104,652 and the bank balance was \$1,508,837 and \$1,150,455, respectively. As of December 31, 2011, 100% of Oregon County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

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

Deposits	\$ 623,246
Investments	824,809
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2011	<u><u>\$ 1,448,055</u></u>

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

Deposits	\$ 280,038
Investments	824,614
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2010	<u><u>\$ 1,104,652</u></u>

Custodial Credit Risk - Deposits

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

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

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

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

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

Note 3 - Interfund Transfers

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

Fund	2011		2010	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 493	\$ 29,804	\$ 3,270	\$ 24,882
Assessment	29,804	-	24,882	506
Unclaimed Fees	-	-	-	1
River/Forest Patrol	-	453	-	1,481
Operation Cash Crop	-	40	-	1,282
Total	<u>\$ 30,297</u>	<u>\$ 30,297</u>	<u>\$ 28,152</u>	<u>\$ 28,152</u>

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 4 - County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits:

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

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO, 65102, or by calling 1-877-632-2373.

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2011 and 2010, the County collected and remitted to CERF, employee contributions of \$36,052 and \$31,655, respectively, for the years then ended.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Oregon County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Oregon County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2011 and 2010.

The County of Oregon
Alton, Missouri
Notes to the Financial Statements
Years Ended December 31, 2011 & 2010

Note 6 - Post-Employment Benefits

Oregon 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 Oregon County.

Note 7 - Claims, Commitments and Contingencies

Litigation

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

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. Sick time is paid for at the rate of 50% for any unused sick pay up to 240 hours. These have not been subjected to auditing procedures.

Note 8 - Risk Management

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

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

Note 9 - Subsequent Events

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 9, 2012, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



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

To the County Commission and
Officeholders of Oregon County, Missouri

We have audited the accompanying financial statements of Oregon County, Missouri as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 9, 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 Oregon County, Missouri, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oregon County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oregon County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oregon County, Missouri's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oregon County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant

10425 Old Olive
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Suite 101

Creve Coeur,
Missouri 63141

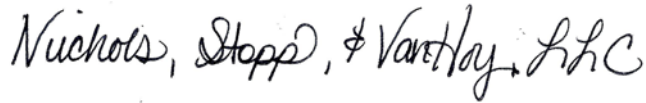
PHONE:
314-569-3800
FAX:
314-569-0020

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

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

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

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

Creve Coeur, Missouri
July 9, 2012



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

To the County Commission and
Officeholders of Oregon County, Missouri

Compliance

We have audited Oregon 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 Oregon County, Missouri's major federal program for the years ended December 31, 2011 and 2010. Oregon County, Missouri'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 each of its major federal programs is the responsibility of Oregon County, Missouri's management. Our responsibility is to express an opinion on Oregon County, Missouri's compliance based on our audit.

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

In our opinion, Oregon 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

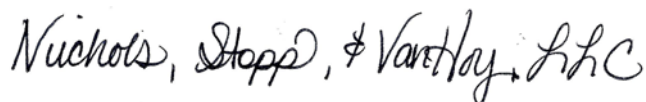
Management of Oregon County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Oregon County, Missouri's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

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

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

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

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

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

Creve Coeur, Missouri
July 9, 2012

**The County of Oregon
Alton, Missouri
Schedule of Expenditures of Federal Awards
Years Ended December 31, 2011 & 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2011	2010
U.S. Department of Agriculture				
Passed through state:				
Office of Administration -				
Schools and Roads - Grants to States	10.665	N/A	\$ 535,539	\$ 534,514
Community Facilities Loans and Grants	10.766	3570-B	-	22,500
Total U.S. Department of Agriculture			535,539	557,014
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	N/A	80,575	96,035
U.S. Department of Justice				
Passed through state:				
Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	7,409
General Services Administration				
Passed through state:				
Office of Secretary of State -				
Election Reform Payments	39.011	N/A	2,513	-
Election Assistance Commission				
Passed through state:				
Office of Secretary of State -				
Help America Vote Act Requirements Payments	90.401	N/A	1,382	-
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	Title IV-D	452	584
U.S. Department of Homeland Security				
Passed through state:				
Department of Public Safety -				
Disaster Grants - Public Assistance Grants	97.036	FEMA-1980-DR-MO	150,922	-
Emergency Management Performance Grants	97.042	EMW-2011-EP-00004-S01	1,500	3,000
Total U.S. Department of Homeland Security			152,422	3,000
Total Expenditures of Federal Awards			\$ 772,883	\$ 664,042

The County of Oregon
Alton, Missouri
Notes to Schedule of Expenditures of Federal Awards
Years Ended December 31, 2011 & 2010

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

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

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

Basis of Presentation

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

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

Basis of Accounting

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

Note 2 - Subrecipients

The County did not pass through any federal funds for the years ended December 31, 2011 & 2010.

The County of Oregon
Alton, Missouri
Schedule of Findings and Questioned Cost
Years ended December 31, 2011 & 2010

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

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

Unqualified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number

10.665

Name of Federal Program or Cluster
Schools and Roads - Grants to States

Dollar threshold used to distinguish
between type A and type B programs:

 \$300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

The County of Oregon
Alton, Missouri
Schedule of Findings and Questioned Cost
Years ended December 31, 2011 & 2010

Section 2 - Financial Statement Findings

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

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

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

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

Management's Response: County officials are taking the necessary steps to prepare the financial statements in the future.

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

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

Cause: Management has not prepared documentation of internal control.

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

Management's Response: The county will develop the required internal control documentation.

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

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

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

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The county will develop the required internal control documentation.

The County of Oregon
Alton, Missouri
Schedule of Findings and Questioned Cost
Years ended December 31, 2011 & 2010

Section 2 - Financial Statement Findings (Continued)

11/10-4 Condition: During our audit, we noted two funds with actual expenditures that exceeded the budgeted expenditures and one fund which was deficit budgeted.

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

Cause: Oversight

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

Management's Response: The County will continue to monitor budgets and amend as needed.

Section 3 - Federal Award Findings and Questioned Cost

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

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

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

Effect: Federal expenditures reported on the SEFA were incorrect.

Recommendation: We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

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

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

Prior Year Financial Statement Findings

08/09-1 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: The County should consider alternatives available that would eliminate this situation.

Management's Response: County officials are taking the necessary steps to prepare the financial statements in the future.

Status: The County has not corrected this finding and it will be repeated as 11/10-1 in the current year.

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

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

08/09-02 Recommendation: We recommend that the County develop the required internal control documentation. In (Cont.) addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will develop the required internal control documentation.

Status: The County has not corrected this finding and it will be repeated as 11/10-2 in the current year.

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

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

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

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will develop the required internal control documentation.

Status: The County has not corrected this finding and it will be repeated as 11/10-3 in the current year.

Prior Year Federal Award Findings and Questioned Cost

SA 08/09-01 Information on the Federal Program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditure of Federal Awards (SEFA) was prepared with incorrect financial information.

Questions Cost: Not applicable

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

SA 08/09-01 Context: During the audit of federal programs we discovered a number of errors related to the Schedule of (Cont.) Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of Responsible Officials and Planned Corrective Actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

Status: The County has not corrected this finding and it will be repeated as 11/10-5 in the current year.