



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

To the County Commission  
and  
Officeholders of Wayne County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Wayne 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 Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name and title.

Thomas A. Schweich  
State Auditor

August 2012  
Report No. 2012-92

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2011 & 2010

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GREENVILLE, MISSOURI  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Wayne, Missouri

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

Except as discussed in the following paragraph, 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 the 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 opinion.

During the course of our audit, we noted there were inadequate controls over the collection and deposits of fees collected in the Recorder's office during 2010. Upon further testing of this office's deposits, we noted reimbursements to this office's accounts. We were unable to determine the amount that was under deposited in total for this office. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the receipt records are recorded in the financial statements referred to above.

As described more fully in Note I, these financial statements were prepared 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 the County of Wayne, Missouri, as of December 31, 2011 and 2010, or the changes in its financial position for the years then ended.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the receipts of the Recorder's office, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Wayne, Missouri, as of and for the years ended December 31, 2011 and 2010, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 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 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 performed for the purpose of forming our opinion on the financial statements that collectively comprise the County's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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 expenditures of federal awards is not fairly stated in all material respects in relation to the financial statements as a whole due to the Schools and Roads – Grants to States program not being auditable.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2012

## **FINANCIAL STATEMENTS**

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
STATEMENT OF RECEIPT, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH AND INVESTMENT BALANCES DECEMBER 31, 2011
General Revenue	\$ 4,135.87	\$ 1,882,023.21	\$ 1,878,611.08	\$ 7,548.00
Special Road & Bridge	71,926.27	2,010,077.28	1,860,486.02	221,517.53
Assessment	17,735.05	154,215.47	146,807.64	25,142.88
Prosecuting Attorney Training Fund	2,241.50	888.87	840.99	2,289.38
Law Enforcement Training Fund	550.48	4,715.89	4,370.70	895.67
Domestic Violence/Special Trust Fund	-	747.47	-	747.47
Delinquent Tax Fund	1,657.01	-	-	1,657.01
Financial Institution Tax Fund	484.90	115.39	485.78	114.51
Unclaimed Fees Fund	158.98	439.93	182.06	416.85
Landfill Fund	11,351.82	200.23	-	11,552.05
Law Enforcement Restitution Fund	2,069.42	53,405.89	53,659.16	1,816.15
Recorder Users Fund	1,519.01	33,743.38	26,098.97	9,163.42
Sheriff's Civil Fund	719.63	18,615.27	19,226.85	108.05
Sheriff's Revolving Fund	865.51	10,191.27	10,911.02	145.76
Special Check Fund	3,094.63	12,978.17	4,266.86	11,805.94
Special Law Enforcement Fund	25,262.82	118,628.86	101,797.32	42,094.36
Sheriff's Agency Fund	718.84	9,623.46	10,145.93	196.37
Law Library Fund	2,074.15	7,236.97	6,725.82	2,585.30
Election Services Fund	4,247.90	7,790.30	5,046.95	6,991.25
Tax Maintenance Fund	1,404.11	17,176.77	12,765.41	5,815.47
Senate Bill 40	125,912.11	102,331.00	64,373.91	163,869.20
TOTAL	\$ 278,130.01	\$ 4,445,145.08	\$ 4,206,802.47	\$ 516,472.62

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENT BALANCES DECEMBER 31, 2010
General Revenue	\$ 35,146.01	\$ 1,917,401.25	\$ 1,948,411.39	\$ 4,135.87
Special Road & Bridge	95,310.86	1,941,265.80	1,964,650.39	71,926.27
Assessment	21,768.38	150,961.92	154,995.25	17,735.05
Prosecuting Attorney Training Fund	1,516.73	724.77	-	2,241.50
Law Enforcement Training Fund	424.34	4,126.95	4,000.81	550.48
Domestic Violence/Special Trust Fund	696.00	796.99	1,492.99	-
Delinquent Tax Fund	1,657.01	-	-	1,657.01
Financial Institution Tax Fund	6,139.30	520.87	6,175.27	484.90
Unclaimed Fees Fund	418.43	223.53	482.98	158.98
Landfill Fund	11,148.55	203.27	-	11,351.82
Law Enforcement Restitution Fund	169.14	46,697.60	44,797.32	2,069.42
Recorder Users Fund	12,221.87	13,159.30	23,862.16	1,519.01
Sheriff's Civil Fund	925.07	11,085.72	11,291.16	719.63
Sheriff's Revolving Fund	4,784.81	8,031.65	11,950.95	865.51
Special Check Fund	24,633.24	21,808.09	43,346.70	3,094.63
Special Law Enforcement Fund	19,942.98	62,344.08	57,024.24	25,262.82
Sheriff's Agency Fund	3,764.58	5,801.73	8,847.47	718.84
Law Library Fund	2,283.89	6,993.36	7,203.10	2,074.15
Election Services Fund	6,294.43	4,312.34	6,358.87	4,247.90
Tax Maintenance Fund	1,977.30	16,909.03	17,482.22	1,404.11
Senate Bill 40	101,047.96	88,023.09	63,158.94	125,912.11
TOTAL	<u>\$ 352,270.88</u>	<u>\$ 4,301,391.34</u>	<u>\$ 4,375,532.21</u>	<u>\$ 278,130.01</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	GENERAL REVENUE FUND			
	2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 205,000.00	\$ 198,978.81	\$ 202,000.00	\$ 253,264.77
Sales Taxes	455,000.00	453,699.40	450,000.00	454,229.06
Intergovernmental	554,869.61	445,010.10	620,881.19	470,108.91
Charges for Services	225,676.00	221,922.80	197,950.00	202,446.78
Interest	700.00	437.78	1,000.00	805.85
Other	368,360.00	426,708.63	287,214.80	383,739.97
Transfers In	260,419.52	135,265.69	351,594.57	152,805.91
TOTAL RECEIPTS	2,070,025.13	1,882,023.21	2,110,640.56	1,917,401.25
DISBURSEMENTS				
County Commission	80,281.64	80,041.87	80,986.64	78,816.92
County Clerk	64,184.56	63,820.04	64,884.24	64,273.38
Elections	45,474.00	38,280.15	134,831.40	121,917.58
Buildings and Grounds	52,115.68	51,064.84	53,495.16	47,686.75
Employee Fringe Benefits	282,802.94	278,834.67	305,700.00	279,410.81
County Treasurer	40,047.40	40,027.61	41,347.40	39,983.78
Collector	80,326.17	78,847.33	86,787.54	81,955.79
Recorder of Deeds	54,097.00	51,794.99	49,132.40	45,867.17
Circuit Clerk	19,602.00	12,737.59	24,200.00	23,371.23
Associate Circuit Court	1,000.00	-	1,000.00	983.78
Court Administration	5,150.00	2,730.57	5,150.00	3,032.21
Public Administrator	26,560.00	25,989.62	26,560.00	26,553.67
Sheriff	323,043.72	324,145.47	295,371.96	288,177.00
Jail	281,259.60	270,827.13	296,353.21	283,865.45
Prosecuting Attorney	59,244.72	59,211.77	103,107.14	98,113.35
Juvenile Officer	41,507.95	41,507.95	43,988.04	43,988.04
Coroner	20,867.52	20,319.16	18,952.52	17,064.78
Health and Welfare	47,008.50	43,498.00	47,008.50	42,263.00
Debt Service	-	-	-	-
Transfers Out	39,000.00	39,000.00	121,028.61	59,454.67
Emergency Fund	-	-	-	-
Other	462,127.08	355,932.32	339,350.78	301,632.03
TOTAL DISBURSEMENTS	2,025,700.48	1,878,611.08	2,139,235.54	1,948,411.39
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	44,324.65	3,412.13	(28,594.98)	(31,010.14)
CASH AND INVESTMENT				
BALANCES, JANUARY 1	4,135.87	4,135.87	35,146.01	35,146.01
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 48,460.52	\$ 7,548.00	\$ 6,551.03	\$ 4,135.87

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

SPECIAL ROAD & BRIDGE FUND				
	2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 132,000.00	\$ 138,496.23	\$ 140,610.69	\$ 122,112.57
Sales Taxes	455,000.00	453,702.94	450,000.00	454,224.79
Intergovernmental	1,517,896.81	1,239,142.23	1,323,367.23	1,160,928.73
Charges for Services	-	-	-	-
Interest	100.00	115.89	1,700.00	91.52
Other	132,800.00	145,619.99	145,123.94	163,908.19
Transfers In	33,000.00	33,000.00	-	40,000.00
TOTAL RECEIPTS	2,270,796.81	2,010,077.28	2,060,801.86	1,941,265.80
DISBURSEMENTS				
Salaries	415,000.00	411,721.78	426,000.00	414,827.80
Employee Fringe Benefits	127,100.00	119,998.75	132,200.00	118,362.88
Supplies	445,700.00	376,796.45	429,971.58	287,913.46
Insurance	38,600.00	39,737.12	45,000.00	35,881.00
R & B Materials	148,402.84	304,188.15	214,630.04	220,956.22
Equipment Repairs	50,000.00	23,945.50	-	-
Equipment Purchases	-	-	50,000.00	47,924.64
R & B Construction	465,909.09	213,816.88	674,648.90	635,384.17
Other	92,478.87	266,511.15	78,662.20	78,662.20
Transfers Out	280,432.28	103,770.24	105,000.00	124,738.02
TOTAL DISBURSEMENTS	2,063,623.08	1,860,486.02	2,156,112.72	1,964,650.39
RECEIPTS OVER (UNDER) DISBURSEMENTS	207,173.73	149,591.26	(95,310.86)	(23,384.59)
CASH AND INVESTMENT BALANCES, JANUARY 1	71,926.27	71,926.27	95,310.86	95,310.86
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 279,100.00	\$ 221,517.53	\$ -	\$ 71,926.27

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	ASSESSMENT FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 135,336.00	\$145,305.59	\$ 153,290.67	\$126,175.11	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	2,640.00	2,909.88	3,050.00	5,332.14	900.00	888.87	1,000.00	724.77
Transfers In	-	6,000.00	-	19,454.67	-	-	-	-
TOTAL RECEIPTS	137,976.00	154,215.47	156,340.67	150,961.92	900.00	888.87	1,000.00	724.77
DISBURSEMENTS								
Salaries	98,552.36	97,244.82	112,607.48	106,907.29	-	-	-	-
Office Expenses	11,350.00	10,073.66	13,350.00	10,035.95	-	-	-	-
Equipment	11,575.00	6,924.16	10,900.00	7,864.00	-	-	-	-
Fringe Benefits	19,650.00	19,854.39	27,000.00	23,103.14	-	-	-	-
Other	9,210.00	12,710.61	10,050.00	7,084.87	-	-	-	-
Tuition	-	-	-	-	2,900.00	840.99	2,516.73	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	150,337.36	146,807.64	173,907.48	154,995.25	2,900.00	840.99	2,516.73	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,361.36)	7,407.83	(17,566.81)	(4,033.33)	(2,000.00)	47.88	(1,516.73)	724.77
CASH AND INVESTMENT BALANCES, JANUARY 1	17,735.05	17,735.05	21,768.38	21,768.38	2,241.50	2,241.50	1,516.73	1,516.73
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,373.69	\$ 25,142.88	\$ 4,201.57	\$ 17,735.05	\$ 241.50	\$ 2,289.38	\$ -	\$ 2,241.50

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	LAW ENFORCEMENT TRAINING FUND				DOMESTIC VIOLENCE/SPECIAL TRUST FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 747.47	\$ 800.00	\$ 796.99
Charges for Services	-	-	-	-	-	-	-	-
Interest	2.00	-	-	1.19	-	-	-	-
Other	4,350.00	4,715.89	4,664.00	4,125.76	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,352.00	4,715.89	4,664.00	4,126.95	1,000.00	747.47	800.00	796.99
DISBURSEMENTS								
Mileage/Training	4,900.00	4,370.70	5,000.00	4,000.81	-	-	-	-
Other	-	-	-	-	-	-	1,496.00	1,492.99
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,900.00	4,370.70	5,000.00	4,000.81	-	-	1,496.00	1,492.99
RECEIPTS OVER (UNDER) DISBURSEMENTS	(548.00)	345.19	(336.00)	126.14	1,000.00	747.47	(696.00)	(696.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	550.48	550.48	424.34	424.34	-	-	696.00	696.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2.48	\$ 895.67	\$ 88.34	\$ 550.48	\$ 1,000.00	\$ 747.47	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	DELINQUENT TAX FUND				FINANCIAL INSTITUTION TAX FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,000.00	-	700.00	-	5,000.00	115.39	10,000.00	520.87
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.00	-	700.00	-	5,000.00	115.39	10,000.00	520.87
DISBURSEMENTS								
Other	2,657.01	-	2,357.01	-	600.00	485.78	7,000.00	6,175.27
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,657.01	-	2,357.01	-	600.00	485.78	7,000.00	6,175.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,657.01)	-	(1,657.01)	-	4,400.00	(370.39)	3,000.00	(5,654.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,657.01	1,657.01	1,657.01	1,657.01	484.90	484.90	6,139.30	6,139.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 1,657.01	\$ -	\$ 1,657.01	\$ 4,884.90	\$ 114.51	\$ 9,139.30	\$ 484.90

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	UNCLAIMED FEES FUND				LANDFILL FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 300.00	\$ 200.23	\$ 400.00	\$ 203.27
Other	1,000.00	439.93	1,000.00	223.53	-	-	-	-
Charges for Service	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.00	439.93	1,000.00	223.53	300.00	200.23	400.00	203.27
DISBURSEMENTS								
Other	1,158.98	182.06	1,418.43	482.98	-	-	-	-
TOTAL DISBURSEMENTS	1,158.98	182.06	1,418.43	482.98	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(158.98)	257.87	(418.43)	(259.45)	300.00	200.23	400.00	203.27
CASH AND INVESTMENT BALANCES, JANUARY 1	158.98	158.98	418.43	418.43	11,351.82	11,351.82	11,148.55	11,148.55
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 416.85	\$ -	\$ 158.98	\$ 11,651.82	\$ 11,552.05	\$ 11,548.55	\$ 11,351.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	LAW ENFORCEMENT RESTITUTION FUND				RECORDERS USERS FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 53,990.00	\$ 53,404.31	\$ 49,990.86	\$ 46,694.09	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	8,900.00	9,556.25	8,800.00	7,748.26
Interest	10.00	1.58	9.14	3.51	15.00	12.13	70.00	11.04
Other	-	-	-	-	26,085.00	24,175.00	5,400.00	5,400.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	54,000.00	53,405.89	50,000.00	46,697.60	35,000.00	33,743.38	14,270.00	13,159.30
DISBURSEMENTS								
Supplies and Equipment	-	-	-	-	13,073.66	12,404.97	11,400.00	11,340.96
Other	36,000.00	35,857.71	50,169.14	29,250.63	4,240.00	-	-	-
Transfers Out	20,000.00	17,801.45	-	15,546.69	9,686.34	13,694.00	12,600.00	12,521.20
TOTAL DISBURSEMENTS	56,000.00	53,659.16	50,169.14	44,797.32	27,000.00	26,098.97	24,000.00	23,862.16
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(2,000.00)	(253.27)	(169.14)	1,900.28	8,000.00	7,644.41	(9,730.00)	(10,702.86)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	2,069.42	2,069.42	169.14	169.14	1,519.01	1,519.01	12,221.87	12,221.87
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 69.42	\$ 1,816.15	\$ -	\$ 2,069.42	\$ 9,519.01	\$ 9,163.42	\$ 2,491.87	\$ 1,519.01

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	SHERIFF'S CIVIL FUND				SHERIFF'S REVOLVING FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2.00	1.67	-	1.29	8.00	3.02	-	7.65
Charges for Services	-	-	-	-	-	-	-	-
Other	19,200.00	18,613.60	17,000.00	11,084.43	10,183.25	10,188.25	8,100.00	8,024.00
TOTAL RECEIPTS	19,202.00	18,615.27	17,000.00	11,085.72	10,191.25	10,191.27	8,100.00	8,031.65
DISBURSEMENTS								
Supplies	-	-	-	-	-	425.02	-	-
Other	19,921.63	19,226.85	17,500.00	11,291.16	10,911.02	10,486.00	12,000.00	11,950.95
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	19,921.63	19,226.85	17,500.00	11,291.16	10,911.02	10,911.02	12,000.00	11,950.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	(719.63)	(611.58)	(500.00)	(205.44)	(719.77)	(719.75)	(3,900.00)	(3,919.30)
CASH AND INVESTMENT BALANCES, JANUARY 1	719.63	719.63	925.07	925.07	865.51	865.51	4,784.81	4,784.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 108.05	\$ 425.07	\$ 719.63	\$ 145.74	\$ 145.76	\$ 884.81	\$ 865.51

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	SPECIAL CHECK FUND				SPECIAL LAW ENFORCEMENT FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 14,900.00	\$ 12,967.86	\$ 22,000.00	\$ 21,783.90	\$ -	\$ -	\$ -	\$ -
Charges For Service	-	-	-	-	-	-	-	-
Interest	100.00	10.31	-	24.19	-	36.26	-	-
Other	-	-	-	-	125,000.00	118,592.60	65,000.00	62,344.08
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	15,000.00	12,978.17	22,000.00	21,808.09	125,000.00	118,628.86	65,000.00	62,344.08
DISBURSEMENTS								
Salaries	15,000.00	-	40,000.00	38,106.80	-	92,321.81	15,500.00	12,608.66
Law Enforcement Purposes	-	-	-	-	-	9,475.51	64,500.00	44,415.58
Other	2,094.63	4,266.86	5,500.00	5,239.90	110,000.00	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	17,094.63	4,266.86	45,500.00	43,346.70	110,000.00	101,797.32	80,000.00	57,024.24
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,094.63)	8,711.31	(23,500.00)	(21,538.61)	15,000.00	16,831.54	(15,000.00)	5,319.84
CASH AND INVESTMENT BALANCES, JANUARY 1	3,094.63	3,094.63	24,633.24	24,633.24	25,262.82	25,262.82	19,942.98	19,942.98
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,000.00	\$ 11,805.94	\$ 1,133.24	\$ 3,094.63	\$ 40,262.82	\$ 42,094.36	\$ 4,942.98	\$ 25,262.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	SHERIFF'S AGENCY FUND				LAW LIBRARY FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	5.00	1.00	-	4.82	-	2.97	-	-
Other	9,618.43	9,622.46	7,500.00	5,796.91	8,000.00	7,234.00	7,000.00	6,993.36
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,623.43	9,623.46	7,500.00	5,801.73	8,000.00	7,236.97	7,000.00	6,993.36
DISBURSEMENTS								
Supplies and Equipment	7,070.93	10,145.93	11,000.00	8,847.47	-	-	-	-
Other	3,075.00	-	-	-	10,074.15	6,725.82	9,283.89	7,203.10
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,145.93	10,145.93	11,000.00	8,847.47	10,074.15	6,725.82	9,283.89	7,203.10
RECEIPTS OVER (UNDER) DISBURSEMENTS	(522.50)	(522.47)	(3,500.00)	(3,045.74)	(2,074.15)	511.15	(2,283.89)	(209.74)
CASH AND INVESTMENT BALANCES, JANUARY 1	718.84	718.84	3,764.58	3,764.58	2,074.15	2,074.15	2,283.89	2,283.89
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 196.34	\$ 196.37	\$ 264.58	\$ 718.84	\$ -	\$ 2,585.30	\$ -	\$ 2,074.15

financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	ELECTION SERVICES FUND				TAX MAINTENANCE FUND			
	2011		2010		2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ 5,532.23	\$ 7,781.30	\$ 4,100.00	\$ 3,118.53	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,700.00	1,170.00	-	-	-	-
Interest	30.00	9.00	35.00	23.81	5.00	4.95	5.00	4.55
Other	-	-	-	-	17,000.00	17,171.82	16,500.00	16,904.48
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,562.23	7,790.30	6,835.00	4,312.34	17,005.00	17,176.77	16,505.00	16,909.03
DISBURSEMENTS								
Office Expenses	-	-	-	-	8,214.11	4,572.86	5,521.80	4,037.77
Mileage & Training	-	-	-	-	1,000.00	317.88	700.00	1,266.20
Other	6,755.00	5,046.95	10,000.00	6,358.87	9,195.00	7,874.67	18,482.30	12,178.25
Transfers Out	1,245.00	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,000.00	5,046.95	10,000.00	6,358.87	18,409.11	12,765.41	24,704.10	17,482.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,437.77)	2,743.35	(3,165.00)	(2,046.53)	(1,404.11)	4,411.36	(8,199.10)	(573.19)
CASH AND INVESTMENT BALANCES, JANUARY 1	4,247.90	4,247.90	6,294.43	6,294.43	1,404.11	1,404.11	1,977.30	1,977.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1,810.13</u>	<u>\$ 6,991.25</u>	<u>\$ 3,129.43</u>	<u>\$ 4,247.90</u>	<u>\$ (0.00)</u>	<u>\$ 5,815.47</u>	<u>\$ (6,221.80)</u>	<u>\$ 1,404.11</u>

financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2011 AND 2010

	SENATE BILL 40			
	2011		2010	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 89,000.00	\$ 99,162.00	\$ 95,000.00	\$ 86,464.59
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	1,271.92
Charges For Service	-	-	-	-
Interest	300.00	169.00	250.00	286.58
Other	-	3,000.00	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	89,300.00	102,331.00	95,250.00	88,023.09
DISBURSEMENTS				
Senate Bill 40	77,900.00	64,373.91	76,850.00	63,158.94
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	77,900.00	64,373.91	76,850.00	63,158.94
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,400.00	37,957.09	18,400.00	24,864.15
CASH AND INVESTMENT BALANCES, JANUARY 1	125,912.11	125,912.11	101,047.96	101,047.96
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 137,312.11</u>	<u>\$ 163,869.20</u>	<u>\$ 119,447.96</u>	<u>\$ 125,912.11</u>

financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	County Capital	Flood Control	Forrest Reserve	Title III	Deputy Salary Supplement	SEMA Flood Buyout
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	CDBG Flood Buyout	Surplus Tax	Cerf	Lowndes Firehouse Project	Commissary	Recorder of Deeds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ 69,622.99	\$ 4,357.68	\$ -	\$ 1,362.74	\$ 7,103.56
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	69,622.99	4,357.68	-	1,362.74	7,103.56
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	69,622.99	4,357.68	-	1,362.74	7,103.56
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 69,622.99	\$ 4,357.68	\$ -	\$ 1,362.74	\$ 7,103.56

	Drug Court	Special Election	Sheriff's Special	Sheriff's Seizure	Inmate Security	Collector Online Payment
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 35,617.23	\$ 34,526.00	\$ 9,632.32	\$ 6,646.00	\$ 340.50	\$ 49,974.68
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	35,617.23	34,526.00	9,632.32	6,646.00	340.50	49,974.68
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	35,617.23	34,526.00	9,632.32	6,646.00	340.50	49,974.68
TOTAL LIABILITIES AND FUND BALANCES	\$ 35,617.23	\$ 34,526.00	\$ 9,632.32	\$ 6,646.00	\$ 340.50	\$ 49,974.68

	Collector	Fiduciary Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,123,490.96	\$ 4,342,674.66
Investments		
Other Investments	-	-
Total Investments	-	-
Total Assets	4,123,490.96	4,342,674.66
<b>LIABILITIES AND FUND BALANCES</b>		
TOTAL LIABILITIES	-	-
UNRESERVED FUND BALANCES	4,123,490.96	4,342,674.66
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,123,490.96	\$ 4,342,674.66

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2010

	County Capital	Flood Control	Forrest Reserve	Title III	Deputy Salary Supplement	SEMA Flood Buyout
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 390.00	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	-	390.00	-
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	390.00	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390.00</u>	<u>\$ -</u>

	CDBG Flood Buyout	Surplus Tax	Cerf	Recorder of Deeds	Commissary	Drug Court
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ 62,951.16	\$ 4,515.97	\$ 8,390.69	\$ 1,316.26	\$ 23,989.12
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	62,951.16	4,515.97	8,390.69	1,316.26	23,989.12
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	62,951.16	4,515.97	8,390.69	1,316.26	23,989.12
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 62,951.16</u>	<u>\$ 4,515.97</u>	<u>\$ 8,390.69</u>	<u>\$ 1,316.26</u>	<u>\$ 23,989.12</u>

	Collector	Special Election	Sheriff's Special	Sheriff's Seizure	Inmate Security	Collector Online Payment
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,095,607.72	\$ -	\$ 8,782.54	\$ 6,646.00	\$ 22.00	\$ (26.34)
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	4,095,607.72	-	8,782.54	6,646.00	22.00	(26.34)
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,095,607.72	-	8,782.54	6,646.00	22.00	(26.34)
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,095,607.72</u>	<u>\$ -</u>	<u>\$ 8,782.54</u>	<u>\$ 6,646.00</u>	<u>\$ 22.00</u>	<u>\$ (26.34)</u>

	Total Fiduciary Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,212,585.12
Investments	
Other Investments	-
Total Investments	-
Total Assets	4,212,585.12
<b>LIABILITIES AND FUND BALANCES</b>	
TOTAL LIABILITIES	-
UNRESERVED FUND BALANCES	4,212,585.12
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,212,585.12</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wayne, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, 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).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

The financial statements referred to above include only the primary government of Wayne County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.



THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

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 the 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.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. 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 OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

3. 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.
4. 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.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. 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 information in the 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.

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

E. Property 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 COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

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

	<u>2011</u>	<u>2010</u>
Real Estate	\$ 80,959,040	\$ 81,671,470
Personal Property	29,084,894	29,803,510
Railroad and Utilities	<u>14,208,768</u>	<u>13,484,133</u>
	<u>\$ 124,252,702</u>	<u>\$ 124,959,113</u>

During 2011 and 2010, the County Commission approved a \$0.3346 and \$0.3350 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property for the calendar year 2011 and 2010, for purpose of County taxation, as follows:

	<u>2011</u>	<u>2010</u>
General Revenue Fund	\$ 0.1446	\$ 0.1450
Special R&B Fund	0.1100	0.1100
Senate Bill 40	<u>0.0800</u>	<u>0.0800</u>
	<u>\$ 0.3346</u>	<u>\$ 0.3350</u>

F. 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 based on a weighted average of cash balance. Cash equivalents include any 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 investment 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 the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The 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 as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2011 and 2010, the carrying amount of the County's deposits was \$516,472.62 and \$278,130.01, and the bank balance was \$3,465,358.30 and \$3,022,659.93, respectively. As of December 31, 2011 and 2010, the County's investments were \$125,178.41 and \$123,343.66, respectively.

SUMMARY OF CARRYING VALUES

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

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash  
and Investments – Governmental Funds:

Deposits	\$ 391,294.21
Investments	125,178.41
Total Governmental Funds	<u>516,472.62</u>

Statement of Assets and Liabilities Arising From Cash  
Transactions – Agency Funds:

Deposits	4,342,674.66
Investments	<u>-</u>

Total Deposits & Investments as of December 31, 2011	\$ <u>4,859,147.28</u>
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THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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II. DEPOSITS AND INVESTMENTS (continued)

The carrying values of deposits and investments at December 31, 2010, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash  
and Investments – Governmental Funds:

Deposits	\$ 154,786.35
Investments	123,343.66
Total Governmental Funds	<u>278,130.01</u>

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits	4,212,585.12
Investments	<u>-</u>

Total Deposits & Investments as of December 31, 2010	\$ <u><u>4,490,715.13</u></u>
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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. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2011 and 2010.

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 who sold the security to the County or its agent but not in the government's name. The 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 the 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. The 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.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the 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). The 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. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2011 and 2010.

III. LONG-TERM DEBT

Capital lease – In 2009, a capital lease was obtained for a 2009 Caterpillar wheel loader. The lease matures June 25, 2014, and the interest rate is 3.45%.

Capital lease – In 2008, a capital lease was obtained for a 2008 John Deere motor grader. The lease matures July 01, 2013, and the interest rate is 4.25%.

Capital lease – In 2009, a capital lease was obtained for a backhoe. The lease matures February 26, 2013, and the interest rate is 5.00%.

Capital lease – In 2010, a capital lease was obtained for a Caterpillar 924H wheel loader. The lease matures September 15, 2015, and the interest rate is 3.45%.

Capital lease – In 2011, a capital lease was obtained for two John Deere Tractors. The lease matures April 19, 2016, and the interest rate is 4.50%.

Capital lease-In 2008 the Sheriff's Department entered into a Lease Purchase Agreement for a Cannon Copy Machine. The lease matures July 17, 2011 and the interest rate is unknown.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

III. LONG-TERM DEBT (continued)

DEBT	2011				
	BALANCE AT 12/31/2010	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2011	INTEREST PD DURING YEAR
Capital Lease	\$ 302,808.94	\$ 170,010.00	\$ (82,204.86)	\$ 390,614.08	\$ 7,015.91
TOTAL	<u>\$ 302,808.94</u>	<u>\$ 170,010.00</u>	<u>\$ (82,204.86)</u>	<u>\$ 390,614.08</u>	<u>\$ 7,015.91</u>

DEBT	2010				
	BALANCE AT 12/31/2009	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2010	INTEREST PD DURING YEAR
Capital Lease	\$ 302,869.02	\$ 67,850.91	\$ (67,910.99)	302,808.94	\$ 11,573.69
TOTAL	<u>\$ 302,869.02</u>	<u>\$ 67,850.91</u>	<u>\$ (67,910.99)</u>	<u>\$ 302,808.94</u>	<u>\$ 11,573.69</u>

2011 Amortizations

YEAR	Capital Lease Payments		
	<u>PRINCIPLE</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$ 116,337.35	\$ 14,873.74	\$ 131,211.09
2013	121,467.97	9,745.13	131,213.10
2014	66,931.42	6,415.36	73,346.78
2015	48,817.22	3,731.68	52,548.90
2016	37,060.12	1,672.11	38,732.23
TOTAL	<u>\$ 390,614.08</u>	<u>\$ 36,438.02</u>	<u>\$ 427,052.10</u>

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

III. LONG-TERM DEBT (concluded)

2010 Amortizations

YEAR	Capital Lease Payments		TOTAL
	<u>PRINCIPLE</u>	<u>INTEREST</u>	
2011	\$ 82,204.86	\$ 10,753.79	\$ 92,958.65
2012	85,276.53	7,202.33	92,478.86
2013	88,988.45	3,492.42	92,480.87
2014	32,990.32	1,624.23	34,614.55
2015	13,348.78	467.89	13,816.67
TOTAL	<u>\$ 302,808.94</u>	<u>\$ 23,540.66</u>	<u>\$ 326,349.60</u>

IV. INTERFUND TRANSFERS

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

	2011		2010	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Revenue	\$ 135,265.69	\$ 39,000.00	\$ 152,805.91	\$ 59,454.67
Special Road & Bridge	33,000.00	103,770.24	40,000.00	124,738.02
Assessment	6,000.00	-	19,454.67	-
Recorder's User Fee		13,694.00	-	12,521.20
Law Enforcement Restitution	-	17,801.45	-	15,546.69
TOTAL	<u>\$ 174,265.69</u>	<u>\$ 174,265.69</u>	<u>\$ 212,260.58</u>	<u>\$ 212,260.58</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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V. 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.

A. Plan Description

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees, whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members.

B. Pension Benefits

All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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 1-573-632-9203.

C. Funding Policy

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of Missouri Legislature. During 2011 and 2010, the Primary Government collected and remitted to CERF, employee contributions of approximately \$56,885.97 and \$54,166.29 respectively, for the year then ended.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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VI. PROSECUTING ATTORNEY RETIREMENT FUND

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

VII. 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.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is currently involved in pending litigation.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Sick time is accrued at ½ day for each full month employed, which may accumulate up to 30 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. 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 OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

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IX. RISK MANAGEMENT (concluded)

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 pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured 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.

X. LIMITATION OF TESTING

The internal controls of the Recorder's Office are not designed in such a manner to deter the misstatement of financial transactions or to detect errors if they occurred during 2010. In 2010, this office had insufficient supporting documentation for deposits. New procedures have been implemented in 2011.

**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2011 AND 2010

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2011, no budget was prepared for the special election fund and the sheriff special fund.
- II. For the year ended December 31, 2010, no budget was prepared for the special election fund and the sheriff special fund.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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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**

To the County Commission  
The County of Wayne, Missouri

We have audited the financial statements of the County of Wayne ("County"), Missouri as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 19, 2012. 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. Our report has been modified because the internal controls of the Recorder's office can not be relied upon and receipts of this office may be incorrectly reported in the financial statements for 2010. 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 the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (FS 10/11-04).



A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (FS 10/11-01, FS 10/11-02, FS 10/11-03, and FS 10/11-05)

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated June 19, 2012.

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

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, 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.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2012



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**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**

Independent Auditor's Report

To The County Commission  
The County of Wayne, Missouri

**Compliance**

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

Except as discussed in the following paragraph, 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.

As described in item SA 10/11-01 in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient documentation supporting the compliance of Schools and Roads – Grants to States regarding activities allowed or unallowed, allowable costs/cost principles, cash management, matching, level of effort, earmarking and procurement and suspension and debarment, nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the County's compliance with the requirements of Schools and Roads – Grants to States regarding activities allowed or unallowed, allowable costs/cost principles, cash management, matching, level of effort, earmarking and procurement and suspension and debarment, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2011 and 2010.

### **Internal Control Over Compliance**

Management of the County 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 the County'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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be material weaknesses.

*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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompany schedule of findings and questioned costs as item SA 10/11-01 to be a material weakness.

The 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 the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and 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.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
June 19, 2012

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

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY NUMBER</b>	<b>FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2011</b>	<b>FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2010</b>
<b>US DEPARTMENT OF AGRICULTURE</b>				
Passed Through State:				
Office of Administration:				
School and Roads - Grants to States	10.665		\$ 450,241.65	\$ 436,244.14
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed Through State:				
Department of Economic Development:				
Community Development Block Grant	14.228	2008-PF-947	5,480.00	-
		2008-EM-02	50,848.52	-
		2008-EM-15	47,012.00	57,917.80
		2010-EM-03	74,817.12	-
Department of Social Services:				
Emergency Shelter Grants Program	14.231	ERO1642	16,196.00	-
Missouri Department of Social Services:				
ARRA - HPRP Program Homeless Prevention and Rapid Re-Housing	14.257	ER16410049A	23,861.50	102,596.00
<b>DEPARTMENT OF INTERIOR</b>				
Direct Programs:				
PILT - Payment in Lieu of Taxes	15.226	N/A	146,926.00	156,236.00
<b>US DEPARTMENT OF JUSTICE</b>				
Passed Through State:				
State Department of Public Safety				
Crime Victim Assistance	16.575	2008-VOCA-0068	-	19,760.00
		2009-VOCA-0079-SE	14,820.00	2,844.00
		2011-VOCA-030-SE	4,602.00	-
<b>DEPARTMENT OF TRANSPORTATION</b>				
Passed Through State:				
Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-111(8)	177,051.53	635,384.17
		BRO-111(9)	36,765.35	-
<b>GENERAL SERVICES ADMINISTRATION</b>				
Passed Through State:				
Office of the Secretary of State				
Election Reform Payments	39.011		3,355.00	4,474.00
<b>ELECTION ASSISTANCE COMMISSION</b>				
Passed Through State:				
Office of Secretary of State				
Help America Vote Act Requirements Payments	90.401		2,198.92	5,169.65
<b>US DEPARTMENT OF HOMELAND SECURITY</b>				
Passed Through State:				
State Emergency Management Agency				
Presidentially Declared Disasters	97.036	1980-DR-MO	429,211.08	-
State Emergency Management Agency				
Hazard Mitigation Program	97.039	1676-DR-MO	141,032.28	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,624,418.95</b>	<b>\$ 1,420,625.76</b>

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
NOTES TO EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2011 AND 2010

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NOTE 1 – BASIS OF PRESENTATION

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 major 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 Wayne County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*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.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

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

NOTE 2 – SUBRECIPIENTS

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
ARRA Homeless Prevention and Rapid Re-Housing	South Central Mo Community Action Agency	14.257	2011 \$ 23,861.50
			2010 102,596.00
			2011 149,453.50
Schools and Roads to States	Clearwater R-I School	10.665	2010 140,422.23
			2011 149,453.50
Schools and Roads to States	Greenville R-II School	10.665	2010 140,422.22
			2011 158.20
Schools and Roads to States	East Carter Co R-II	10.665	2010 158.20
			Total Provided to Subrecipients

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Qualified Regulatory Basis
2. Internal control over financial reporting:
  - a. Any material weakness(es) identified?

2011	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2010	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
  - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2011	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
2010	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
3. Any noncompliance material to financial statements noted?

2011	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2010	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

B. Federal Awards

1. Internal control over major programs:

Any material weakness (es) identified?	2011	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	2010	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2011	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2010	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
3. Type of auditor's report issued on compliance for major programs:

2011	- Qualified
2010	- Qualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2011	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2010	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 10/11-02     Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters identified in an Audit*, which is effective for periods ending on or after December 15, 2009, 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 discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 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.

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.

Views of responsible officials and planned corrective actions: The County will consider preparing appropriate documentation.

FS 10/11-03     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 discussions with management, we noted there were no formal fraud risk assessments implemented.

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.



THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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II. FINANCIAL STATEMENT FINDINGS (continued)

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.

Views of responsible officials and planned corrective actions: The County will consider preparing appropriate documentation.

FS 10/11-04 Criteria: The County must maintain sufficient internal controls and procedures to detect and deter misstatements and potential fraudulent activity.

Condition: During our audit, we noted there were insufficient internal controls and procedures in the Recorder's office to adequately document the amounts collected for fees and their subsequent deposit with their financial institution during 2010. During 2011, funds were not being disbursed on a monthly basis.

Context: During our testing of receipts of the Recorder's office and walkthroughs of their depositing procedures, it became apparent that there were no controls or monitoring procedures in this office for the purposes of collecting and tracking funds received and deposited during 2010.

Effect: Lack of documentation may result in inaccurate transactions being reported and allows for misstatements and potential fraudulent activity to occur undetected.

Cause: The County did not implement effective internal controls over the Recorder's office in order to track and reconcile deposits of its collections and make proper disbursements on a monthly basis.

Recommendation: We recommend that the Recorder's office design a system of internal control procedures that will work within its staffing limitations to track collections and deposits. Also an effective internal control procedure must detect and deter future misstatements in this office's financial reporting. Proper disbursements should be made on a monthly basis.

Views of responsible officials and planned corrective actions: Bank reconciliation has been prepared on a monthly basis since January 2011. Beginning in February 2012, I started reconciling bank deposits to daily receipts reported and disbursements. The undisbursed amounts will be disbursed in May 2012.

FS 10/11-05 Criteria: Bank reconciliations must be prepared on a timely basis by the Collector's office.

Condition: We noted negative cash balances in the Collector's office for the online payment account according to reconciliations.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

---

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 10/11-05     Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the County Collector prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of responsible officials and planned corrective actions: Due to NSF checks and the fees related to them we may have a negative balance at the end of the month. We do have procedures in place to monitor them and apply balances where needed as the money comes in to us from the taxpayers.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Wayne County, Missouri for fiscal years ended December 31, 2011 and 2010. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: 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.
2. Material Weakness: 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.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA 10/11-01	Federal Grantor:	U.S. Department of Agriculture
Activities Allowed and	Pass-Through Grantor:	Missouri State Office of Administration
Disallowed	Federal CFDA Number:	10.665
Material Weakness	Program Title:	School and Roads – Grants to States

Information on the federal program: CFDA #10.665, School and Road Grants to States was not included in the County's Schedule of Expenditures of Federal Awards and was not being tracked.

Criteria: OMB Circular A-133, §\_\_\_\_.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2010 and 2011. Title III funding from the Forests and Schools grant was not being tracked in order to perform tests of activities allowed and disallowed.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA), and we were not able to track allowable and disallowable expenditures for Title III.

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

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

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

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. This 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.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

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I. FOLLOW-UP PRIOR YEAR FINDINGS

FS 08/09-01     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 audit 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: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County will consider taking corrective action in future years.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding FS 10/11-01.

FS 08/09-02     Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for the period 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 new 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.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

---

I. FOLLOW-UP PRIOR YEAR FINDINGS (Continued)

FS 08/09-02     Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

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 consider preparing appropriate documentation.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding FS 10/11-02.

FS 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 Response: The County will consider preparing appropriate documentation.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding FS 10/11-03.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

---

II. FOLLOW-UP PRIOR YEAR FINDINGS (Concluded)

FS 08/09-04     Criteria: The County must maintain sufficient internal controls and procedures to detect and deter misstatements and potential fraudulent activity.

Condition: During our audit, we noted there were insufficient internal controls and procedures in the Recorder's office to adequately document the amounts collected for fees and their subsequent deposit with their financial institution.

Context: During our testing of receipt of the Recorder's office and walkthroughs of their depositing procedures, it became apparent that there were no controls or monitoring procedures in this office for the purposes of collecting and tracking funds received and deposited.

Effect: Lack of documentation may result in inaccurate transactions being reported and allows for misstatements and potential fraudulent activity to occur undetected.

Cause: The County did not implement effective internal controls over the Recorder's office in order to track and reconcile deposits of their collections.

Recommendation: We recommend that the Recorder's office design a system of internal control procedures that will work within its staffing limitations to track collections and deposits. Also an effective internal control procedure must detect and deter future misstatements in this office's financial reporting.

Management Response: The Recorder's office will consider implementing internal control procedures and training of the newly elected Recorder.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding FS 10/11-04.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

SA 08/09-01     Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the  
Other     Department of Interior was not included in the County's Schedule of Expenditures of  
Information:     Federal Awards.

Significant     Criteria: OMB Circular A-133, §\_\_\_.300 Auditee responsibilities (a): The auditee shall  
Deficiency     identify, in its accounts, all Federal awards received and expended and the Federal  
                     programs under which they were received. Federal program and award identification shall  
                     include, as applicable, the CFDA title and number, award number and year, name of the  
                     Federal agency, and name of the pass-through entity.

THE COUNTY OF WAYNE  
GREENVILLE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011 AND 2010

---

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR (concluded)

Condition: Although, 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 SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of 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 of 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.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year. Please refer to SA 10/11-01.





# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Commissioners  
County of Wayne

In planning and performing our audit of the financial statements of the County of Wayne (County) as of and for the years ended December 31, 2011 and 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did identify one deficiency in internal control that we consider to be a material weakness (FS 10/11-04) as noted in section I.

A significant deficiency, is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Material and Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County of Wayne's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

Daniel Jones & Associates, P.C.  
Certified Public Accountants  
June 19, 2012

## I. DEFICIENCIES CONSIDERED TO BE MATERIAL AND SIGNIFICANT

FS 10/11-01      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. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

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 discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 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: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County will consider taking corrective action in future years.

FS 10/11-02      Criteria: Statements on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters identified in an Audit*, which is effective for periods ending on or after December 15, 2009, 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 discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 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.

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.

# **I. DEFICIENCIES CONSIDERED TO BE MATERIAL AND SIGNIFICANT (continued)**

FS 10/11-02      Views of responsible officials and planned corrective actions: The County will consider preparing appropriate documentation.

FS 10/11-03      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 risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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.

Views of responsible officials and planned corrective actions: The County will consider the auditor's recommendation.

FS 10/11-04      Criteria: The County must maintain sufficient internal controls and procedures to detect and deter misstatements and potential fraudulent activity.

Condition: During our audit, we noted there were insufficient internal controls and procedures in the Recorder's office to adequately document the amounts collected for fees and their subsequent deposit with their financial institution during 2010. During 2011 funds were not being disbursed on a monthly basis.

Context: During our testing of receipts of the Recorder's office and walkthroughs of their depositing procedures, it became apparent that there were no controls or monitoring procedures in this office for the purposes of collecting and tracking funds received and deposited during 2010.

Effect: Lack of documentation may result in inaccurate transactions being reported and allows for misstatements and potential fraudulent activity to occur undetected.

Cause: The County did not implement effective internal controls over the Recorder's office in order to track and reconcile deposits of its collections and make proper disbursements on a monthly basis.

Recommendation: We recommend that the Recorder's office design a system of internal control procedures that will work within its staffing limitations to track collections and deposits. Also, an effective internal control procedure must detect and deter future misstatements in this office's financial reporting. Proper disbursements should be made on a monthly basis.

# **I. DEFICIENCIES CONSIDERED TO BE MATERIAL AND SIGNIFICANT (continued)**

FS 10/11-04      Views of responsible officials and planned corrective actions: Bank reconciliation has been prepared on a monthly basis since January 2011. Beginning in February 2012, I started reconciling bank deposits to daily receipts reported and disbursements. The undisbursed amounts will be disbursed in May 2012.

FS 10/11-05      Criteria: Bank reconciliations must be prepared on a timely basis by the Collector's office.

Condition: We noted negative cash balances in the Collector's office for the online payment account according to reconciliations.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the County Collector prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of responsible officials and planned corrective actions: Due to NSF checks and the fees related to them we may have a negative balance at the end of the month. We do have procedures in place to monitor them and apply balances where needed as the money comes in to us from the taxpayers.

<b>SA 10/11-01</b>	Federal Grantor:	U.S. Department of Agriculture
Activities Allowed and	Pass-Through Grantor:	Missouri State Office of Administration
Disallowed	Federal CFDA Number:	10.665
Material Weakness	Program Title:	Schools and Roads – Grants to States

Information on the federal program: CFDA #10.665, School and Road Grants to States was not included in the County's Schedule of Expenditures of Federal Awards and was not being tracked.

Criteria: OMB Circular A-133, §\_\_\_\_.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Prior to these corrections, the SEFA did not include the funding expended from the above federal funding source during 2010 and 2011. Title III funding from the Forests and Schools grant was not being tracked in order to perform tests of activities allowed and disallowed.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA), and we were not able to track allowable and disallowable expenditures for Title III.

## I. DEFICIENCIES CONSIDERED TO BE MATERIAL AND SIGNIFICANT (concluded)

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

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

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. This 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.

## II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Statements on Auditing Standards (SAS) 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. Early application is permitted. This Standard supersedes the requirements and guidance in AU section 550. Along with SAS No. 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, this SAS also supersedes the requirements and guidance in AU section 551. This Standard

- eliminates the distinction between other information that is included in an auditor-submitted document that contains the client's basic financial statements and the auditor's report thereon and other information that is in a client-prepared document.
- establishes a presumptively mandatory performance requirements, including that the auditor read the other information of which the auditor is aware in order to identify material inconsistencies, if any, with the audited financial statements.
- establishes presumptively mandatory performance and reporting requirements when the auditor identifies a material inconsistency with other information and the financial statements.
- establishes mandatory performance requirements when the auditor becomes aware of an apparent material misstatement of fact in the other information.

SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. Early application is permitted. This Standard supersedes the requirements and guidance in AU section 550. Along with SAS No. 118, *Other Information in Documents Containing Audited Financial Statements* supersedes the requirements and guidance in AU section 551. This Standard

- establishes preconditions in order to opine on whether supplementary information is fairly stated in relation to the financial statements as a whole.
- establishes presumptively mandatory performance requirements in order to opine on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.
- establishes presumptively mandatory reporting requirements when the entity presents the supplementary information with the financial statements and when the audited financial statements are not presented with the supplementary information.

## II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (concluded)

- establishes a preclusion from expressing an opinion on supplementary information when the auditor's report on the audited financial statements contains an adverse opinion or a disclaimer of opinion and the auditor has been engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 23, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Wayne's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

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

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 23, 2012.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Wayne are described in Note I to the financial statements. The Regulatory basis of accounting recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Law. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

### III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2012.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our testing we noted the County needs to review policy enforcing RsMO Section 50.370 as some offices are not reporting monthly with the Commission. This was not considered to be a significant deficiency or a material weakness, but we consider it to be necessary to communicate to management.