



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Daviess County, Missouri

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

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

Thomas A. Schweich
State Auditor

August 2013
Report No. 2013-075

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012 AND 2011

**THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Daviess, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Daviess, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The County was unable to provide the bank reconciliation for the Senate Bill 40’s Fund. We were unable to determine the reconciled cash balance as a reconciliation between cash balance and bank balance. Since we were unable to determine the cash balance of the Senate Bill 40 Fund, we used the book balances of \$245,747.97 and \$262,484.06 for the years ended December 31, 2012 and 2011, respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Emphasis of Matter

As described in Note XI, the County of Daviess has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2012 and December 31, 2011.

As described in Note XII, due to a statutory change effective August 28, 2010, the County’s Central Dispatch Emergency Services Fund is considered a legally separate political subdivision and is no longer included in the audit of the County.

As described in Note XIII, the General Revenue Fund beginning balance was decreased by \$9,394 to correct the prior year’s ending balance for a certificate of deposit. The School Bond Forfeitures Fund and the Prosecutor’s Forfeitures Fund balances were increased by \$5,851.96 and \$331.45, respectively, due to being left off of the prior year’s report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2013 on our consideration of the County of Daviess's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Daviess's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

July 3, 2013

FINANCIAL STATEMENTS

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

FUND	CASH & INVESTMENTS JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH & INVESTMENTS DECEMBER 31, 2012
General Revenue Fund	\$ 1,595,448.91	\$ 930,066.94	\$ 931,622.67	\$ 1,593,893.18
Special Road and Bridge Fund	134,158.85	979,997.26	987,415.75	126,740.36
Assessment Fund	32,110.44	171,921.25	170,751.35	33,280.34
Law Enforcement Sales Tax Fund	37,370.74	327,029.35	335,721.16	28,678.93
Law Enforcement Training Fund	824.66	3,199.43	2,576.45	1,447.64
Sheriff's Civil Fund	2,572.18	13,903.98	10,365.69	6,110.47
Prosecutor's Training Fund	442.00	803.97	1,045.35	200.62
Election Services Fund	5,726.62	1,291.70	3,500.00	3,518.32
Collector's Tax Maintenance Fund	45,179.82	13,819.47	15,025.14	43,974.15
Frazier Trust Fund	16,505.25	104.00	418.39	16,190.86
May's Estate Fund	8,132.69	46.15	4,920.00	3,258.84
Care Center Lease Fund	204,486.71	66,823.76	10,335.69	260,974.78
Domestic Violence Fund	325.16	225.39	540.53	10.02
Jackson Township Grant Maintenance Fund	65,970.01	23,961.22	-	89,931.23
Capital Improvements Fund	122,352.40	9,004.32	23,763.18	107,593.54
Veteran's Memorial Fund	13,180.00	199.69	148.28	13,231.41
Local Emergency Planning Commission Fund	13,511.06	13.78	8,653.23	4,871.61
Sheriff's Forfeiture Fund	0.37	-	-	0.37
Law Enforcement Post Fund	1,802.84	1,420.52	1,409.65	1,813.71
Law Enforcement Grant Fund	175.17	12,157.71	11,466.96	865.92
Senior Services Fund	23,401.07	55,565.32	54,225.00	24,741.39
Inmate Security Fund	3,095.67	3,185.88	2,899.58	3,381.97
Sheriff's Revolving Fund	4,869.31	4,853.59	4,886.90	4,836.00
Prosecutor's Check Processing Fund	21,120.15	7,797.34	8,162.05	20,755.44
School Bond Forfeitures Fund	15,122.51	8,784.99	21,806.65	2,100.85
Prosecutor's Delinquent Tax Fund	1.64	-	-	1.64
Prosecutor's Forfeitures Fund	333.15	1.25	-	334.40
Deputy Sheriff Supplemental Salary Fund	-	15,030.31	12,764.37	2,265.94
Senate Bill 40 Fund	262,484.06	81,179.04	97,915.13	245,747.97
Recorder User Fee Fund	20,145.48	4,175.09	1,264.91	23,055.66
Recorder Tech Fund	4,168.77	2,656.59	5,053.95	1,771.41
TOTAL	\$ 2,655,017.69	\$ 2,739,219.29	\$ 2,728,658.01	\$ 2,665,578.97

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

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

FUND	CASH & INVESTMENTS JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH & INVESTMENTS DECEMBER 31, 2011
General Revenue Fund	\$ 1,647,275.60	\$ 852,943.31	\$ 904,770.00	\$ 1,595,448.91
Special Road and Bridge Fund	155,746.60	1,034,576.71	1,056,164.46	134,158.85
Assessment Fund	39,502.62	157,792.31	165,184.49	32,110.44
Law Enforcement Sales Tax Fund	19,908.56	314,896.35	297,434.17	37,370.74
Law Enforcement Training Fund	875.71	2,921.63	2,972.68	824.66
Sheriff's Civil Fund	(61.93)	9,481.75	6,847.64	2,572.18
Prosecutor's Training Fund	198.18	729.23	485.41	442.00
Election Services Fund	4,708.72	1,075.54	57.64	5,726.62
Collector's Tax Maintenance Fund	44,117.14	14,210.45	13,147.77	45,179.82
Frazier Trust Fund	16,779.71	235.38	509.84	16,505.25
May's Estate Fund	8,009.03	123.66	-	8,132.69
Care Center Lease Fund	156,202.30	54,919.81	6,635.40	204,486.71
Domestic Violence Fund	10.02	315.14	-	325.16
Jackson Township Grant Maintenance Fund	47,797.98	18,172.03	-	65,970.01
Capital Improvements Fund	178,358.15	5,020.41	61,026.16	122,352.40
Veteran's Memorial Fund	12,682.95	618.05	121.00	13,180.00
Local Emergency Planning Commission Fund	5,085.27	11,054.53	2,628.74	13,511.06
Sheriff's Forfeiture Fund	0.37	-	-	0.37
Law Enforcement Post Fund	1,779.81	1,353.63	1,330.60	1,802.84
Law Enforcement Grant Fund	485.16	10,869.98	11,179.97	175.17
Senior Services Fund	23,160.03	52,030.04	51,789.00	23,401.07
Inmate Security Fund	2,962.69	2,894.48	2,761.50	3,095.67
Sheriff's Revolving Fund	448.70	4,420.61	-	4,869.31
Prosecutor's Check Processing Fund	18,282.53	11,015.06	8,177.44	21,120.15
School Bond Forfeitures Fund	5,851.96	9,270.55	-	15,122.51
Prosecutor's Delinquent Tax Fund	1.64	-	-	1.64
Prosecutor's Forfeitures Fund	331.45	1.70	-	333.15
Deputy Sheriff Supplemental Salary Fund	-	-	-	-
Senate Bill 40 Fund	289,489.84	62,776.07	89,781.85	262,484.06
Recorder User Fee Fund	39,169.19	4,296.29	23,320.00	20,145.48
Recorder Tech Fund	3,551.15	2,713.35	2,095.73	4,168.77
TOTAL	\$ 2,722,711.13	\$ 2,640,728.05	\$ 2,708,421.49	\$ 2,655,017.69

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 130,000.00	\$ 138,335.26	\$ 152,600.00	\$ 132,201.47
Sales Taxes	285,000.00	306,727.16	260,000.00	283,975.07
Intergovernmental	595,890.00	84,039.38	568,220.00	77,088.14
Charges for Services	280,355.00	304,725.98	280,250.00	290,791.08
Interest	15,000.00	9,467.21	40,000.00	21,971.86
Other	56,100.00	85,501.95	91,450.00	40,921.73
Transfers In	-	1,270.00	-	5,993.96
TOTAL RECEIPTS	1,362,345.00	930,066.94	1,392,520.00	852,943.31
DISBURSEMENTS				
County Commission	91,034.04	88,296.86	87,484.04	84,006.29
County Clerk	90,463.00	88,085.67	89,530.00	84,104.58
Elections	76,050.00	72,510.81	22,600.00	18,800.94
Buildings and Grounds	110,500.00	77,698.32	113,000.00	86,456.11
Employee Fringe Benefits	83,303.22	81,732.60	94,536.91	73,085.30
County Treasurer	73,873.00	72,893.74	72,004.00	70,897.29
Collector	7,800.00	9,126.54	10,000.00	7,390.72
Recorder of Deeds	73,437.00	72,748.40	67,748.00	65,667.04
Circuit Clerk	27,850.00	24,512.95	30,690.00	29,817.08
Court Administration	29,000.00	14,315.48	53,010.00	28,619.33
Public Administrator	32,609.00	30,251.44	30,417.00	28,929.18
Sheriff	39,750.00	39,742.00	49,100.00	68,596.10
Jail	-	-	33,000.00	17,525.82
Prosecuting Attorney	88,215.00	82,248.63	89,774.00	87,974.95
Juvenile Officer	14,851.10	10,663.82	12,151.08	7,397.03
Coroner	29,823.00	19,842.39	29,573.00	18,054.02
Emergency Fund	200,000.00	17,623.25	200,000.00	20,700.00
Other General County Govt	649,000.00	121,244.89	621,775.00	100,423.42
Public Health and Welfare Services	2,000.00	-	19,004.00	2,049.00
Transfers Out	132,300.00	8,084.88	55,000.00	4,275.80
TOTAL DISBURSEMENTS	1,851,858.36	931,622.67	1,780,397.03	904,770.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(489,513.36)	(1,555.73)	(387,877.03)	(51,826.69)
CASH & INVESTMENTS, JANUARY 1	1,595,448.91	1,595,448.91	1,647,275.60	1,647,275.60
CASH & INVESTMENTS, DECEMBER 31	\$ 1,105,935.55	\$ 1,593,893.18	\$ 1,259,398.57	\$ 1,595,448.91

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,037,560.00	964,267.70	1,032,900.00	993,360.11	137,845.92	137,206.28	146,888.00	136,612.50
Charges for Services	4,000.00	1,123.41	1,500.00	600.00	-	23.67	40.00	32.31
Interest	1,000.00	708.18	1,000.00	1,159.68	1,100.00	-	-	-
Other	14,750.00	13,897.97	30,800.00	39,456.92	-	27,906.12	1,000.00	21,147.50
Transfers In	50,000.00	-	50,000.00	-	22,000.00	6,785.18	-	-
TOTAL RECEIPTS	1,107,310.00	979,997.26	1,116,200.00	1,034,576.71	160,945.92	171,921.25	147,928.00	157,792.31
DISBURSEMENTS								
Supplies	35,500.00	27,816.92	29,000.00	28,983.00	40,999.00	24,795.96	36,499.00	19,304.64
Road and Bridge Construction	1,003,000.00	774,346.38	1,018,500.00	837,763.55	-	-	-	-
Equipment Repairs	20,000.00	20,007.87	20,000.00	28,035.78	-	-	-	-
Insurance	10,000.00	7,308.00	10,000.00	8,678.00	2,000.00	1,762.00	2,500.00	1,823.00
Salaries	114,200.00	113,548.72	114,000.00	110,941.94	122,358.00	119,345.35	121,175.00	120,780.80
Benefits	38,936.30	34,132.26	34,221.00	31,345.29	25,560.39	24,848.04	24,322.89	23,276.05
Other Expenses	7,250.00	5,176.57	8,100.00	10,416.90	-	-	-	-
Transfers Out	4,840.00	5,079.03	4,840.00	-	-	-	-	-
TOTAL DISBURSEMENTS	1,233,726.30	987,415.75	1,238,661.00	1,056,164.46	190,917.39	170,751.35	184,496.89	165,184.49
RECEIPTS OVER (UNDER) DISBURSEMENTS	(126,416.30)	(7,418.49)	(122,461.00)	(21,587.75)	(29,971.47)	1,169.90	(36,568.89)	(7,392.18)
CASH & INVESTMENTS, JANUARY 1	134,158.85	134,158.85	155,746.60	155,746.60	32,110.44	32,110.44	39,502.62	39,502.62
CASH & INVESTMENTS, DECEMBER 31	\$ 7,742.55	\$ 126,740.36	\$ 33,285.60	\$ 134,158.85	\$ 2,138.97	\$ 33,280.34	\$ 2,933.73	\$ 32,110.44

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 285,000.00	\$ 306,731.18	\$ 260,000.00	\$ 283,978.79	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,200.00	3,525.00	3,900.00	3,188.00	3,000.00	3,198.00	2,900.00	2,921.63
Intergovernmental	-	216.60	100.00	38.08	-	-	-	-
Interest	-	24.18	30.00	29.59	-	1.43	-	-
Other	13,400.00	11,315.39	16,000.00	25,600.09	-	-	-	-
Transfers In	8,000.00	5,217.00	-	2,061.80	-	-	-	-
TOTAL RECEIPTS	309,600.00	327,029.35	280,030.00	314,896.35	3,000.00	3,199.43	2,900.00	2,921.63
DISBURSEMENTS								
Salaries	213,789.20	209,612.25	187,130.90	186,950.22	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Equipment	1,000.00	1,062.00	1,000.00	909.57	-	-	-	-
Travel Expense	47,000.00	54,021.16	58,000.00	64,856.56	-	-	-	-
Office	9,500.00	8,581.44	16,100.00	9,113.92	-	-	-	-
Other	12,760.00	13,990.00	13,190.00	10,534.37	3,800.00	2,576.45	3,750.00	2,972.68
Insurance	55,554.87	45,271.22	17,815.51	16,920.57	-	-	-	-
Prisoner Costs	7,300.00	3,183.09	6,300.00	4,271.86	-	-	-	-
Transfers Out	-	-	-	3,877.10	-	-	-	-
TOTAL DISBURSEMENTS	346,904.07	335,721.16	299,536.41	297,434.17	3,800.00	2,576.45	3,750.00	2,972.68
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(37,304.07)	(8,691.81)	(19,506.41)	17,462.18	(800.00)	622.98	(850.00)	(51.05)
CASH & INVESTMENTS, JANUARY 1	37,370.74	37,370.74	19,908.56	19,908.56	824.66	824.66	875.71	875.71
CASH & INVESTMENTS, DECEMBER 31	\$ 66.67	\$ 28,678.93	\$ 402.15	\$ 37,370.74	\$ 24.66	\$ 1,447.64	\$ 25.71	\$ 824.66

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SHERIFF'S CIVIL FUND				PROSECUTOR'S TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 8,500.00	\$ 12,563.25	\$ 12,000.00	\$ 9,480.00	\$ 600.00	\$ 803.73	\$ 800.00	\$ 729.03
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	3.05	-	1.75	-	0.24	-	0.20
Other	-	1,337.68	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,500.00	13,903.98	12,000.00	9,481.75	600.00	803.97	800.00	729.23
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment	11,000.00	10,365.69	11,900.00	6,847.64	-	-	-	-
Other	-	-	-	-	600.00	1,045.35	800.00	485.41
TOTAL DISBURSEMENTS	11,000.00	10,365.69	11,900.00	6,847.64	600.00	1,045.35	800.00	485.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500.00)	3,538.29	100.00	2,634.11	-	(241.38)	-	243.82
CASH & INVESTMENTS, JANUARY 1	2,572.18	2,572.18	(61.93)	(61.93)	442.00	442.00	198.18	198.18
CASH & INVESTMENTS, DECEMBER 31	\$ 72.18	\$ 6,110.47	\$ 38.07	\$ 2,572.18	\$ 442.00	\$ 200.62	\$ 198.18	\$ 442.00

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	ELECTION SERVICES FUND				COLLECTOR'S TAX MAINTENACE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,400.00	\$ 1,288.17	\$ 650.00	\$ 1,070.24	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	15,000.00	13,644.41	15,500.00	14,077.83
Interest	-	3.53	5.00	5.30	125.00	175.06	200.00	132.62
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>1,400.00</u>	<u>1,291.70</u>	<u>655.00</u>	<u>1,075.54</u>	<u>15,125.00</u>	<u>13,819.47</u>	<u>15,700.00</u>	<u>14,210.45</u>
DISBURSEMENTS								
Materials and Supplies	4,500.00	3,500.00	4,100.00	57.64	29,450.00	15,025.14	28,250.00	13,147.77
Services and Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,500.00</u>	<u>3,500.00</u>	<u>4,100.00</u>	<u>57.64</u>	<u>29,450.00</u>	<u>15,025.14</u>	<u>28,250.00</u>	<u>13,147.77</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,100.00)	(2,208.30)	(3,445.00)	1,017.90	(14,325.00)	(1,205.67)	(12,550.00)	1,062.68
CASH & INVESTMENTS, JANUARY 1	<u>5,726.62</u>	<u>5,726.62</u>	<u>4,708.72</u>	<u>4,708.72</u>	<u>45,179.82</u>	<u>45,179.82</u>	<u>44,117.14</u>	<u>44,117.14</u>
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 2,626.62</u>	<u>\$ 3,518.32</u>	<u>\$ 1,263.72</u>	<u>\$ 5,726.62</u>	<u>\$ 30,854.82</u>	<u>\$ 43,974.15</u>	<u>\$ 31,567.14</u>	<u>\$ 45,179.82</u>

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THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	FRAZIER TRUST FUND				MAY'S ESTATE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 200.00	\$ 104.00	\$ 300.00	\$ 235.38	\$ 75.00	\$ 46.15	\$ 250.00	\$ 123.66
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	200.00	104.00	300.00	235.38	75.00	46.15	250.00	123.66
DISBURSEMENTS								
Supplies and Equipment	1,200.00	418.39	1,000.00	509.84	8,000.00	4,920.00	8,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	418.39	1,000.00	509.84	8,000.00	4,920.00	8,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000.00)	(314.39)	(700.00)	(274.46)	(7,925.00)	(4,873.85)	(7,750.00)	123.66
CASH & INVESTMENTS, JANUARY 1	16,505.25	16,505.25	16,779.71	16,779.71	8,132.69	8,132.69	8,009.03	8,009.03
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 15,505.25</u>	<u>\$ 16,190.86</u>	<u>\$ 16,079.71</u>	<u>\$ 16,505.25</u>	<u>\$ 207.69</u>	<u>\$ 3,258.84</u>	<u>\$ 259.03</u>	<u>\$ 8,132.69</u>

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THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
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	CARE CENTER LEASE FUND				DOMESTIC VIOLENCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	72,000.00	66,000.00	54,000.00	54,000.00	300.00	225.00	400.00	315.00
Interest	750.00	823.76	-	919.81	-	0.39	-	0.14
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	72,750.00	66,823.76	54,000.00	54,919.81	300.00	225.39	400.00	315.14
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,000.00	10,335.69	20,000.00	6,635.40	-	-	-	-
Services and Other	-	-	-	-	600.00	540.53	400.00	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	10,335.69	20,000.00	6,635.40	600.00	540.53	400.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	52,750.00	56,488.07	34,000.00	48,284.41	(300.00)	(315.14)	-	315.14
CASH & INVESTMENTS, JANUARY 1	204,486.71	204,486.71	156,202.30	156,202.30	325.16	325.16	10.02	10.02
CASH & INVESTMENTS, DECEMBER 31	<u>\$257,236.71</u>	<u>\$260,974.78</u>	<u>\$190,202.30</u>	<u>\$204,486.71</u>	<u>\$ 25.16</u>	<u>\$ 10.02</u>	<u>\$ 10.02</u>	<u>\$ 325.16</u>

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THE COUNTY OF DAVIESS
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	JACKSON TOWNSHIP GRANT MAINTENANCE FUND				CAPITAL IMPROVEMENTS FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 980.00	\$ 980.00	\$ 980.00	\$ 5,820.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	12,000.00	18,000.00	-	12,000.00	-	8,556.17	-	4,761.26
Interest	300.00	211.22	600.00	352.03	200.00	448.15	300.00	259.15
Other	-	4,770.00	-	-	-	-	4,500.00	-
Transfers In	4,840.00	-	4,840.00	-	50,000.00	-	-	-
TOTAL RECEIPTS	18,120.00	23,961.22	6,420.00	18,172.03	50,200.00	9,004.32	4,800.00	5,020.41
DISBURSEMENTS								
Materials and Supplies	10,000.00	-	10,000.00	-	-	-	-	-
Improvements	-	-	-	-	50,000.00	23,763.18	75,000.00	61,026.16
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	-	10,000.00	-	50,000.00	23,763.18	75,000.00	61,026.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,120.00	23,961.22	(3,580.00)	18,172.03	200.00	(14,758.86)	(70,200.00)	(56,005.75)
CASH & INVESTMENTS, JANUARY 1	65,970.01	65,970.01	47,797.98	47,797.98	122,352.40	122,352.40	178,358.15	178,358.15
CASH & INVESTMENTS, DECEMBER 31	\$ 74,090.01	\$ 89,931.23	\$ 44,217.98	\$ 65,970.01	\$ 122,552.40	\$ 107,593.54	\$ 108,158.15	\$ 122,352.40

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	VETERAN'S MEMORIAL FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$45,400.00	\$ 11,040.61
Interest	100.00	79.69	300.00	178.05	-	13.78	-	13.92
Other	500.00	120.00	500.00	440.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	600.00	199.69	800.00	618.05	-	13.78	45,400.00	11,054.53
DISBURSEMENTS								
Equipment and Other	500.00	148.28	500.00	121.00	-	8,653.23	45,600.00	2,628.74
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	148.28	500.00	121.00	-	8,653.23	45,600.00	2,628.74
RECEIPTS OVER (UNDER) DISBURSEMENTS	100.00	51.41	300.00	497.05	-	(8,639.45)	(200.00)	8,425.79
CASH & INVESTMENTS, JANUARY 1	13,180.00	13,180.00	12,682.95	12,682.95	13,511.06	13,511.06	5,085.27	5,085.27
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 13,280.00</u>	<u>\$ 13,231.41</u>	<u>\$ 12,982.95</u>	<u>\$ 13,180.00</u>	<u>\$ 13,511.06</u>	<u>\$ 4,871.61</u>	<u>\$ 4,885.27</u>	<u>\$ 13,511.06</u>

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THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SHERIFF'S FORFEITURE FUND				LAW ENFORCEMENT POST FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.87	\$ 40.00	\$ 23.03
Charges for Services	-	-	1,000.00	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000.00	1,409.65	1,350.00	1,330.60
TOTAL RECEIPTS	-	-	1,000.00	-	3,000.00	1,420.52	1,390.00	1,353.63
DISBURSEMENTS								
Supplies and Other	-	-	1,000.00	-	3,000.00	1,409.65	3,000.00	1,330.60
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	1,000.00	-	3,000.00	1,409.65	3,000.00	1,330.60
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	10.87	(1,610.00)	23.03
CASH & INVESTMENTS, JANUARY 1	0.37	0.37	0.37	0.37	1,802.84	1,802.84	1,779.81	1,779.81
CASH & INVESTMENTS, DECEMBER 31	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 1,802.84	\$ 1,813.71	\$ 169.81	\$ 1,802.84

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THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT GRANT				SENIOR SERVICES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 13,500.00	\$ 12,156.04	\$ 13,500.00	\$ 10,866.52	\$ -	\$ -	\$ -	\$ -
Property Taxes	-	-	-	-	54,000.00	54,347.98	55,000.00	51,918.47
Interest	-	1.67	-	3.46	-	13.15	20.00	14.43
Other	-	-	-	-	-	1,204.19	-	-
Transfers In	-	-	-	-	-	-	-	97.14
TOTAL RECEIPTS	13,500.00	12,157.71	13,500.00	10,869.98	54,000.00	55,565.32	55,020.00	52,030.04
DISBURSEMENTS								
Equipment and Other	13,500.00	11,452.89	13,500.00	11,179.97	-	-	97.14	-
Senior Services	-	-	-	-	55,000.00	54,225.00	54,902.86	51,789.00
Transfers Out	-	14.07	-	-	-	-	-	-
TOTAL DISBURSEMENTS	13,500.00	11,466.96	13,500.00	11,179.97	55,000.00	54,225.00	55,000.00	51,789.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	690.75	-	(309.99)	(1,000.00)	1,340.32	20.00	241.04
CASH & INVESTMENTS, JANUARY 1	175.17	175.17	485.16	485.16	23,401.07	23,401.07	23,160.03	23,160.03
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 175.17</u>	<u>\$ 865.92</u>	<u>\$ 485.16</u>	<u>\$ 175.17</u>	<u>\$ 22,401.07</u>	<u>\$ 24,741.39</u>	<u>\$ 23,180.03</u>	<u>\$ 23,401.07</u>

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THE COUNTY OF DAVIESS
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	INMATE SECURITY FUND				SHERIFF'S REVOLVING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	2.38	-	2.48	-	3.59	-	2.61
Charges for Services	3,000.00	3,183.50	2,700.00	2,892.00	2,000.00	4,850.00	4,000.00	4,418.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	3,185.88	2,700.00	2,894.48	2,000.00	4,853.59	4,000.00	4,420.61
DISBURSEMENTS								
Supplies and Other	6,000.00	2,899.58	3,000.00	2,761.50	5,000.00	4,886.90	4,000.00	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	2,899.58	3,000.00	2,761.50	5,000.00	4,886.90	4,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	286.30	(300.00)	132.98	(3,000.00)	(33.31)	-	4,420.61
CASH & INVESTMENTS, JANUARY 1	3,095.67	3,095.67	2,962.69	2,962.69	4,869.31	4,869.31	448.70	448.70
CASH & INVESTMENTS, DECEMBER 31	\$ 95.67	\$ 3,381.97	\$ 2,662.69	\$ 3,095.67	\$ 1,869.31	\$ 4,836.00	\$ 448.70	\$ 4,869.31

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THE COUNTY OF DAVIESS
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	PROSECUTOR'S CHECK PROCESSING FUND				SCHOOL BOND FORFEITURES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	20.33	-	18.77	-	4.99	-	10.55
Charges for Services	10,000.00	7,777.01	8,000.00	10,996.29	10,000.00	8,780.00	20,000.00	9,260.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	7,797.34	8,000.00	11,015.06	10,000.00	8,784.99	20,000.00	9,270.55
DISBURSEMENTS								
Supplies and Other	10,000.00	8,162.05	8,000.00	8,177.44	20,000.00	21,806.65	20,000.00	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	8,162.05	8,000.00	8,177.44	20,000.00	21,806.65	20,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(364.71)	-	2,837.62	(10,000.00)	(13,021.66)	-	9,270.55
CASH & INVESTMENTS, JANUARY 1	21,120.15	21,120.15	18,282.53	18,282.53	15,122.51	15,122.51	5,851.96	5,851.96
CASH & INVESTMENTS, DECEMBER 31	\$ 21,120.15	\$ 20,755.44	\$ 18,282.53	\$ 21,120.15	\$ 5,122.51	\$ 2,100.85	\$ 5,851.96	\$ 15,122.51

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	PROSECUTOR'S DELINQUENT TAX FUND				PROSECUTOR'S FORFEITURES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1.25	-	1.70
Charges for Services	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	1.25	-	1.70
DISBURSEMENTS								
Supplies and Other	-	-	-	-	-	-	-	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	1.25	-	1.70
CASH & INVESTMENTS, JANUARY 1	1.64	1.64	1.64	1.64	333.15	333.15	331.45	331.45
CASH & INVESTMENTS, DECEMBER 31	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 333.15	\$ 334.40	\$ 331.45	\$ 333.15

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	DEPUTY SHERIFF SUPPLEMENTAL SALARY FUND				SENATE BILL 40 FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 90,000.00	\$ 78,755.11	\$ 83,000.00	\$ 59,266.73
Intergovernmental	-	10,832.04	-	-	-	-	-	-
Interest	-	-	-	-	4,000.00	2,423.93	3,000.00	3,509.34
Other	-	4,198.27	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	15,030.31	-	-	94,000.00	81,179.04	86,000.00	62,776.07
DISBURSEMENTS								
Salaries	-	12,670.17	-	-	-	-	-	-
Developmentally Disabled Board	-	-	-	-	347,630.00	97,915.13	367,200.00	89,781.85
Transfers Out	-	94.20	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	12,764.37	-	-	347,630.00	97,915.13	367,200.00	89,781.85
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	2,265.94	-	-	(253,630.00)	(16,736.09)	(281,200.00)	(27,005.78)
CASH & INVESTMENTS, JANUARY 1	-	-	-	-	262,484.06	262,484.06	289,489.84	289,489.84
CASH & INVESTMENTS, DECEMBER 31	\$ -	\$ 2,265.94	\$ -	\$ -	\$ 8,854.06	\$ 245,747.97	\$ 8,289.84	\$ 262,484.06

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	RECORDER USER FEE FUND				RECORDER TECH FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Interest	350.00	119.09	650.00	434.29	3.00	2.84	4.00	3.60
Other	3,150.00	4,056.00	3,500.00	3,862.00	2,500.00	2,653.75	2,246.00	2,709.75
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,500.00	4,175.09	4,150.00	4,296.29	2,503.00	2,656.59	2,250.00	2,713.35
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Travel Expense	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	20,000.00	1,264.91	20,000.00	23,320.00	5,500.00	5,053.95	33,500.00	2,095.73
Insurance	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	1,264.91	20,000.00	23,320.00	5,500.00	5,053.95	33,500.00	2,095.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,500.00)	2,910.18	(15,850.00)	(19,023.71)	(2,997.00)	(2,397.36)	(31,250.00)	617.62
CASH & INVESTMENTS, JANUARY 1	20,145.48	20,145.48	39,169.19	39,169.19	4,168.77	4,168.77	3,551.15	3,551.15
CASH & INVESTMENTS, DECEMBER 31	\$ 3,645.48	\$ 23,055.66	\$ 23,319.19	\$ 20,145.48	\$ 1,171.77	\$ 1,771.41	\$ (27,698.85)	\$ 4,168.77

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2012

	<u>Collector Funds</u>	<u>Prosecuting Attorney</u>	<u>Recorders Funds</u>	<u>Sheriff Funds</u>	<u>Fines Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,350,641.38	\$ 19,891.97	\$ -	\$ -	\$ 52,868.21
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,350,641.38	19,891.97	-	-	52,868.21
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,350,641.38	19,891.97	-	-	52,868.21
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,350,641.38</u>	<u>\$ 19,891.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,868.21</u>
	<u>Criminal Costs</u>	<u>Overplus Funds</u>	<u>CERF</u>		<u>Grand Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,305.50	\$ 3,014.15	\$ 5,338.17		\$ 3,434,059.38
Investments					
Other Investments	-	1,856.19	-		1,856.19
Total Investments	-	1,856.19	-		1,856.19
Total Assets	2,305.50	4,870.34	5,338.17		3,435,915.57
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-		-
UNRESERVED FUND BALANCES	2,305.50	4,870.34	5,338.17		3,435,915.57
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,305.50</u>	<u>\$ 4,870.34</u>	<u>\$ 5,338.17</u>		<u>\$ 3,435,915.57</u>

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2011

	<u>Collector Funds</u>	<u>Prosecuting Attorney</u>	<u>Recorders Funds</u>	<u>Sheriff Funds</u>	<u>Fines Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,415,525.46	\$ 25,965.42	\$ -	\$ -	\$ 59,914.70
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,415,525.46	25,965.42	-	-	59,914.70
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,415,525.46	25,965.42	-	-	59,914.70
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,415,525.46</u>	<u>\$ 25,965.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,914.70</u>
	<u>Criminal Costs</u>	<u>Overplus Funds</u>	<u>CERF</u>		<u>Grand Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,148.50	\$ 2,044.28	\$ 5,719.35		\$ 3,511,317.71
Investments					
Other Investments	-	1,845.55	-		1,845.55
Total Investments	-	1,845.55	-		1,845.55
Total Assets	2,148.50	3,889.83	5,719.35		3,513,163.26
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-		-
UNRESERVED FUND BALANCES	2,148.50	3,889.83	5,719.35		3,513,163.26
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,148.50</u>	<u>\$ 3,889.83</u>	<u>\$ 5,719.35</u>		<u>\$ 3,513,163.26</u>

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

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Daviess, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1836 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector/Treasurer, Recorder of Deeds, Sheriff, Assessor, Coroner, Circuit Clerk, 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, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Daviess 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 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:

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

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.

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 similarly 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 officeholders.

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. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

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 financial statements would be presented on the accrual basis of accounting.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures 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.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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 assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	2012	2011
Real Estate	\$ 79,316,584	\$ 76,833,785
Personal Property	25,865,006	24,975,755
Railroad and Utilities	7,440,189	7,085,195
	\$ 112,621,779	\$ 108,894,735

During 2012 and 2011, the County Commission approved a \$0.2400 and \$0.2500 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2012 and 2011, for purpose of County taxation, as follows:

	2012	2011
General Revenue Fund	\$.1200	\$.1200
Senate Bill 40 Fund	.0700	.0800
Senior Services Fund	.0500	.0500
	\$.2400	\$.2500

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. Details of these cash balances are presented in Note II.

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.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

II. CASH AND INVESTMENTS

Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits was \$2,665,578.97 and \$2,655,017.69 and the bank balance was \$5,895,504.88 and \$5,790,653.28, respectively. As of December 31, 2012 and 2011, the County's deposits were properly pledged by FDIC insurance and pledged securities.

SUMMARY OF CARRYING VALUES

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

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

Deposits	\$	985,842.76
Investments		1,679,736.21
Total Governmental Funds		2,665,578.97

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits		3,434,059.38
Investments		1,856.19
Total Agency Funds		3,435,915.57

Total Deposits and Investments as of December 31, 2012	\$	6,101,494.54
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The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

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

Deposits	\$	921,945.38
Investments		1,733,072.31
Total Governmental Funds		2,655,017.69

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits		3,511,317.71
Investments		1,845.55
Total Agency Funds		3,513,163.26

Total Deposits and Investments as of December 31, 2011	\$	6,168,180.95
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THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

II. CASH AND INVESTMENTS (concluded)

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 exposed to custodial credit risk for the years ended December 31, 2012 and 2011.

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.

Concentration of Investment Credit Risk

Concentration of investment 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 investments were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

III. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012 and 2011 are as follows:

	2012		2011	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 1,270.00	\$ 8,084.88	\$ 5,993.96	\$ 4,275.80
Special Road and Bridge Fund	-	5,079.03	-	-
Assessment Fund	6,785.18	-	-	-
Law Enforcement Sales Tax Fund	5,217.00	-	2,061.80	3,877.10
Law Enforcement Grant Fund	-	14.07	-	-
Senior Services Fund	-	-	97.14	-
Deputy Sheriff Supplemental Salary Fund	-	94.20	-	-
TOTAL	\$ 13,272.18	\$ 13,272.18	\$ 8,152.90	\$ 8,152.90

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 Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

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. All benefits vest

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

A. Plan Description (continued)

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.

B. Contributions

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 the Missouri Legislature. During 2012 and 2011, the County collected and remitted to CERF, employee contributions of approximately \$37,475.61 and \$34,375.71, respectively, for the years then ended.

V. 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 \$1,683 and \$2,244, respectively, for the years ended December 31, 2012 and 2011.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

VI. 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. There was one participant for COBRA at December 31, 2012 and one participant at December 31, 2011.

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not currently involved in pending litigation at December 31, 2012.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee will be reimbursed for any unused vacation days. Employees earn 3.75 or 4 hours of sick leave per month depending on their normal day. The County allows employees to carry forward sick leave however, an employee will not be reimbursed for unused sick leave. 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.

VIII. 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. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to 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 OF DAVIESS
GALLATIN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

IX. RISK MANAGEMENT (concluded)

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. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2012 and December 31, 2011, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis 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.

XII. CENTRAL DISPATCH EMERGENCY SERVICES FUND

Due to a statutory change effective August 28, 2010, the County's Central Dispatch Emergency Services Fund is considered a legally separate political subdivision and is no longer included in the audit of the County.

XIII. PRIOR PERIOD ADJUSTMENT

The General Revenue Fund beginning balance at January 1, 2011, was decreased by \$9,394 to correct prior year's ending balance for a certificate of deposit. Also, the School Bond Forfeitures Fund and Prosecutor's Forfeitures Fund were left off of the prior year report. These funds have been included in the current year's report and increase beginning fund balance at January 1, 2011, by \$5,851.96 for the School Bond Forfeitures Fund and \$331.45 for the Prosecutor's Forfeitures Fund.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2012 AND 2011

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2012, actual expenditures exceeded those budgeted in the Prosecutor's Training Fund and School Bond Forfeitures Fund.
- II. For the year ended December 31, 2011, actual expenditures exceeded those budgeted in the Prosecutor's Check Processing Fund and Recorder User Fee Fund.
- III. The Local Emergency Planning Commission Fund and the Deputy Sheriff Supplemental Salary Fund did not have budgets for the year ended December 31, 2012.
- IV. The Prosecutor's Delinquent Tax Fund and the Prosecutor's Forfeitures Fund did not have budgets for the years ended December 31, 2012 and December 31, 2011.

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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*

Independent Auditor's Report

To the County Commission
The County of Daviess, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Daviess ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. [FS 12/11-03 and FS 12/11-04].

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 responses to be significant deficiencies. [FS 12/11-01 and FS 12/11-02]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Daniel Jones & Associates

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

July 3, 2013

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

I. FINANCIAL STATEMENT FINDINGS

FS 12/11-01 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, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, 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: SAS 122 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 Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

FS 12/11-02 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 the walkthroughs of the County, 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.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

I. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02 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 Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

FS 12/11-03 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney'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 Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's (Andrea Gibson) office will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year. The Prosecuting Attorney's office phone number is 660-663-4129.

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Senate Bill 40's office.

Condition: We noted that there were no bank reconciliations for the Senate Bill 40's office.

Context: This deficiency became apparent through our testing of the Senate Bill 40'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.

THE COUNTY OF DAVIESS
GALLATIN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-04 Recommendation: We recommend that the Senate Bill 40's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Senate Bill 40's office (Brenda Wright) will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year.

THE COUNTY OF DAVIES
GALLATIN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings related to internal control and compliance.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

July 3, 2013

To the Board of Commissioners
County of Daviess

In planning and performing our audit of the regulatory based financial statements of the County of Daviess (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not 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 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 following deficiencies in the County's internal control to be material weaknesses 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 following deficiencies in the County's internal control to be significant deficiencies as noted in section II:

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

- I. Deficiencies Considered to be Material
- II. Deficiencies Considered to be Significant
- III. Information Required by Professional Standards

The County's management has provided written responses to the findings 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 Office Holders, the Missouri State Auditor and federal agencies 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
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 12/11-03 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney'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 Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

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Condition: We noted that there were no bank reconciliations for the Senate Bill 40's office.

Context: This deficiency became apparent through our testing of the Senate Bill 40'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 Senate Bill 40's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Senate Bill 40's office (Brenda Wright) will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01 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, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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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.

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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.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 12/11-02 Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 29, 2013. Professional standards also require that we communicate to you the following information related to our audit.

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 are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2013 fiscal year. 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. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

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 clearly 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 each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, 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.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 3, 2013.

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 County’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.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.