



**THOMAS A. SCHWEICH**  
Missouri State Auditor

To the County Commission  
and  
Officeholders of Carter County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Carter County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2011, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

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

Thomas A. Schweich  
State Auditor

September 2012  
Report No. 2012-107

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



**The County of Carter  
Van Buren, Missouri  
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## Independent Auditor's Report

To the County Commission and  
Officeholders of Carter County, Missouri



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

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Carter County, Missouri, as of December 31, 2011 and 2010, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1. As described in Note 4, the County has changed its basis of accounting for the years ended December 31, 2011 and 2010.

In accordance with Government Auditing Standards, we also have issued our report dated July 13, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

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

*Nichols, Stopp, & VanHoy, LLC*

Creve Coeur, Missouri  
July 13, 2012

**The County of Carter  
Van Buren, Missouri  
Statement of Receipts, Disbursements, and Changes in Cash  
All Governmental Funds: Regulatory Basis  
Year Ended December 31, 2011**

<u>Fund</u>	Cash and Equivalents January 1, 2011	Receipts 2011	Disbursements 2011	Cash and Equivalents December 31, 2011
General Revenue	\$ 37,043	\$ 822,577	\$ 815,224	\$ 44,396
Road and Bridge	238,232	661,459	476,778	422,913
Assessment	243	90,017	90,185	75
Assessment Technology	5,706	11,516	8,702	8,520
Forest Reserve	21,376	38,679	59,931	124
Chemical Emergency	4,108	71	1,200	2,979
Tax Maintenance	3,547	8,870	9,272	3,145
CVRDB	382	840	687	535
Domestic Violence	237	151	237	151
Law Enforcement Training	3,373	4,667	2,459	5,581
Sheriff Federal	-	44,181	3,212	40,969
Prosecuting Attorney Tax	1,193	135	-	1,328
Prosecuting Attorney Training	526	727	306	947
Prosecuting Attorney Bad Check	20,665	5,867	5,537	20,995
Recorder's NSD	3,616	298	-	3,914
Recorder's Technology	21,225	1,979	12,551	10,653
Recorder's Users Fees	1,466	2,589	-	4,055
Senior Tax	4,526	15,635	15,628	4,533
Sheltered Workshop Grant	-	259,000	259,000	-
Sheriff Fees	3,419	8,254	10,084	1,589
Sheriff's Impound	1,861	16	1,808	69
Sheriff's Revolving	3,257	3,666	4,441	2,482
Special Election	2	10,506	10,352	156
Carter County Library Project	2,721	-	2,721	-
Election	683	14	-	697
Law Enforcement Restitution	7,140	14,246	5,934	15,452
Senate Bill 40 Board	9,428	43,357	40,173	12,612
<b>Total</b>	<b>\$ 395,975</b>	<b>\$ 2,049,317</b>	<b>\$ 1,836,422</b>	<b>\$ 608,870</b>

See Notes to the Financial Statements

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

<u>Fund</u>	Cash and Equivalents January 1, 2010 (Restated)	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	\$ 85,966	\$ 1,054,197	\$ 1,103,120	\$ 37,043
Road and Bridge	167,784	847,413	776,965	238,232
Assessment	7,720	87,714	95,191	243
Assessment Technology	2,500	11,027	7,821	5,706
Forest Reserve	478	44,955	24,057	21,376
Chemical Emergency	6,318	142	2,352	4,108
Tax Maintenance	1,265	7,997	5,715	3,547
CVRDB	1,406	680	1,704	382
Domestic Violence	244	237	244	237
Law Enforcement Training	2,034	5,686	4,347	3,373
Sheriff Federal	-	-	-	-
Prosecuting Attorney Tax	1,055	138	-	1,193
Prosecuting Attorney Training	1,189	1,015	1,678	526
Prosecuting Attorney Bad Check	24,342	4,319	7,996	20,665
Recorder's NSD	3,451	165	-	3,616
Recorder's Technology	19,040	2,185	-	21,225
Recorder's Users Fees	2,855	2,815	4,204	1,466
Senior Tax	366	15,410	11,250	4,526
Sheltered Workshop Grant	-	22,758	22,758	-
Sheriff Fees	2,307	14,764	13,652	3,419
Sheriff's Impound	1,891	445	475	1,861
Sheriff's Revolving	3,326	4,910	4,979	3,257
Special Election	36	10,040	10,074	2
Carter County Library Project	-	466,994	464,273	2,721
Election	916	21	254	683
Law Enforcement Restitution	20,872	12,925	26,657	7,140
Senate Bill 40 Board	7,830	42,713	41,115	9,428
<b>Total</b>	<b>\$ 365,191</b>	<b>\$ 2,661,665</b>	<b>\$ 2,630,881</b>	<b>\$ 395,975</b>

See Notes to the Financial Statements

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

	General Revenue Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 52,701	\$ 51,460	\$ 66,726	\$ 45,380
Sales Taxes	425,000	455,110	434,000	436,488
Intergovernmental	192,100	181,244	257,836	260,567
Charges for Services	113,970	112,789	107,340	121,724
Interest	2,500	2,073	6,000	4,301
Other	11,180	19,901	106,237	34,298
Transfers In	9,791	-	153,648	151,439
Total Receipts	<u>\$ 807,242</u>	<u>\$ 822,577</u>	<u>\$ 1,131,787</u>	<u>\$ 1,054,197</u>
<u>Disbursements</u>				
County Commission	\$ 65,500	\$ 63,258	\$ 65,520	\$ 61,538
County Clerk	34,000	33,107	33,400	31,746
Elections	1,500	12,689	34,050	37,160
Buildings and Grounds	33,500	28,171	54,255	36,820
Employee Fringe Benefits	58,484	53,985	58,000	52,511
Treasurer	31,514	31,301	24,035	24,251
Collector	36,193	35,853	36,350	37,768
Recorder of Deeds	36,500	40,020	34,700	33,994
Circuit Clerk	17,300	18,097	18,400	12,611
Court Administration	990	674	990	567
Public Administrator	22,840	21,320	22,650	21,440
Sheriff	112,000	127,743	131,300	139,422
Jail	51,060	40,143	62,750	30,964
Prosecuting Attorney	58,800	59,251	58,300	58,745
Juvenile Officer	35,301	35,184	35,301	32,180
Coroner	11,200	9,498	10,767	12,382
Other	154,332	176,942	219,746	441,532
Transfers Out	66,852	27,988	292,925	37,489
Emergency Fund	15,483	-	23,121	-
Total Disbursements	<u>\$ 843,349</u>	<u>\$ 815,224</u>	<u>\$ 1,216,560</u>	<u>\$ 1,103,120</u>
Receipts Over (Under) Disbursements	\$ (36,107)	\$ 7,353	\$ (84,773)	\$ (48,923)
Cash, January 1	<u>37,043</u>	<u>37,043</u>	<u>85,966</u>	<u>85,966</u>
Cash, December 31	<u>\$ 936</u>	<u>\$ 44,396</u>	<u>\$ 1,193</u>	<u>\$ 37,043</u>

See Notes to the Financial Statements

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

	Road and Bridge Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 126,105	\$ 120,485	\$ 155,831	\$ 116,658
Sales Taxes	-	-	-	-
Intergovernmental	385,000	529,337	653,718	668,536
Charges for Services	-	-	-	-
Interest	5,000	7,603	15,000	8,966
Other	-	4,034	-	53,253
Transfers In	-	-	-	-
Total Receipts	<u>\$ 516,105</u>	<u>\$ 661,459</u>	<u>\$ 824,549</u>	<u>\$ 847,413</u>
<u>Disbursements</u>				
Salaries	\$ 200,000	\$ 194,853	\$ 200,000	\$ 192,021
Employee Fringe Benefits	48,200	35,108	48,200	35,582
Supplies	70,000	105,527	70,000	104,095
Insurance	30,000	18,310	30,000	16,913
Road & Bridge Materials	187,000	89,455	172,000	209,490
Equipment Repairs	15,000	3,228	15,000	1,992
Equipment Purchases	32,500	670	120,500	40,815
R & B Construction	29,000	510	10,000	468
Other Expenditures	57,300	29,117	177,448	33,941
Transfers Out	15,000	-	24,736	141,648
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 684,000</u>	<u>\$ 476,778</u>	<u>\$ 867,884</u>	<u>\$ 776,965</u>
Receipts Over (Under) Disbursements	\$ (167,895)	\$ 184,681	\$ (43,335)	\$ 70,448
Cash, January 1	<u>238,232</u>	<u>238,232</u>	<u>167,784</u>	<u>167,784</u>
Cash, December 31	<u><u>\$ 70,337</u></u>	<u><u>\$ 422,913</u></u>	<u><u>\$ 124,449</u></u>	<u><u>\$ 238,232</u></u>

See Notes to the Financial Statements

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

	Assessment Fund				Assessment Technology Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	51,771	46,388	60,963	49,976	11,693	11,263	5,600	10,728
Charges for Services	-	-	-	-	-	-	-	-
Interest	300	88	1,000	1,480	-	253	250	299
Other	4,142	3,851	2,100	237	-	-	-	-
Transfers In	44,184	39,690	43,099	36,021	-	-	-	-
Total Receipts	<u>\$ 100,397</u>	<u>\$ 90,017</u>	<u>\$ 107,162</u>	<u>\$ 87,714</u>	<u>\$ 11,693</u>	<u>\$ 11,516</u>	<u>\$ 5,850</u>	<u>\$ 11,027</u>
 <u>Disbursements</u>								
Salaries	\$ 64,333	\$ 56,584	\$ 61,192	\$ 60,497	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	6,788	6,701	7,020	6,607	-	-	-	-
Materials and Supplies	2,800	3,541	2,700	3,242	-	-	-	-
Services and Other	14,470	14,087	17,240	13,325	-	-	-	1,498
Capital Outlay	12,005	9,272	11,377	11,520	-	-	-	-
Transfers Out	-	-	-	-	17,399	8,702	8,350	6,323
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 100,396</u>	<u>\$ 90,185</u>	<u>\$ 99,529</u>	<u>\$ 95,191</u>	<u>\$ 17,399</u>	<u>\$ 8,702</u>	<u>\$ 8,350</u>	<u>\$ 7,821</u>
 Receipts Over (Under)								
Disbursements	\$ 1	\$ (168)	\$ 7,633	\$ (7,477)	\$ (5,706)	\$ 2,814	\$ (2,500)	\$ 3,206
 Cash, January 1	<u>243</u>	<u>243</u>	<u>7,720</u>	<u>7,720</u>	<u>5,706</u>	<u>5,706</u>	<u>2,500</u>	<u>2,500</u>
 Cash, December 31	<u>\$ 244</u>	<u>\$ 75</u>	<u>\$ 15,353</u>	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 8,520</u>	<u>\$ -</u>	<u>\$ 5,706</u>

See Notes to the Financial Statements

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

	Forest Reserve Fund				Chemical Emergency Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	40,000	37,707	45,000	43,948	3,500	-	3,500	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	500	972	500	1,007	140	71	200	142
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40,500</u>	<u>\$ 38,679</u>	<u>\$ 45,500</u>	<u>\$ 44,955</u>	<u>\$ 3,640</u>	<u>\$ 71</u>	<u>\$ 3,700</u>	<u>\$ 142</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	15,000	-	15,000	3,717	400	-	381	-
Services and Other	31,500	15,750	30,000	20,340	3,800	1,200	3,800	2,352
Capital Outlay	-	-	-	-	3,548	-	5,837	-
Transfers Out	19,500	44,181	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 66,000</u>	<u>\$ 59,931</u>	<u>\$ 45,000</u>	<u>\$ 24,057</u>	<u>\$ 7,748</u>	<u>\$ 1,200</u>	<u>\$ 10,018</u>	<u>\$ 2,352</u>
Receipts Over (Under)								
Disbursements	\$ (25,500)	\$ (21,252)	\$ 500	\$ 20,898	\$ (4,108)	\$ (1,129)	\$ (6,318)	\$ (2,210)
Cash, January 1	<u>21,376</u>	<u>21,376</u>	<u>478</u>	<u>478</u>	<u>4,108</u>	<u>4,108</u>	<u>6,318</u>	<u>6,318</u>
Cash, December 31	<u>\$ (4,124)</u>	<u>\$ 124</u>	<u>\$ 978</u>	<u>\$ 21,376</u>	<u>\$ -</u>	<u>\$ 2,979</u>	<u>\$ -</u>	<u>\$ 4,108</u>

See Notes to the Financial Statements

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

	Tax Maintenance Fund				CVRDB Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,600	8,784	6,000	7,889	300	637	800	380
Charges for Services	-	-	-	-	-	-	-	-
Interest	100	86	75	108	20	10	25	38
Other	-	-	-	-	250	193	300	262
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,700</u>	<u>\$ 8,870</u>	<u>\$ 6,075</u>	<u>\$ 7,997</u>	<u>\$ 570</u>	<u>\$ 840</u>	<u>\$ 1,125</u>	<u>\$ 680</u>
 <u>Disbursements</u>								
Salaries	\$ 3,412	\$ 3,491	\$ 1,648	\$ 1,697	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	152	303	152	142	-	-	-	-
Materials and Supplies	740	993	550	1,027	-	-	-	-
Services and Other	1,200	1,375	1,040	598	952	687	2,381	1,704
Capital Outlay	3,860	110	3,950	251	-	-	150	-
Transfers Out	-	3,000	-	2,000	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,364</u>	<u>\$ 9,272</u>	<u>\$ 7,340</u>	<u>\$ 5,715</u>	<u>\$ 952</u>	<u>\$ 687</u>	<u>\$ 2,531</u>	<u>\$ 1,704</u>
Receipts Over (Under)								
Disbursements	\$ (1,664)	\$ (402)	\$ (1,265)	\$ 2,282	\$ (382)	\$ 153	\$ (1,406)	\$ (1,024)
Cash, January 1	<u>3,547</u>	<u>3,547</u>	<u>1,265</u>	<u>1,265</u>	<u>382</u>	<u>382</u>	<u>1,406</u>	<u>1,406</u>
Cash, December 31	<u>\$ 1,883</u>	<u>\$ 3,145</u>	<u>\$ -</u>	<u>\$ 3,547</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ -</u>	<u>\$ 382</u>

See Notes to the Financial Statements

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

	Domestic Violence Fund				Law Enforcement Training Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	15,000	150	250	235	4,500	4,549	4,500	5,603
Charges for Services	-	-	-	-	-	-	-	-
Interest	2	1	4	2	42	68	45	43
Other	-	-	-	-	-	50	-	40
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15,002</u>	<u>\$ 151</u>	<u>\$ 254</u>	<u>\$ 237</u>	<u>\$ 4,542</u>	<u>\$ 4,667</u>	<u>\$ 4,545</u>	<u>\$ 5,686</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	238	237	254	244	7,915	2,459	6,579	4,347
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 238</u>	<u>\$ 237</u>	<u>\$ 254</u>	<u>\$ 244</u>	<u>\$ 7,915</u>	<u>\$ 2,459</u>	<u>\$ 6,579</u>	<u>\$ 4,347</u>
Receipts Over (Under)								
Disbursements	\$ 14,764	\$ (86)	\$ -	\$ (7)	\$ (3,373)	\$ 2,208	\$ (2,034)	\$ 1,339
Cash, January 1	<u>237</u>	<u>237</u>	<u>244</u>	<u>244</u>	<u>3,373</u>	<u>3,373</u>	<u>2,034</u>	<u>2,034</u>
Cash, December 31	<u>\$ 15,001</u>	<u>\$ 151</u>	<u>\$ 244</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 5,581</u>	<u>\$ -</u>	<u>\$ 3,373</u>

See Notes to the Financial Statements

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

	Sheriff Federal Fund				Prosecuting Attorney Tax Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	140	110	95	110
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	20	25	30	28
Other	-	-	-	-	-	-	-	-
Transfers In	44,181	44,181	-	-	-	-	-	-
Total Receipts	<u>\$ 44,181</u>	<u>\$ 44,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 135</u>	<u>\$ 125</u>	<u>\$ 138</u>
<u>Disbursements</u>								
Salaries	\$ 3,000	\$ 3,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	220	33	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	1,180	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,220</u>	<u>\$ 3,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,180</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 40,961	\$ 40,969	\$ -	\$ -	\$ 160	\$ 135	\$ (1,055)	\$ 138
Cash, January 1	-	-	-	-	1,193	1,193	1,055	1,055
Cash, December 31	<u>\$ 40,961</u>	<u>\$ 40,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 1,328</u>	<u>\$ -</u>	<u>\$ 1,193</u>

See Notes to the Financial Statements

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

	Prosecuting Attorney Training Fund				Prosecuting Attorney Bad Check Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	990	714	775	998	4,000	5,458	6,500	3,711
Charges for Services	-	-	-	-	-	-	-	-
Interest	16	13	20	17	550	409	750	608
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,006</u>	<u>\$ 727</u>	<u>\$ 795</u>	<u>\$ 1,015</u>	<u>\$ 4,550</u>	<u>\$ 5,867</u>	<u>\$ 7,250</u>	<u>\$ 4,319</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,139
Employee Fringe Benefits	-	-	-	-	-	-	-	1,342
Materials and Supplies	-	-	-	-	11,000	-	5,000	1,515
Services and Other	1,532	306	1,984	1,678	5,100	5,537	5,100	-
Capital Outlay	-	-	-	-	-	-	6,000	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,532</u>	<u>\$ 306</u>	<u>\$ 1,984</u>	<u>\$ 1,678</u>	<u>\$ 16,100</u>	<u>\$ 5,537</u>	<u>\$ 16,100</u>	<u>\$ 7,996</u>
Receipts Over (Under)								
Disbursements	\$ (526)	\$ 421	\$ (1,189)	\$ (663)	\$ (11,550)	\$ 330	\$ (8,850)	\$ (3,677)
Cash, January 1	<u>526</u>	<u>526</u>	<u>1,189</u>	<u>1,189</u>	<u>20,665</u>	<u>20,665</u>	<u>24,342</u>	<u>24,342</u>
Cash, December 31	<u>\$ -</u>	<u>\$ 947</u>	<u>\$ -</u>	<u>\$ 526</u>	<u>\$ 9,115</u>	<u>\$ 20,995</u>	<u>\$ 15,492</u>	<u>\$ 20,665</u>

See Notes to the Financial Statements

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

	Recorder's NSD Fund				Recorder's Technology Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	100	225	200	75	1,800	1,549	1,800	1,674
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	90	73	750	90	90	430	750	511
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 190</u>	<u>\$ 298</u>	<u>\$ 950</u>	<u>\$ 165</u>	<u>\$ 1,890</u>	<u>\$ 1,979</u>	<u>\$ 2,550</u>	<u>\$ 2,185</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	3,616	-	-	-	23,000	12,551	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,000</u>	<u>\$ 12,551</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (3,426)	\$ 298	\$ 950	\$ 165	\$ (21,110)	\$ (10,572)	\$ 2,550	\$ 2,185
Cash, January 1	<u>3,616</u>	<u>3,616</u>	<u>3,451</u>	<u>3,451</u>	<u>21,225</u>	<u>21,225</u>	<u>19,040</u>	<u>19,040</u>
Cash, December 31	<u>\$ 190</u>	<u>\$ 3,914</u>	<u>\$ 4,401</u>	<u>\$ 3,616</u>	<u>\$ 115</u>	<u>\$ 10,653</u>	<u>\$ 21,590</u>	<u>\$ 21,225</u>

See Notes to the Financial Statements

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

	Recorder's Users Fees Fund				Senior Tax Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,957	\$ 15,190	\$ 15,586	\$ 14,967
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000	2,538	3,240	2,772	250	246	250	266
Charges for Services	-	-	-	-	-	-	-	-
Interest	150	51	250	43	175	199	275	177
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,150</u>	<u>\$ 2,589</u>	<u>\$ 3,490</u>	<u>\$ 2,815</u>	<u>\$ 15,382</u>	<u>\$ 15,635</u>	<u>\$ 16,111</u>	<u>\$ 15,410</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ 5,790	\$ 3,843	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	555	361	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	14,812	15,628	16,477	11,250
Capital Outlay	3,500	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 6,345</u>	<u>\$ 4,204</u>	<u>\$ 14,812</u>	<u>\$ 15,628</u>	<u>\$ 16,477</u>	<u>\$ 11,250</u>
Receipts Over (Under)								
Disbursements	\$ (350)	\$ 2,589	\$ (2,855)	\$ (1,389)	\$ 570	\$ 7	\$ (366)	\$ 4,160
Cash, January 1	<u>1,466</u>	<u>1,466</u>	<u>2,855</u>	<u>2,855</u>	<u>4,526</u>	<u>4,526</u>	<u>366</u>	<u>366</u>
Cash, December 31	<u>\$ 1,116</u>	<u>\$ 4,055</u>	<u>\$ -</u>	<u>\$ 1,466</u>	<u>\$ 5,096</u>	<u>\$ 4,533</u>	<u>\$ -</u>	<u>\$ 4,526</u>

See Notes to the Financial Statements

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

	Sheltered Workshop Grant Fund				Sheriff Fees Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-		-	-	-	-	-
Intergovernmental	228,686	259,000	251,444	22,758	14,500	8,205	11,000	14,690
Charges for Services	-	-		-	-	-	-	-
Interest	-	-		-	75	49	75	74
Other	-	-		-	-	-	-	-
Transfers In	-	-		-	-	-	-	-
Total Receipts	<u>\$ 228,686</u>	<u>\$ 259,000</u>	<u>\$ 251,444</u>	<u>\$ 22,758</u>	<u>\$ 14,575</u>	<u>\$ 8,254</u>	<u>\$ 11,075</u>	<u>\$ 14,764</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 16,134	\$ 9,580	\$ 8,000	\$ 12,059
Employee Fringe Benefits	-	-	-	-	360	111	-	82
Materials and Supplies	-	-	-	-	-	-	1,082	-
Services and Other	-	-	-	-	1,500	393	4,300	1,511
Capital Outlay	228,686	259,000	251,444	22,758	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 228,686</u>	<u>\$ 259,000</u>	<u>\$ 251,444</u>	<u>\$ 22,758</u>	<u>\$ 17,994</u>	<u>\$ 10,084</u>	<u>\$ 13,382</u>	<u>\$ 13,652</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (3,419)	\$ (1,830)	\$ (2,307)	\$ 1,112
Cash, January 1	-	-	-	-	3,419	3,419	2,307	2,307
Cash, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,589</u>	<u>\$ -</u>	<u>\$ 3,419</u>

See Notes to the Financial Statements

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

	Sheriff's Impound Fund				Sheriff's Revolving Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	-	1,500	400	4,500	3,631	3,500	4,797
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	40	16	25	45	110	35	125	113
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 540</u>	<u>\$ 16</u>	<u>\$ 1,525</u>	<u>\$ 445</u>	<u>\$ 4,610</u>	<u>\$ 3,666</u>	<u>\$ 3,625</u>	<u>\$ 4,910</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ 1,334	\$ -	\$ -	\$ 4,000	\$ 2,040	\$ 4,000	\$ 3,476
Employee Fringe Benefits	-	474	-	-	-	906	-	24
Materials and Supplies	1,000	-	1,000	-	3,000	-	2,000	1,131
Services and Other	1,000	-	1,000	475	1,000	1,495	2,000	348
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,808</u>	<u>\$ 2,000</u>	<u>\$ 475</u>	<u>\$ 8,000</u>	<u>\$ 4,441</u>	<u>\$ 8,000</u>	<u>\$ 4,979</u>
Receipts Over (Under)								
Disbursements	\$ (1,460)	\$ (1,792)	\$ (475)	\$ (30)	\$ (3,390)	\$ (775)	\$ (4,375)	\$ (69)
Cash, January 1	<u>1,861</u>	<u>1,861</u>	<u>1,891</u>	<u>1,891</u>	<u>3,257</u>	<u>3,257</u>	<u>3,326</u>	<u>3,326</u>
Cash, December 31	<u>\$ 401</u>	<u>\$ 69</u>	<u>\$ 1,416</u>	<u>\$ 1,861</u>	<u>\$ (133)</u>	<u>\$ 2,482</u>	<u>\$ (1,049)</u>	<u>\$ 3,257</u>

See Notes to the Financial Statements

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

	Special Election Fund				Carter County Library Project Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	10,476	-	10,027	-	-	443,162	455,078
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	30	-	13	-	-	-	-
Other	-	-	-	-	-	-	-	11,916
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 10,506</u>	<u>\$ -</u>	<u>\$ 10,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,162</u>	<u>\$ 466,994</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ 2,542	\$ -	\$ 2,159	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	1,010	-	7,691	-	-	-	-
Services and Other	-	6,800	-	224	2,721	2,721	15,368	25,750
Capital Outlay	-	-	-	-	-	-	427,794	438,523
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 10,352</u>	<u>\$ -</u>	<u>\$ 10,074</u>	<u>\$ 2,721</u>	<u>\$ 2,721</u>	<u>\$ 443,162</u>	<u>\$ 464,273</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 154	\$ -	\$ (34)	\$ (2,721)	\$ (2,721)	\$ -	\$ 2,721
Cash, January 1	<u>2</u>	<u>2</u>	<u>36</u>	<u>36</u>	<u>2,721</u>	<u>2,721</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u>\$ 2</u>	<u>\$ 156</u>	<u>\$ 36</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,721</u>

See Notes to the Financial Statements

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

	Election Fund				Law Enforcement Restitution Fund			
	2011		2010		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	15,000	14,027	10,700	12,559
Charges for Services	-	-	-	-	-	-	-	-
Interest	15	14	25	21	250	219	800	366
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15</u>	<u>\$ 14</u>	<u>\$ 25</u>	<u>\$ 21</u>	<u>\$ 15,250</u>	<u>\$ 14,246</u>	<u>\$ 11,500</u>	<u>\$ 12,925</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	916	254	-	-	-	-
Services and Other	698	-	-	-	22,390	5,934	32,372	26,657
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 698</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ 254</u>	<u>\$ 22,390</u>	<u>\$ 5,934</u>	<u>\$ 32,372</u>	<u>\$ 26,657</u>
Receipts Over (Under)								
Disbursements	\$ (683)	\$ 14	\$ (891)	\$ (233)	\$ (7,140)	\$ 8,312	\$ (20,872)	\$ (13,732)
Cash, January 1	<u>683</u>	<u>683</u>	<u>916</u>	<u>916</u>	<u>7,140</u>	<u>7,140</u>	<u>20,872</u>	<u>20,872</u>
Cash, December 31	<u>\$ -</u>	<u>\$ 697</u>	<u>\$ 25</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ 15,452</u>	<u>\$ -</u>	<u>\$ 7,140</u>

See Notes to the Financial Statements

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

	Senate Bill 40 Board Fund			
	2011		2010	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 43,000	\$ 43,310	\$ 41,132	\$ 42,673
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	50	47	50	40
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 43,050</u>	<u>\$ 43,357</u>	<u>\$ 41,182</u>	<u>\$ 42,713</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	39,235	40,173	39,294	41,115
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 39,235</u>	<u>\$ 40,173</u>	<u>\$ 39,294</u>	<u>\$ 41,115</u>
Receipts Over (Under)				
Disbursements	\$ 3,815	\$ 3,184	\$ 1,888	\$ 1,598
Cash, January 1	<u>9,428</u>	<u>9,428</u>	<u>7,830</u>	<u>7,830</u>
Cash, December 31	<u>\$ 13,243</u>	<u>\$ 12,612</u>	<u>\$ 9,718</u>	<u>\$ 9,428</u>

See Notes to the Financial Statements

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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

Organized in 1859, the county of Carter was formed from parts of Ripley, Shannon and Wayne Counties and was named after Zimri A. Carter, the first settler. Carter County is a county-organized, third-class county and is part of the Thirty-Seventh Judicial Circuit. The county seat is Van Buren. Carter County's government is composed of a three-member county commission and the following separately 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 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

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

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

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

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

Basis of Presentation

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

Basis of Accounting

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

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.

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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

Basis of Accounting (continued)

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

Budget and Budgetary Accounting

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

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

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. In 2010, the Sheriff Fees Fund, the Carter County Library Project Fund and the Senate Bill 40 Board all had expenses exceeding their budget. In 2011, the Senior Tax Fund, the Sheltered Workshop Grant Fund, and the Senate Bill 40 Board Fund all had expenses exceeding their budget. Also, the County did not adopt a budget for the Special Election Fund for 2011 or 2010, and budgeted a deficit for the Forest Reserve Fund for 2011 and the Sheriff's Revolving Fund for 2011 and 2010.

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

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

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

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

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

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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

Taxes

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

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

	<u>2011</u>	<u>2010</u>
Real Estate	\$ 38,951,630	\$ 35,735,114
Personal Property	10,585,414	11,090,214
Railroad and Utilities	1,472,705	1,702,195
	<u>\$ 51,009,749</u>	<u>\$ 48,527,523</u>

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

	<u>2011</u>	<u>2010</u>
General Revenue	\$ 0.0854	\$ 0.1063
Road and Bridge	0.2371	0.2356
Senior Tax	0.0300	0.0300
Senate Bill 40 Board	0.0842	0.0837

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

Cash Deposits and Investments

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

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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

Interfund Transactions

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

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

**Note 2 - Deposits and Investments**

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2011 and 2010, the carrying amount of Carter County's deposits was \$608,870 and \$395,975 and the bank balance was \$852,709 and \$658,327 respectively. As of December 31, 2011, 100% of Carter County's investments were guaranteed by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

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

Deposits	\$ 608,870
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2011	<u>\$ 608,870</u>

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

Deposits	\$ 395,975
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2010	<u>\$ 395,975</u>

Custodial Credit Risk - Deposits

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

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Carter County or its agent but not in the government's name. Carter 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 Carter 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. Carter County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

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

**Note 3 - Interfund Transfers**

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

Fund	2011		2010	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 27,988	\$ 151,439	\$ 37,489
Road and Bridge Fund	-	-	-	141,648
Assessment Fund	39,690	-	36,021	-
Assessment Technology Fund	-	8,702	-	6,323
Forest Reserve Fund	-	44,181	-	-
Tax Maintenance Fund	-	3,000	-	2,000
Sheriff Federal Fund	44,181	-	-	-
Total	\$ 83,871	\$ 83,871	\$ 187,460	\$ 187,460

**Note 4 - Change in Basis of Accounting**

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

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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**Note 5 - County Employees' Retirement Fund (CERF)**

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

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

Pension Benefits:

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

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

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2011 and 2010, the County collected and remitted to CERF employee contributions of approximately \$19,433 and \$19,875, respectively for the years ended.

**Note 6 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, Carter 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. Carter County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2011 and 2010.

**The County of Carter  
Van Buren, Missouri  
Notes to the Financial Statements  
Years Ended December 31, 2011 & 2010**

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**Note 7 - Post-Employment Benefits**

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

**Note 8 - Claims, Commitments and Contingencies**

Litigation

Carter County is not involved in any pending litigations as of December 31, 2011.

Compensated Absences

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

**Note 9 - 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 was a member participant in a public entity risk pool, which is a corporate and political body, for the year ended 2010. The purpose of the risk pool was to provide liability protection to participating public entities, their officials and employees. Annual contributions were collected based on actuarial projections to produce sufficient funds to meet its obligations; the risk pool was empowered with the ability to make specific assessments. Members were jointly and severally liable for all claims against the pool. The County purchased commercial insurance from a different provider for the year ended 2011.

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

**Note 10 - Subsequent Events**

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 13, 2012, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**Note 11 - Prior Period Adjustments**

January 1, 2010 cash has been restated to remove various fiduciary funds and circuit court funds not included in the scope of our audit.



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

To the County Commission and Officeholders of Carter County, Missouri

We have audited the accompanying financial statements of Carter County, Missouri as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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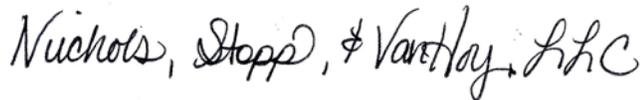
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agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly,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

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

We noted certain matters that we reported to management of Carter County, Missouri, in a separate letter dated July 13, 2012.

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

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

Creve Coeur, Missouri  
July 13, 2012



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

To the County Commission and  
Officeholders of Carter County, Missouri

Compliance

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

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

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

Internal Control Over Compliance

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

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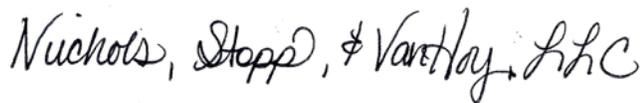
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,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

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

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

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

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

Creve Coeur, Missouri  
July 13, 2012

**The County of Carter  
Van Buren, Missouri  
Schedule of Expenditures of Federal Awards  
Years ended December 31, 2011 & 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2011	2010
<b>U.S. Department of Agriculture</b>				
Passed through state:				
Office of Administration -				
Schools and Roads - Grants to States	10.665	N/A	\$ 469,028	\$ 404,771
<b>U.S. Department of Housing and Urban Development</b>				
Passed through state:				
Department of Economic Development -				
Community Development Block Grant	14.228	2009-PF-04	259,000	22,758
Community Development Block Grant	14.228	2008-PF-03	-	283,342
Total U.S. Department of Housing and Urban Development			259,000	306,100
<b>U.S. Department of the Interior</b>				
Direct program:				
Payment on Lieu of Taxes	15.226	N/A	82,316	95,519
<b>U.S. Department of Justice</b>				
Passed through state:				
Department of Public Safety -				
Domestic Cannabis Eradication/Suppression Program	16.XXX	N/A	-	7,097
<b>U.S. Department of Homeland Security</b>				
Passed through state:				
Department of Public Safety -				
Disaster Grants - Public Assistance Grants	97.036	FEMA 1980-DR-MO	360,200	-
Disaster Grants - Public Assistance Grants	97.036	FEMA 1749-DR-MO	-	227,916
Total U.S. Department of Homeland Security			360,200	227,916
Total Expenditures of Federal Awards			<u>\$ 1,170,544</u>	<u>\$ 1,041,403</u>

**The County of Carter  
Van Buren, Missouri  
Notes to Schedule of Expenditures of Federal Awards  
Years ended December 31, 2011 & 2010**

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

Purpose of Schedule and Reporting Entity

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

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

Basis of Presentation

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

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

Basis of Accounting

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

**Note 2 - Subrecipients**

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

**The County of Carter  
Van Buren, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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

Financial Statements

Type of auditor's report issued Unqualified Regulatory Basis

Internal control over financial reporting:

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

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

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

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
14.228	Community Development Block Grant

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

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

**The County of Carter  
Van Buren, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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**Section 2 - Financial Statement Findings**

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

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

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

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

Management's Response: Management will take this under advisement.

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

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

Cause: Management has not prepared documentation of internal control.

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

Management's Response: The Clerk and Treasurer will meet to see if we can develop the required documentation.

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

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

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

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

Management's Response: Will advise Commission this needs to be done.

**The County of Carter  
Van Buren, Missouri  
Schedule of Findings and Questioned Cost  
Years ended December 31, 2011 & 2010**

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11/10-4 Condition: During our audit, we noted funds with actual expenditures that exceeded the budgeted expenditures, did not have an adopted budget, or were deficit budgeted.

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

Cause: Oversight

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

Management's Response: We will revise budgets during 2012 as needed.

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

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

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

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

Effect: Federal expenditures reported on the SEFA were incorrect.

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

Management's Response: We will try to do better.

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

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

**Prior Year Financial Statement Findings**

None

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

2009-1     Condition: The expenditures included on the County's Schedule of Expenditures of Federal Awards (SEFA) are not properly reported.

Criteria: The County prepares a Schedule of Expenditures of Federal Awards annually. This schedule is submitted to the State Auditor's Office as part of the annual budget. For the SEFA to adequately reflect the County's federal expenditures it is necessary for all federal expenditures for the period to be included. It appears that the expenditures reported are actually the revenues received for the various federal programs.

Effect: Without an accurate and complete SEFA, federal programs activity may not be audited and reported in accordance with federal program requirements which could result in reductions of future federal funds or refunds of federal funds already received.

Recommendation: We recommend that the County prepare a complete and accurate schedule of expenditures of federal awards.

Auditee's Response: I will do this to the best of my ability.

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

July 13, 2012



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Members of the County Commission  
Carter County, Missouri  
105 Main St.  
Van Buren, Missouri 63965

Dear Members:

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

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency, which are shown below. This letter does not affect our report dated July 13, 2012 on the financial statements of Carter County, Missouri.

#### Collectors Office

As part of our audit of the County, we examined the funds remitted to the Treasurer from the Collector; however, we are not engaged to audit the total funds collected by the Collector or those funds remitted to other entities. Although we are not engaged to audit the Collector's office, we performed certain analytical procedures on the amount of funds that should have been remitted to the Treasurer. These procedures include multiplying tax rates by assessed valuations to determine the estimated tax that should have been collected and comparing the estimated tax to what was actually remitted to the Treasurer from the Collector. During our audit we noted that total estimated tax (as calculated by us) compared to the amount remitted to the Treasurer for the General Fund was reasonable for 2011, but less than we would have expected for 2010 and 2009. Over the three years ended December 31, 2011, amounts remitted to the Treasurer for the General Fund was \$10,946 less than we would have expected. It was also brought to our attention that funds collected by the Collector were not always being remitted to the Treasurer or the other entities on a monthly basis.

We recommend the County Commission with the assistance of other County officials at least annually reconcile and compare assessed tax to amounts actually being collected and remitted to the Treasurer and other entities, review delinquent tax books for accuracy, and ensure that all abatements are approved. Also, funds collected by the Collector should be remitted to the various entities on a monthly basis.

*Nichols, Stopp, & VanHoy, LLC*

Creve Coeur, Missouri  
July 13, 2012