

ST. FRANCOIS COUNTY, MISSOURI

FINANCIAL STATEMENTS

December 31, 2012

TABLE OF CONTENTS

Page

INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report..... 1- 3

Independent Auditors' 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* 4 - 5

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position - Modified Cash Basis.....6

Statement of Activities - Modified Cash Basis7

Fund Financial Statements:

Combined Balance Sheet - Modified Cash Basis -
Governmental Funds.....8

Reconciliation of Total Governmental Fund Balance to Net
Position of Governmental Activities.....9

Statement of Revenues, Expenditures and Changes in Fund
Balances - Modified Cash Basis - Governmental Funds 10

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the
Statement of Activities 11

Statement of Fiduciary Net Assets - Modified Cash Basis -
Agency Funds 12

NOTES TO THE FINANCIAL STATEMENTS 13 - 40

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule-(Modified Cash)
General Fund..... 41

Budgetary Comparison Schedule-(Modified Cash)
Special Revenue Funds 42 - 43

TABLE OF CONTENTS (Continued)

Page

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Modified Cash Basis - Non-Major Governmental Funds.....	44
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Modified Accrual Basis - Non- Major Governmental Funds.....	44
Combining Balance Sheet - Modified Cash Basis - Non-Major Governmental Funds (Special Revenue Funds)	45 - 49
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Modified Cash Basis - Non-Major Governmental Funds (Special Revenue Funds)	45 - 49
Combining Statement of Fiduciary Net Assets - Modified Cash Basis - Agency Funds.....	50

FEDERAL COMPLIANCE SECTION

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	51 - 53
Schedule of Expenditures of Federal Awards	54
Notes to the Schedule of Expenditures of Federal Awards.....	55
Schedule of Findings and Questioned Costs	56 - 63
Summary Schedule of Prior Year Findings and Questioned Costs	64



INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of
St. Francois County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. As described in Note 1, the basic financial statements of St. Francois County, Missouri were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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. The financial statements of the St. Francois County Joint Communications Center (The Center), a discretely presented component unit of the County, were not audited for the year ended December 31, 2012 and these financial statements are not included within this report.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 41 - 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and statement of fiduciary net assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for 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 also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2013, on our consideration of St. Francois County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 St. Francois County, Missouri's internal control over financial reporting and compliance.

Maloney, Wright & Robbins

Farmington, MO

July 9, 2013



**INDEPENDENT AUDITORS' 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
St. Francois County, 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 governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise St. Francois County, Missouri's basic financial statements and have issued our report thereon dated July 9, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Francois County, Missouri'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Francois County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Francois County, Missouri's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2012-01 thru 2012-05).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Francois County, Missouri'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2012-06.

St. Francois County, Missouri's Response to Findings

St. Francois County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Francois County, Missouri'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 results 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.

Maloney, Wright & Robbins

Farmington, MO
July 9, 2013

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2012

December 31, 2012
Total Governmental
Activities

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	1,262,946
Restricted Cash		4,790,688
Investments		<u>2,599,692</u>
Total Current Assets		<u><u>8,653,326</u></u>

Noncurrent Assets:

Capital Assets (net)		<u>26,222,926</u>
Total Noncurrent Assets		<u><u>26,222,926</u></u>

TOTAL ASSETS	\$	<u><u>34,876,252</u></u>
---------------------	-----------	--------------------------

LIABILITIES

Current Liabilities:

Accrued Liabilities	\$	692
Due To Other Funds		-
Current Portion of Long Term Debt - Capital Leases		58,358
Current Portion of Long Term Debt - Certificates of Participation		<u>210,000</u>
Total Current Liabilities		<u><u>269,050</u></u>

Noncurrent Liabilities:

Capital Lease Payable		5,165
Capital Lease Payable		138,647
Certificate of Participation - Series 2005		2,910,000
Certificate of Participation - Series 2010		410,000
Less Current Portion of Long Term Debt		<u>(268,358)</u>
		<u><u>3,195,454</u></u>

TOTAL LIABILITIES	\$	<u><u>3,464,504</u></u>
--------------------------	-----------	-------------------------

NET POSITION

Net Investment in Capital Assets	\$	22,759,114
Restricted		4,790,688
Unrestricted		<u>3,861,946</u>
TOTAL NET POSITION		<u><u>31,411,748</u></u>

TOTAL LIABILITIES & NET POSITION	\$	<u><u>34,876,252</u></u>
---	-----------	--------------------------

See accompanying notes to the financial statements

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets Total</u>	<u>Component Unit</u>	<u>Total Net (Expense) Revenue and Changes in Net Assets Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>				
FUNCTIONS/PROGRAMS							
GOVERNMENTAL ACTIVITIES:							
General & Administration	\$ 8,829,159	\$ 2,619,446	\$ 171,620	\$ -	\$ (6,038,093)	\$ -	\$ (6,038,093)
Property valuation and recording	1,681,608	-	106,461	-	(1,575,147)	-	(1,575,147)
Health & Welfare	759,672	-	157,086	-	(602,586)	-	(602,586)
Administration of justice and law enforcement	6,416,013	2,092,476	334,918	521,620	(3,466,999)	-	(3,466,999)
Roads & Bridges	3,733,312	-	654,110	201,327	(2,877,875)	-	(2,877,875)
Debt Service:							
Principal	170,000	-	-	-	(170,000)	-	(170,000)
Interest and Fiscal charges	127,007	-	-	-	(127,007)	-	(127,007)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 21,716,771</u>	<u>\$ 4,711,922</u>	<u>\$ 1,424,195</u>	<u>\$ 722,947</u>	<u>(14,857,708)</u>	<u>-</u>	<u>(14,857,708)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purpose:	520,089	-	520,089
Property Taxes, Levied for Road & Bridge	1,628,979	-	1,628,979
Property Taxes, Levied for Senior Services	324,577	-	324,577
Property Taxes, Levied for Develop Disablec	600,915	-	600,915
Sales Tax Levied for General Purposes	3,151,359	-	3,151,359
Sales Tax Levied for Road & Bridge	1,587,010	-	1,587,010
Sales Tax Levied for Law Enforcement	2,900,543	-	2,900,543
Other Sales Tax	597,812	-	597,812
Other taxes	1,009,255	-	1,009,255
Investment Income	12,646	-	12,646
Transfers	-	-	-
Miscellaneous Revenue	1,621,567	-	1,621,567
Total General Revenues	<u>13,954,751</u>	<u>-</u>	<u>13,954,751</u>
 Change in Net Assets	 (902,957)	 -	 (902,957)
 Net Assets, Beginning of Year	 32,314,705	 -	 32,314,705
Net Assets, End of Year	<u>\$ 31,411,748</u>	<u>\$ -</u>	<u>\$ 31,411,748</u>

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
COMBINED BALANCE SHEET - MODIFIED CASH BASIS -GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	Major Funds				Total Governmental Funds	Component Unit	Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Funds		SFC Joint Communication	
ASSETS							
Cash and Cash Equivalents	\$ 1,105,180	\$ -	\$ -	\$ 157,766	\$ 1,262,946	\$ -	\$ 1,262,946
Restricted Cash	502,758	1,559,131	41,720	2,687,079	4,790,688	-	4,790,688
Investments	2,180,000	70,000	-	349,692	2,599,692	-	2,599,692
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 3,787,938	\$ 1,629,131	\$ 41,720	\$ 3,194,537	\$ 8,653,326	\$ -	\$ 8,653,326
LIABILITIES AND FUND BALANCES							
Accrued Liabilities	\$ -	\$ -	\$ -	\$ 692	\$ 692	\$ -	\$ 692
FUND BALANCES:							
Restricted	346,659	1,629,131	41,720	3,057,451	5,074,961	-	5,074,961
Committed	767	-	-	126,332	127,099	-	127,099
Assigned	1,302,758	-	-	10,062	1,312,820	-	1,312,820
Unassigned	2,137,754	-	-	-	2,137,754	-	2,137,754
Total Fund Balances	\$ 3,787,938	\$ 1,629,131	\$ 41,720	\$ 3,193,845	\$ 8,652,634	\$ -	\$ 8,652,634
TOTAL LIABILITIES FUND BALANCES	\$ 3,787,938	\$ 1,629,131	\$ 41,720	\$ 3,194,537	\$ 8,653,326	\$ -	\$ 8,653,326

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2012

Total Governmental Fund Balances	\$	8,652,634
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,222,926
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		<u>(3,463,812)</u>
Net Position of Governmental Activities	\$	<u><u>31,411,748</u></u>

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

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Major Funds				Component Unit		
	General	Road and Bridge	Law Enforcement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds	SFC Joint Communication	Memorandum Total Only
REVENUES:							
Property Tax	\$ 520,089.00	\$ 1,557,928.00	\$ -	\$ 996,542.51	\$ 3,074,559.51	\$ -	\$ 3,074,559.51
Sales Tax	3,151,359	119,262	2,900,544	2,065,560	8,236,725	-	8,236,725
Telephone Tax	-	-	-	568,553	568,553	-	568,553
Intergovernmental Revenue	1,891,310	125,780	540,894	1,747,500	4,305,484	-	4,305,484
Charges for Services	175,323	-	-	817,770	993,093	-	993,093
Grants, Distributions and Reimbursements	171,620	729,657	-	169,342	1,070,619	-	1,070,619
Fees, Licenses and Permits	-	-	-	655,851	655,851	-	655,851
Interest	5,670	3,265	222	3,489	12,646	-	12,646
Other	557,537	138,692	52,786	1,147,269	1,896,284	-	1,896,284
Total Revenues	<u>6,472,908</u>	<u>2,674,584</u>	<u>3,494,446</u>	<u>8,171,877</u>	<u>20,813,815</u>	<u>-</u>	<u>20,813,815</u>
EXPENDITURES:							
Administration	4,660,320	-	-	1,255,086	5,915,406	-	5,915,406
Property Valuation and Recording	-	-	-	1,690,145	1,690,145	-	1,690,145
Administration of Justice and Law	159,987	-	4,337,664	1,635,536	6,133,187	-	6,133,187
Road & Bridge	-	1,982,864	-	1,297,262	3,280,126	-	3,280,126
Miscellaneous	-	-	-	2,116,047	2,116,047	-	2,116,047
Capital Outlay	14,370	178,864	21,920	85,408	300,562	-	300,562
Debt Service							
Principal Payments	-	-	-	170,000	170,000	-	170,000
Interest Payments	-	-	-	123,193	123,193	-	123,193
Fiscal Agent Fees	-	-	-	3,814	3,814	-	3,814
Total Expenditures	<u>4,834,677</u>	<u>2,161,728</u>	<u>4,359,584</u>	<u>8,376,491</u>	<u>19,732,480</u>	<u>-</u>	<u>19,732,480</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,638,231	512,856	(865,138)	(204,614)	1,081,335	-	1,081,335
OTHER FINANCING SOURCES (USES):							
Transfers in	100,000	1,120	857,910	6,020	965,050	-	965,050
Transfers out	(807,910)	-	-	(157,140)	(965,050)	-	(965,050)
Total Other Financing Sources (uses)	<u>(707,910)</u>	<u>1,120</u>	<u>857,910</u>	<u>(151,120)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	930,321	513,976	(7,228)	(355,734)	1,081,335	-	1,081,335
FUND BALANCE - BEGINNING OF YEAR	<u>2,857,617</u>	<u>1,115,155</u>	<u>48,948</u>	<u>3,549,580</u>	<u>7,571,300</u>	<u>-</u>	<u>7,571,300</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,787,938</u>	<u>\$ 1,629,131</u>	<u>\$ 41,720</u>	<u>\$ 3,193,845</u>	<u>\$ 8,652,635</u>	<u>\$ -</u>	<u>\$ 8,652,635</u>

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds	\$	1,081,335
--	----	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	476,334
Depreciation expense	<u>(2,213,976)</u>
	(1,737,642)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments.

<u>(246,650)</u>

Change in Net Assets of Governmental Activities	\$	<u><u>(902,957)</u></u>
---	----	-------------------------

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

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS**

DECEMBER 31, 2012

ASSETS	
Restricted Cash	\$ 29,702,485
Investments	36,301
Taxes Receivable	4,384,685
	<hr/>
TOTAL ASSETS	<u>\$ 34,123,471</u>
LIABILITIES	
Accrued Liabilities	\$ 422
Due to Other Funds	34,123,049
	<hr/>
TOTAL LIABILITIES	<u>\$ 34,123,471</u>

See accompanying notes to financial statements

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Francois County, Missouri is a second class county and political subdivision, organized and existing under the laws of the State of Missouri. The County is approximately 451 square miles in area. St. Francois County is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are twelve (12) elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Auditor, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

A. Financial Reporting Entity

The County's operations include tax assessments and collections, state/county courts administration, county recorder, public safety and 911, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report.

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

Component units are organizations for which the County is financially accountable and all other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the County appoints a voting majority of the Component Unit's governing board and is either able to impose its will on that Component Unit or there is a potential for the Component Unit to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the County.

The decision to include a potential component unit in the County's reporting entity is based on the criteria set forth in governmental accounting standards. Criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability as

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Financial Reporting Entity (Continued)

the primary, but not the only criteria for inclusion. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, St. Francois County Joint Communications Center has been determined to be a component unit of the County. However, the 911 Center was not audited for the fiscal year ended December 31, 2012.

The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

Discretely Presented Component Units

St. Francois County Joint Communications Center (The Center) provides centralized dispatch services for the County. The Center is financed through a surtax charge on telephone bills to all county residents. The County receives the surtax and remits the proceeds to the center. A separate board of governance is responsible for oversight. Complete financial statements of the Center may be obtained directly from their office at 102 Industrial Drive, Park Hills, Missouri 63601.

Related Organizations

The juvenile office and detention center, located in St. Francois County, is an entity separate and distinct from St. Francois County. It is an entity operating at the circuit level to provide services to four counties: St. Francois, Madison, Washington, and Ste. Genevieve. The budgeting process for the office includes all four county commissions and the circuit court judge. Based upon budget adoption, tax authority and funding, the juvenile office is not controlled by or dependent upon St. Francois County. Missouri Statutes do not provide for cash management by juvenile offices. Accordingly, St. Francois County acts in a fiduciary capacity to maintain a depository account and disburse funds for the office as directed and authorized by the circuit court judge. The County has established a separate agency fund, the juvenile fund, to account for these cash inflows and outflows. This fund is custodial in nature and does not purport to represent a measurement of the results of operations of the juvenile office. The County also acts in a fiduciary capacity with the Circuit Court.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Funds

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 Funds

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

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about the County as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a)

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting (Continued)

Government-wide Financial Statements (Continued)

charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General, Road and Bridge, and Law Enforcement Sales Tax are major governmental funds. All other governmental funds are reported in two columns labeled "Non-major Governmental Funds" and "Non-major Governmental Funds (Special Revenue Funds)". If applicable, the total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. 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. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types

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

The following are the County's governmental major funds:

General Fund - The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund - A Special Revenue Fund used to account for receipts of the County-wide \$.2447 property tax levy and related expenditures for road maintenance and improvement of the County's infrastructure.

Law Enforcement Sales Tax Fund - A Special Revenue Fund used to record the County-wide revenue of two, one-fourth (1/4) percent sales tax receipts and related expenditures to support law enforcement.

Other governmental funds of the county are considered non-major funds. They include the Road Improvement Tax Fund, Debt Service Fund, and various special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

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

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are reported using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as sales and property taxes due and revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, accrued expenses, certificates of participation and obligations under capital lease) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

D. Cash and Investments

For the purpose of financial reporting, deposits and investments are stated at cost, which approximates market. Cash balances for all of the County Treasurer funds are pooled and invested to the extent possible to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Cash and Investments (Continued)

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

F. Restricted Cash and Investments

The Certificates of Participation used to finance the construction of the annex to the courthouse, and the Certificates of Participation issued to fund energy efficiency retrofit to the Jail, Annex, Courthouse, and Bridge replacements require the County to establish and maintain prescribed amounts of reserves that can be used only to service the Certificates.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial useful life of at least one year and a historical cost meeting the dollar threshold below. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets and capitalization dollar threshold are as follows:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Capital Assets and Depreciation (Continued)

Asset	Years	Threshold
Land	N/A	\$25,000
Land Improvements - Structure	20	12,500
Land Improvements - Ground	30	12,500
Land Improvements - Building Site	N/A	12,500
Easements	N/A	5,000
Buildings	40	50,000
HVAC	20	5,000
Roofing	20	5,000
Carpet Replacement	7	5,000
Electrical/Plumbing	30	5,000
Building Improvements	15	25,000
Office Furniture	7	2,500
Office Equipment	5	2,500
Equipment-Radio/Highway	10	5,000/15,000
Radio Towers	20	15,000
Grounds Equipment	15	10,000
Vehicles	5	5,000
Bridge Replacement	70	250,000
Bridge Slab	30	250,000
Bridge Prestress	40	250,000
Highways/Roads		
Concrete	40	250,000
Blacktop	40	500,000
Gravel	40	5,000
Tunnels/Drainage Systems	50	500,000
CIP	N/A	N/A

H. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of the net position.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. Equity Classification (Continued)

- 2) Restricted Net Position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- 3) Unrestricted Net Position - All other net position asset that do not meet the definition of “restricted” or “net investment in capital assets.” It is the County’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

I. Post-Employment Benefits

The County does not provide post-employment benefits, except those 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.

J. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and mailed to residents in November, and are payable on or before December 31 of that year. All unpaid taxes then become delinquent as of January 1st of the following year. Property tax revenues are recognized when earned.

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

Real Estate	\$462,061,660
Personal Property	136,841,440
	<u>\$598,903,100</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

L. Revenues

The County includes in its program revenues the following income: Fines and Circuit Court Fees; Licenses, Permits, and Fees; County Vehicle Sticker Income; Gasoline Tax and Motor Vehicle Fees.

M. Accounts Receivable

The County records accounts receivable for property taxes due from the County Collector at December 31, 2012, which operates as an agency fund.

N. Budgets and Budgetary Accounting

In accordance with Missouri Statutes, the County adopts a formal budget at the beginning of the fiscal year. Budgets are prepared and adopted on the modified cash basis of accounting that is consistent with the basis of accounting used in the presentation of the fund financial statements. The level of budgetary responsibility for an individual fund is by total appropriations. 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. A budgetary amendment was approved by the County Commission in December 2012 in accordance with state statutes.

O. Fund Equity – Governmental Funds

The County has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Fund Equity – Governmental Funds (Continued)

- Nonspendable fund balance – Amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commission or County Executive.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commission and Elected Officials are the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by a court order or passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

As discussed in Note 1, restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. **Fund Equity – Governmental Funds (Continued)**

The County has adopted, per State Statute, an Emergency Fund to accumulate an amount equal to not less than three percent of the total estimated general fund revenues appropriated each year as an emergency fund.

P. **Internal and Interfund Balances and Activities**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due From Other Funds” or “Due To Other Funds” on the Balance Sheet of the Governmental Funds. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. In the process of aggregating the financial information for the government-wide Statement Net Assets and Statement of Activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

NOTE 2 **DEPOSITS AND INVESTMENTS**

Cash and Time Deposits include all funds held in checking accounts, money market accounts, cash on hand and certificates of deposit with original maturities of greater than three months. Deposits and investments are stated at cost, which approximates market. Restricted cash includes amounts held in trust as required by certain bond covenants.

Missouri Statutes require that all funds of the County on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. At December 31, 2012 the deposits and investments of the County were fully insured or collateralized by securities held in the County’s name.

Deposits and investments were categorized as follows at December 31, 2012:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

Type	Cost
Deposits-Governmental Funds:	
Checking and Savings	\$ 6,053,584
Cash on Hand	50
Certificates of Deposit	2,300,000
Escrowed Funds	299,692
	\$ 8,653,326
 Deposits-Fiduciary Funds:	
Checking and Savings	\$ 29,701,783
Cash on Hand	700
Certificates of Deposit	36,301
	29,738,786
	\$ 38,392,112

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2012, the County was exposed to custodial credit risk.

Custodial Credit Risk - Investments

Custodial Credit Risk is the risk that, in the event of a bank failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The amount invested in money market mutual funds are not subject to custodial credit risk.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

The County's investments earn interest based on variable interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed 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 Federal Depository Insurance Corporation insurance coverage is \$250,000 per depositor for demand deposits and time deposits at December 31, 2012. A line of credit has been secured for \$6,000,000, and securities are pledged toward the deposits.

NOTE 3 **RESTRICTED NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulation of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The following net assets were reported as restricted:

Governmental Major Funds:	
General Revenue	\$ 502,758
Road and Bridge	1,559,131
Law Enforcement Sales Tax	41,720
	<u>\$ 2,103,609</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 3 **RESTRICTED NET ASSETS (Continued)**

Governmental Non-Major Funds:

Assessment Fund	\$ 387,068
Fees Due Others Fund	663
Circuit Court Overage Fund	864
Senior Citizens Service Fund	85,369
Sheriff's Revolving Fund	45,399
County Law Enforcement Fund	93,365
Law Enforcement Training Fund	16,360
Recorder's User Fee Fund	63,814
Surplus Tax Sale Fund	24,435
Tax Maintenance Fund	107,435
Fines Fund	161,077
Election Special Cost Fund	3,075
Prosecutor Training Fund	16,400
Prosecutor Bad Check Fund	61,767
Victims Violence Fund	6,258
PA Tax Rebate Fund	651
Sheriff's Civil Fees Fund	32,195
Tax Increment Financing Fund	469,409
Election Services Fund	27,648
Sheriff's DARE Fund	5,648
Sheriff Fund	17,407
Recorder Fund	43,482
Capital Projects Fund	9,186
Debt Service Fund	115,766
Sheriff Inmate Commissary Fund	48,307
Road Improvement Tax Fund	844,030
	<u>\$ 2,687,078</u>

Agency Funds:

Collector of Revenue Fund	\$ 29,133,561
Division III CD Savings Fund	36,301
Circuit Clerk Banner Fund	425,710
Juvenile Fund	143,214
	<u>\$ 29,738,786</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 4 GENERAL FIXED ASSETS

Changes in fixed assets are as follows for the year ended December 31, 2012:

Governmental Activities

Beginning Balance	\$ 66,867,650
Additions	476,334
Retirements	<u>(642,992)</u>
Ending Balance	66,700,992
Accumulated Depreciation	<u>(40,478,065)</u>
Net Book Value	<u><u>\$ 26,222,927</u></u>

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 1,030,218	\$ -	\$ -	\$ 1,030,218
Building & Building Improvements	9,922,609	11,870	-	9,934,479
Land & Leasehold Improvements	211,885	24,198	-	236,083
Furniture & Fixtures	486,067	-	-	486,067
Office Equipment	1,360,728	13,130	276,184	1,097,674
Other Equipment	5,718,705	209,360	338,533	5,589,532
Motor Vehicles	2,536,080	217,776	28,275	2,725,581
Infrastructure	45,401,493	-	-	45,401,493
Construction in Progress	<u>199,864</u>	<u>-</u>	<u>-</u>	<u>199,864</u>
Total at Cost	66,867,649	476,334	642,992	66,700,991
Less: Accumulated Depreciation				
Land	-	-	-	-
Building & Building Improvements	4,432,347	613,558	-	5,045,905
Land & Leasehold Improvements	82,494	13,362	-	95,856
Furniture & Fixtures	180,454	29,355	-	209,809
Office Equipment	962,246	56,996	253,865	765,377
Other Equipment	3,860,029	495,308	241,809	4,113,527
Motor Vehicles	2,012,966	165,956	21,546	2,157,376
Infrastructure	27,250,774	839,441	-	28,090,215
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Depreciation	<u>38,781,310</u>	<u>2,213,976</u>	<u>517,220</u>	<u>40,478,065</u>
Capital Assets, Net	<u><u>\$ 28,086,339</u></u>	<u><u>\$ (1,737,642)</u></u>	<u><u>\$ 125,772</u></u>	<u><u>\$ 26,222,926</u></u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 4 **GENERAL FIXED ASSETS (Continued)**

Depreciation expense is charged to functions as follows in the Statement of Activities:

Governmental Activities	
General and Administration	\$ 1,423,651
Property Valuation and Recording	3,263
Administration of Justice and Law Enforcement	302,486
Health and Welfare	-
Roads and Bridges	484,577
Parks and Recreation	-
Community and Economic Development	-
Debt Service	-
Depreciation Expense	<u>\$ 2,213,977</u>

Capitalized assets not being depreciated include Land of \$1,030,218 and Construction in Progress of \$199,864.

NOTE 5 **RISK MANAGEMENT**

The County is exposed to a variety of risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to Missouri Statute Chapter 537.70. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workmen's Compensation and Insurance Fund. The County purchases Workmen's Compensation Insurance through this fund, a nonprofit corporation established for the purpose of providing insurance coverage for Missouri counties. The fund is self-insured up to \$250,000 per occurrence and is re-insured up to the statutory limit through excess insurance.

The County has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool or the self-insurance fund. These policies include reasonable deductible amounts. The portion of uninsured loss is not expected to be significant with respect to the financial position of the County.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 6

RETIREMENT PLAN

A. Plan Description

St. Francois County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of St. Francois County contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 9.8% (General) and 11.4% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 682,630
Interest on net pension obligation	14,636
Adjustment to annual required contribution	<u>(11,137)</u>
Annual pension cost	686,129
Actual contributions	<u>(606,175)</u>
Increase (decrease) in NPO	79,954
NPO beginning of year	<u>201,876</u>
NPO end of year	<u>\$ 281,830</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 6 **RETIREMENT PLAN (Continued)**

C. Annual Pension Cost (Continued)

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2011 was 30 years for the General division and 30 years for the Police division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of AP Contributed	Net Pension Obligation
2010	\$ 566,772	86.4%	\$ 77,081
2011	\$ 670,919	81.4%	\$ 201,876
2012	\$ 686,129	88.3%	\$ 281,830

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/28/10	10,292,646	13,318,696	3,026,050	77%	6,294,562	48%
02/28/11	11,041,549	14,172,644	3,131,095	78%	6,142,006	51
02/29/12	12,540,329	15,273,370	2,733,041	82%	6,082,632	45

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 8 **CONDUIT DEBT (Continued)**

Certificates of Participation – 2005 (Continued)

Rental Payment - Accrued interest on certificates and any remaining funds from the construction fund are deposited in this account. Funds will be disbursed solely for the payment of principal and interest of outstanding certificates.

Debt Service Reserve - Established pursuant to the Indenture and was required to be initially funded from other available moneys provided by the County in an amount equal to \$305,000. Funds held in this account are to be used solely for the payment of the principal portion and interest portion of the rental payments represented by the Certificates if sufficient moneys are not available in the rental payment fund.

Certificates of Participation - 2010

On June 29, 2010, the County issued \$410,000 Series 2010 Recovery Zone Economic Development Lease Certificates of Participation with interest rates ranging from 4.0% to 5.5%. The County is entitled to receive a tax credit payable by the Secretary of the Treasury equal to forty-five percent (45%) of the interest payable on the Certificates. The certificates were issued to fund capital projects for repairs to the Jail, Annex, Courthouse, and for bridge replacements. The payments include an interest component, payable semiannually on October 1, and April 1 and a principal component with payments beginning on April 1, 2013. Payments are calculated based on the following:

\$105,000 Aggregate Principal Amount 4.00% Term Certificates due April 1, 2015
\$120,000 Aggregate Principal Amount 5.00% Term Certificates due April 1, 2018
\$185,000 Aggregate Principal Amount 5.50% Term Certificates due April 1, 2022

Certificates maturing on April 1, 2015 shall be subject to a sinking fund payment of \$35,000 and for each of the two subsequent years. Certificates maturing on April 1, 2018 require a \$40,000 payment on April 1, 2016 and the next two subsequent years. Certificates scheduled to mature on April 1, 2022 are subject to a payment schedule of \$45,000 from April 1, 2019 through April 1, 2022, which is the final maturity date.

The account established pursuant to the 2010 issuance were as follows:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 8 CONDUIT DEBT (Continued)

Certificates of Participation – 2005 (Continued)

Certificate Fund Account - Account established to accumulate deposits of accrued interest and any premium received from the Original Purchasers upon initial sale and delivery of the Certificates; all Base Rentals payable by the County to the Trustee specified in the Lease; and interest and other income derived from investments of money in the Certificate Fund.

Long-term liability activity for the year ended December 31, 2012 is as follows:

	Balance 12/31/2011	Issued	Retired	Balance 12/31/12	Due Within One Year
Certificates of Participation - 2005	\$ 3,080,000	\$ -0-	\$ (170,000)	\$ 2,910,000	\$ 175,000
Certificates of Participation - 2010	410,000	-0-	(-0-)	410,000	35,000
Capital Lease - Ford Motor Credit (1 vehicle)	9,987	-0-	(4,822)	5,165	5,165
Capital Lease - Ford Motor Credit (5 vehicles)	41,748	-0-	(41,748)	-0-	-0-
Capital Lease - Ford Motor Credit (6 vehicles)	-0-	168,727	(30,080)	138,647	53,193
Total	<u>\$ 3,541,735</u>	<u>\$ 168,727</u>	<u>\$ (246,650)</u>	<u>\$ 3,463,812</u>	<u>\$ 268,358</u>

The combined annual requirements to retire the above governmental long-term debt as of December 31, 2012 are as follows:

Fiscal Year Endings Dec 31,	Principal	Interest	Total
2013	\$ 210,000	\$ 144,218	\$ 354,218
2014	215,000	136,515	351,515
2015	225,000	128,360	353,360
2016	235,000	119,440	354,440
2017	240,000	109,735	349,735
2018 - 2022	1,370,000	376,973	1,746,973
2023 - 2027	825,000	63,375	888,375
Total	<u>\$ 3,320,000</u>	<u>\$ 1,078,616</u>	<u>\$ 4,398,616</u>

The total interest expense for the 2005 Certificates of Participation and 2010 Certificates of Participation were \$130,538 and \$20,375 respectively.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 9 **COMPENSATED ABSENCES**

St. Francois County has adopted the compensated leave policies of the Teamsters Local Union No. 600, an agreement between the County Commission of St. Francois County for its Road and Bridge employees. This contract is valid for periods January 1, 2012 through December 31, 2014. All elected official offices, departments, and the Commission of the County follow this contract.

Sick Leave

Employees earn sick leave at the rate of eighteen (18) days per year, cumulative to one hundred (100) days. Upon retirement, an employee with ten (10) or more years of seniority shall be entitled to a payout of 90% of his accumulated unused sick days. Upon separation of employment (voluntary quit) an employee with ten (10) or more years of seniority shall be entitled a payout of 55% of his accumulated unused sick days. If an employee with ten (10) or more years of service dies prior to retiring, the County shall issue pay equal to 85% of his accumulated unused sick days to his beneficiary.

Vacation

Employees shall earn annual vacation time and pay at their regular rate of pay from the date of employment, as follows:

- Employees shall not receive vacation pay until they have been employed for one (1) year
- After the completion of one (1) year of service, employees shall earn vacation pay from date of employment at the rate of eighty (80) hours per year (Employees after one year of service are entitled to 80 hours vacation).
- After the completion of five (5) years of service, employees shall earn vacation pay from their fourth (4th) anniversary date of employment at the rate of one hundred twenty (120) hours per year (Employees after five years of service are entitled to 120 hours of vacation).
- After the completion of ten (10) years of service, employees shall earn vacation from their ninth (9th) anniversary date of employment at the rate of one hundred sixty (160) hours per year (Employees after twelve years of service are entitled to 160 hours of vacation).

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 9 **COMPENSATED ABSENCES (Continued)**

Vacation (Continued)

- After the completion of fifteen (15) years of service, employees shall earn vacation pay from their fourteenth (14th) anniversary date of employment at the rate of two hundred (200) hours per year (Employees after sixteen years of service are entitled to 200 hours of vacation).
- After the completion of twenty-five (25) years of service, employees shall earn vacation pay from the twenty-fourth (24th) anniversary date of employment of an additional one (1) day, plus one (1) day more for each subsequent year of service, to a maximum of five (5) additional days.

In the event any employee terminates after one (1) year of service, he shall be paid his earned vacation pay. Such vacation pay shall be pro-rated to date of termination.

At December 31, 2012, the accrued leave liability totaled \$1,246,479. The liability consisted of \$694,402 for the Sheriff's Department and \$552,077 for all other offices and departments. This includes vacation leave, sick leave, holiday, and compensatory time.

NOTE 10 **INTER FUND BALANCES AND TRANSFERS**

During the course of operations, numerous transactions occur between individual funds. These receivables or payables, if applicable, are classified as "Due from Other Funds" or "Due to Other Funds" on the Combined Balance Sheet – Modified Cash Basis.

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 11 **INTER FUND BALANCES AND TRANSFERS (Continued)**

Transfers between funds for the year ended December 31, 2012 are as follows:

	Transfers In	Transfers Out
<u>Major Funds</u>		
General Fund	\$ 100,000	\$ 807,910
Road & Bridge Fund	1,120	-0-
Law Enforcement Sales Tax Fund	857,910	-0-
 <u>Non-Major Funds (Special Revenue):</u>		
Road Improvement Tax Fund	6,020	-0-
Assessment	-0-	7,140
Sheriff Revolving	-0-	50,000
Collector's Tax Maintenance Fund	-0-	100,000
	\$ 965,050	\$ 965,050

NOTE 12 **FUND BALANCE**

The constraints on fund balance are listed in the aggregate in the Combined Balance Sheet, the Combining Balance Sheet (Non-major Governmental Funds), and the Combining Balance Sheet (Special Revenue Funds). The following table provides the detail on the fund balance constraints according to balance classification and fund:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 12 FUND BALANCE(Continued)

	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Governmental Funds	Non-Major Special Revenue Funds	Total
Fund Balances:						
Restricted For:						
Tax Increment Financing	\$ 146,800	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 146,800
SBRF	12,401	-0-	-0-	-0-	-0-	12,401
Roads & Bridges		1,629,131	-0-	844,030	-0-	2,473,161
Debt Service - COPS (2005 & 2010)	-0-	-0-	-0-	424,645	-0-	424,645
Assessment	-0-	-0-	-0-	-0-	386,376	386,376
Emergency	187,458	-0-	-0-	-0-	-0-	187,458
Circuit Court Coverage	-0-	-0-	-0-	-0-	864	864
Senior Citizens	-0-	-0-	-0-	-0-	85,369	85,369
Sheriff Revolving	-0-	-0-	-0-	-0-	45,399	45,399
Co Law Enf. Restitution	-0-	-0-	-0-	-0-	93,365	93,365
Law Enforcement Sales Tax	-0-	-0-	41,720	-0-	-0-	41,720
Law Enforcement Training	-0-	-0-	-0-	-0-	16,360	16,360
Inmate Security	-0-	-0-	-0-	-0-	21,985	21,985
Sheriff Civil Fees	-0-	-0-	-0-	-0-	32,195	32,195
Recorder	-0-	-0-	-0-	-0-	63,814	63,814
Surplus	-0-	-0-	-0-	-0-	74,435	74,435
Collector Tax Maintenance	-0-	-0-	-0-	-0-	107,435	107,435
Fines	-0-	-0-	-0-	-0-	161,077	161,077
Special Election	-0-	-0-	-0-	-0-	3,075	3,075
Election Services	-0-	-0-	-0-	-0-	27,648	27,648
Prosecuting Attorney Delinquent Tax Fund	-0-	-0-	-0-	-0-	651	651
Prosecuting Attorney Bad Check Fund	-0-	-0-	-0-	-0-	61,767	61,767
Prosecuting Attorney Training	-0-	-0-	-0-	-0-	16,400	16,400
Victims of Violence	-0-	-0-	-0-	-0-	6,258	6,258
T.I.F. Districts	-0-	-0-	-0-	-0-	469,409	469,409
Recorder	-0-	-0-	-0-	-0-	43,482	43,482
Sheriff	-0-	-0-	-0-	-0-	17,407	17,407
Sheriff	-0-	-0-	-0-	-0-	48,307	48,307
Sheriff (D.A.R.E.)	-0-	-0-	-0-	-0-	5,648	5,648
County Clerk	-0-	-0-	-0-	-0-	50	50
Total Restricted	<u>346,659</u>	<u>1,629,131</u>	<u>41,720</u>	<u>1,268,675</u>	<u>1,788,776</u>	<u>5,074,961</u>
Committed For:						
Fees Due Others (Unclaimed Property)	-0-	-0-	-0-	-0-	663	663
LUT/Gen/Bldg	-0-	-0-	-0-	-0-	125,669	125,669
Payroll	767	-0-	-0-	-0-	-0-	767
Total Committed	<u>767</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>126,332</u>	<u>127,099</u>
Assigned For:						
Insurance Maintenance	-0-	-0-	-0-	-0-	10,062	10,062
Stabilization	1,302,758	-0-	-0-	-0-	-0-	1,302,758
Total Assigned	<u>1,302,758</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,062</u>	<u>1,312,820</u>
Unassigned for:						
General	2,137,754	-0-	-0-	-0-	-0-	2,137,754
Grand Total	<u>\$ 3,787,938</u>	<u>\$ 1,629,131</u>	<u>\$ 41,720</u>	<u>\$ 1,268,675</u>	<u>\$ 1,925,170</u>	<u>\$ 8,652,634</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 12 **FUND BALANCE(Continued)**

The Unassigned fund balance in the General Fund represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The County has not adopted a formal minimum fund balance policy. A stabilization amount has been established in the General Fund which is designated as Unassigned Fund Balance. The stabilization balance at December 31, 2012 was \$1,302,758. The Commission established the requirements for the stabilization amount, which is the accumulation of 25% of the County's annual operating expenses. This amount is not designated for any specific purpose, and is not restricted. The funds may be used for any purpose within the County.

NOTE 13 **COMMITMENTS & CONTINGENCIES**

The Vo-Tech Road Bridge is under construction and will be completely reconstructed. Preliminary work was conducted during fiscal year ended December 31, 2012, which included engineering fees/services, and various other planning fees. The construction began in March 2013, and is expected to be completed by September 2013.

The County plans to purchase a backhoe under state bid through a replacement program which allows for the buyback of the backhoe after 5 years for 50% and the current backhoe will be traded-in. The County also entered into a contract for three years with Big River Telephone in April 2013.

NOTE 14 **PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were made to various funds, which resulted in changes to the "Due To" and "Due From" accounts which no longer held balances.

NOTE 15 **SUBSEQUENT EVENTS**

Property in northern St. Francois County was purchased by the County for \$120,000. St. Francois County, Missouri will be considered a first class county effective January 1, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Taxes	\$ 450,000	\$ 450,000	\$ 520,089	\$ 70,089
Sales Tax	2,900,000	3,151,359	3,151,359	-
Telephone Tax	-	-	-	-
Intergovernmental Revenues	1,700,850	1,700,850	1,891,310	190,460
Charges for Services	94,000	94,000	175,323	81,323
Grants, Distributions and Reimbursements	181,694	181,694	171,620	(10,074)
Fees, Licenses and Permits	-	-	-	-
Interest	17,100	17,100	5,670	(11,430)
Other	104,850	104,850	557,537	452,687
Total Revenues	<u>5,448,494</u>	<u>5,699,853</u>	<u>6,472,908</u>	<u>773,055</u>
EXPENDITURES:				
Current:				
Financial Administration:	5,153,208	4,453,208	4,660,320	(207,112)
Property Valuation and Recording:	161,518	161,518	159,987	1,531
Administration of Justice and Law	-	-	-	-
Road & Bridge	-	-	-	-
Capital Outlay:	-	-	-	-
Property, Equipment and Buildings	17,350	17,350	14,370	2,980
Debt Service:	-	-	-	-
Total Expenditures	<u>5,332,076</u>	<u>4,632,076</u>	<u>4,834,677</u>	<u>(202,601)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	116,418	1,067,777	1,638,231	570,454
OTHER FINANCING SOURCES (USES):				
Transfers in	200,000	200,000	100,000	(100,000)
Transfers out	(700,000)	(805,000)	(807,910)	(2,910)
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(605,000)</u>	<u>(707,910)</u>	<u>(102,910)</u>
NET CHANGE IN FUND BALANCE	(383,582)	462,777	930,321	467,544
FUND BALANCE - BEGINNING OF YEAR	<u>885,882</u>	<u>885,882</u>	<u>2,857,617</u>	<u>(1,971,735)</u>
FUND BALANCE - END OF YEAR	<u>\$ 502,300</u>	<u>\$ 1,348,659</u>	<u>\$ 3,787,938</u>	<u>\$ (1,504,191)</u>

See accompanying independent auditors' report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
ROAD AND BRIDGE FUND (SPECIAL REVENUE FUNDS)

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property tax	\$ 1,500,000	\$ 1,500,000	\$ 1,557,928	\$ 57,928
Sales tax	97,123	100,779	119,262	18,483
Telephone Tax	-	-	-	-
Intergovernmental	100,050	100,050	125,780	25,730
Charges for Services	-	-	-	-
Grants, distributions and reimbursements	668,118	668,118	729,657	61,539
Fees, licenses and permits	-	-	-	-
Interest	9,500	9,500	3,265	(6,235)
Other	6,300	6,300	138,692	132,392
Total Revenues	<u>2,381,091</u>	<u>2,384,747</u>	<u>2,674,584</u>	<u>289,837</u>
EXPENDITURES:				
Current:				
Maintenance of Roads:				
Salaries	1,425,000	1,425,000	1,315,396	109,604
Employee Benefits	435,000	435,000	423,601	11,399
Office	23,000	23,000	20,411	2,589
Equipment Maintenance	-	-	-	-
Mileage / Training	-	-	-	-
Payments / Disbursements	-	-	-	-
Insurance	90,000	90,000	83,820	6,180
Operation / Maintenance	60,100	60,100	77,764	(17,664)
Bridge Replacement / Repair	-	-	-	-
Other Expenditures	66,500	66,500	61,872	4,628
Emergency Management	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	60,000	63,656	178,864	(115,208)
Total Expenditures	<u>2,159,600</u>	<u>2,163,256</u>	<u>2,161,728</u>	<u>1,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	221,491	221,491	512,856	291,365
OTHER FINANCING SOURCES(USES):				
Transfers in	-	-	1,120	1,120
Transfers out	-	-	-	-
Debt Service	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,120</u>	<u>1,120</u>
NET CHANGE IN FUND BALANCE	221,491	221,491	513,976	292,485
FUND BALANCE - BEGINNING OF YEAR	796,057	148,977	1,115,155	966,178
FUND BALANCE - END OF YEAR	<u>\$ 1,017,548</u>	<u>\$ 370,468</u>	<u>\$ 1,629,131</u>	<u>\$ 1,258,663</u>

See accompanying independent auditors' report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
LAW ENFORCEMENT SALES TAX FUND (SPECIAL REVENUE FUND)

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Tax	\$ -	\$ -	\$ -	\$ -
Sales Tax	2,825,000	2,825,000	2,900,544	75,544
Telephone Tax	-	-	-	-
Intergovernmental	1,411,487	1,547,001	540,894	(1,006,107)
Charges for Services	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-
Fees, Licenses and Permits	-	-	-	-
Interest	1,000	1,000	222	(778)
Other	-	-	52,786	52,786
Total Revenues	<u>4,237,487</u>	<u>4,373,001</u>	<u>3,494,446</u>	<u>(878,555)</u>
EXPENDITURES:				
Current:				
Salaries	2,461,667	2,585,996	2,504,953	81,043
Employee Benefits	893,589	893,589	879,624	13,965
Office	5,500	5,500	4,673	827
Equipment Maintenance	186,000	186,000	212,646	(26,646)
Mileage / Training	20,000	20,000	22,718	(2,718)
Payments / Disbursements	-	-	-	-
Insurance	-	-	-	-
Operation / Maintenance	210,000	210,000	256,147	(46,147)
Other Expenditures	428,500	428,500	456,903	(28,403)
Emergency Management	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	30,000	30,000	21,920	8,080
Total Expenditures	<u>4,235,256</u>	<u>4,359,585</u>	<u>4,359,584</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,231	13,416	(865,138)	(878,554)
OTHER FINANCING SOURCES(USES):				
Transfers in	-	-	857,910	857,910
Transfers out	-	-	-	-
Debt Service				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>857,910</u>	<u>857,910</u>
NET CHANGE IN FUND BALANCE	2,231	13,416	(7,228)	(20,644)
FUND BALANCE - BEGINNING OF YEAR	<u>75,674</u>	<u>61,630</u>	<u>48,948</u>	<u>(12,682)</u>
FUND BALANCE - END OF YEAR	<u>\$ 77,905</u>	<u>\$ 75,046</u>	<u>\$ 41,720</u>	<u>\$ (33,326)</u>

See accompanying independent auditors' report

SUPPLEMENTARY INFORMATION

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

	DECEMBER 31, 2012		
	Debt Service Fund	Road Improvement Tax Fund	Total
ASSETS:			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Restricted Cash	124,953	844,030	968,983
Investments	299,692	-	299,692
Due From Other Funds	-	-	-
TOTAL ASSETS	<u>424,645</u>	<u>844,030</u>	<u>1,268,675</u>
LIABILITIES:			
Accrued Liabilities	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
Restricted	424,645	844,030	1,268,675
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>424,645</u>	<u>844,030</u>	<u>1,268,675</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 424,645</u>	<u>\$ 844,030</u>	<u>\$ 1,268,675</u>

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

	December 31, 2012		
	Debt Service Fund	Road Improvement Tax Fund	Total
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Sales tax	-	1,467,748	1,467,748
Telephone Tax	-	-	-
Intergovernmental Revenue	-	-	-
Charges for Services	-	-	-
Grants, Distributions and Reimbursements	-	-	-
Fees, Licenses and Permits	-	-	-
Interest	-	780	780
Other	-	264,288	264,288
Total Revenues	<u>-</u>	<u>1,732,816</u>	<u>1,732,816</u>
EXPENDITURES:			
Administration	-	-	-
Property Assessments	-	-	-
Public Safety and Judicial	-	-	-
Road & Bridge	-	1,226,182	1,226,182
Miscellaneous	-	-	-
Capital Outlay	-	83,608	83,608
Debt Service			
Principal Payments	170,000	-	170,000
Interest Payments	123,193	-	123,193
Fiscal Agent Fees	3,814	-	3,814
Total Expenditures	<u>297,007</u>	<u>1,309,790</u>	<u>1,606,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(297,007)</u>	<u>423,026</u>	<u>126,019</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	6,020	6,020
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,020</u>	<u>6,020</u>
NET CHANGE IN FUND BALANCES	<u>(297,007)</u>	<u>429,046</u>	<u>132,039</u>
FUND BALANCES - BEGINNING OF YEAR	<u>721,652</u>	<u>414,984</u>	<u>1,136,636</u>
FUND BALANCES - END OF YEAR	<u>\$ 424,645</u>	<u>\$ 844,030</u>	<u>\$ 1,268,675</u>

ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

DECEMBER 31, 2012

	Recorder's Users Fund	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Fire Districts Fund	Total
ASSETS:										
Cash and Cash Equivalents	10,062	-	-	-	-	-	-	-	-	10,062
Restricted Cash	-	387,068	-	-	663	864	-	85,369	-	473,964
Investments	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	10,062	387,068	-	-	663	864	-	85,369	-	484,026
LIABILITIES:										
Accrued Liabilities	-	692	-	-	-	-	-	-	-	692
TOTAL LIABILITIES	-	692	-	-	-	-	-	-	-	692
FUND BALANCES:										
Restricted	-	386,376	-	-	-	864	-	85,369	-	472,609
Committed	-	-	-	-	663	-	-	-	-	663
Assigned	10,062	-	-	-	-	-	-	-	-	10,062
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	10,062	386,376	-	-	663	864	-	85,369	-	483,334
TOTAL LIABILITIES AND FUND BALANCES	10,062	387,068	-	-	663	864	-	85,369	-	484,026

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

December 31, 2012

	Recorder's Users Fund	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Fire Districts Fund	Total
REVENUES:										
Property Taxes	-	-	-	71,051	-	-	-	324,577	-	395,628
Sales Tax	-	-	-	-	-	-	-	-	-	-
Telephone Tax	-	-	568,553	-	-	-	-	-	-	568,553
Intergovernmental Revenue	-	106,461	-	-	-	-	-	-	-	106,461
Charges for Services	-	431,533	-	-	-	-	-	-	-	431,533
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Interest	9	677	52	29	-	1	-	265	-	1,033
Other	5,041	7,494	-	-	74	59	1,430	774	27	14,899
Total Revenues	5,050	546,165	568,605	71,080	74	60	1,430	325,616	27	1,518,107
EXPENDITURES:										
Administration	-	-	-	-	-	-	-	302,640	-	302,640
Property Assessments	-	707,754	-	-	-	-	-	-	-	707,754
Public Safety and Judicial	-	-	568,605	-	-	-	-	-	-	568,605
Road & Bridge	-	-	-	71,080	-	-	-	-	-	71,080
Miscellaneous	6,460	-	-	-	243	-	-	-	27	6,730
Capital Outlay	-	370	-	-	-	-	1,430	-	-	1,800
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-
Total Expenditures	6,460	708,124	568,605	71,080	243	-	1,430	302,640	27	1,658,609
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,410)	(161,959)	-	-	(169)	60	-	22,976	-	(140,502)
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(7,140)	-	-	-	-	-	-	-	(7,140)
Total Other Financing Sources (Uses)	-	(7,140)	-	-	-	-	-	-	-	(7,140)
NET CHANGE IN FUND BALANCES	(1,410)	(169,099)	-	-	(169)	60	-	22,976	-	(147,642)
FUND BALANCES - BEGINNING OF YEAR	11,472	555,475	-	-	832	804	-	62,393	-	630,976
FUND BALANCES - END OF YEAR	10,062	386,376	-	-	663	864	-	85,369	-	483,334

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2012

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	125,669	-	-	-	125,669
Restricted Cash	-	-	-	45,399	93,365	16,360	-	63,814	24,435	107,435	350,808
Investments	-	-	-	-	-	-	-	-	50,000	-	50,000
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	45,399	93,365	16,360	125,669	63,814	74,435	107,435	526,477
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	-	-	45,399	93,365	16,360	-	63,814	74,435	107,435	400,808
Committed	-	-	-	-	-	-	125,669	-	-	-	125,669
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	45,399	93,365	16,360	125,669	63,814	74,435	107,435	526,477
TOTAL LIABILITIES AND FUND BALANCES	-	-	-	45,399	93,365	16,360	125,669	63,814	74,435	107,435	526,477

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2012

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
REVENUES:											
Property Taxes	-	600,915	-	-	-	-	-	-	-	-	600,915
Sales Tax	6,906	-	-	-	-	-	-	-	-	-	6,906
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	9,169	-	-	-	9,169
Charges for Services	-	-	-	-	-	10,214	-	14,794	-	-	25,008
Grants, Distributions and Reimbursements	-	-	4,050	-	-	-	-	-	-	-	4,050
Fees, Licenses and Permits	-	-	-	-	40,873	-	-	-	-	102,490	143,363
Interest	-	-	-	81	128	21	136	71	-	239	676
Other	-	1,672	-	45,672	-	-	-	26,771	16,358	-	90,473
Total Revenues	6,906	602,586	4,050	45,753	41,001	10,235	9,305	41,636	16,358	102,729	880,559
EXPENDITURES:											
Administration	-	-	-	-	-	-	6,900	-	5,763	50,368	63,031
Property Assessments	-	-	-	-	-	-	-	25,503	-	-	25,503
Public Safety and Judicial	-	-	-	-	-	21,069	-	-	-	-	21,069
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	6,906	602,586	4,050	24,011	50,319	-	-	1,148	-	150	689,170
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	6,906	602,586	4,050	24,011	50,319	21,069	6,900	26,651	5,763	50,518	798,773
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	21,742	(9,318)	(10,834)	2,405	14,985	10,595	52,211	81,786
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(50,000)	-	-	-	-	-	(100,000)	(150,000)
Total Other Financing Sources (Uses)	-	-	-	(50,000)	-	-	-	-	-	(100,000)	(150,000)
NET CHANGE IN FUND BALANCES	-	-	-	(28,258)	(9,318)	(10,834)	2,405	14,985	10,595	(47,789)	(68,214)
FUND BALANCES - BEGINNING OF YEAR	-	-	-	73,657	102,683	27,194	123,264	48,829	63,840	155,224	594,691
FUND BALANCES - END OF YEAR	-	-	-	45,399	93,365	16,360	125,669	63,814	74,435	107,435	526,477

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2012

	School & College Fund	Fines Fund	Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash Investments	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228
TOTAL LIABILITIES AND FUND BALANCES	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2012

	School & College Fund	Fines Fund	Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
REVENUES:											
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	357,166	-	-	1,710	-	-	-	-	2,353	361,229
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	12,256	-	-	12,256
Fees, Licenses and Permits	-	-	307,725	-	-	40,775	-	-	12,869	-	361,369
Interest	-	722	83	-	18	64	-	-	4	2	893
Other	69,892	25,632	-	191,657	-	-	7,365	-	-	-	294,546
Total Revenues	69,892	383,520	307,808	191,657	1,728	40,839	7,365	12,256	12,873	2,355	1,030,293
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	-	14,424	-	14,424
Property Assessments	-	463,793	-	-	-	-	-	-	-	-	463,793
Public Safety and Judicial	-	-	-	-	1,323	38,075	-	-	-	2,250	41,648
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	69,892	-	307,808	188,582	-	-	7,365	12,256	-	-	585,903
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	69,892	463,793	307,808	188,582	1,323	38,075	7,365	12,256	14,424	2,250	1,105,768
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(80,273)	-	3,075	405	2,764	-	-	(1,551)	105	(75,475)
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(80,273)	-	3,075	405	2,764	-	-	(1,551)	105	(75,475)
FUND BALANCES - BEGINNING OF YEAR	-	241,350	-	-	15,995	59,003	-	-	7,809	546	324,703
FUND BALANCES - END OF YEAR	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228

ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

DECEMBER 31, 2012

	Inmate Security Fund	COPS Tech 2008 Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
ASSETS:											
Cash and Cash Equivalents	21,985	-	-	-	-	-	-	-	-	-	21,985
Restricted Cash	-	-	-	32,195	-	469,409	27,648	-	5,648	17,407	552,307
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	21,985	-	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	21,985	-	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	21,985	-	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292
TOTAL LIABILITIES AND FUND BALANCES	21,985	-	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

December 31, 2012

	Inmate Security Fund	COPS Tech 2008 Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
REVENUES:											
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	590,906	-	-	-	-	590,906
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	509,364	4,264	-	-	-	137	-	5,500	734,891	1,254,156
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	153,036	-	-	-	-	-	153,036
Fees, Licenses and Permits	-	-	-	50,242	-	-	2,567	42,728	-	471	96,008
Interest	15	-	-	58	-	-	34	-	-	-	107
Other	15,132	-	-	-	-	-	14,024	-	-	-	211,888
Total Revenues	15,147	509,364	4,264	50,300	153,036	590,906	16,762	42,728	5,500	918,094	2,306,101
EXPENDITURES:											
Administration	-	-	-	-	-	808,182	25,852	-	-	-	834,034
Property Assessments	-	-	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	-	-	4,264	39,172	-	-	-	42,728	2,028	916,022	1,004,214
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	509,364	-	-	153,036	-	-	-	-	-	662,400
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service											
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	509,364	4,264	39,172	153,036	808,182	25,852	42,728	2,028	916,022	2,500,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,147	-	-	11,128	-	(217,276)	(9,090)	-	3,472	2,072	(194,547)
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	15,147	-	-	11,128	-	(217,276)	(9,090)	-	3,472	2,072	(194,547)
FUND BALANCES - BEGINNING OF YEAR	6,838	-	-	21,067	-	686,685	36,738	-	2,176	15,335	768,839
FUND BALANCES - END OF YEAR	21,985	-	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292

ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

DECEMBER 31, 2012

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Total	Grand Total All Non Major Funds
ASSETS:					
Cash and Cash Equivalents	-	50	-	50	157,766
Restricted Cash	43,482	-	48,307	91,789	2,687,079
Investments	-	-	-	-	349,692
Due From Other Funds	-	-	-	-	-
TOTAL ASSETS	43,482	50	48,307	91,839	3,194,537
LIABILITIES:					
Accrued Liabilities	-	-	-	-	692
TOTAL LIABILITIES	-	-	-	-	692
FUND BALANCES:					
Restricted	43,482	50	48,307	91,839	3,057,451
Committed	-	-	-	-	126,332
Assigned	-	-	-	-	10,062
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	43,482	50	48,307	91,839	3,193,845
TOTAL LIABILITIES AND FUND BALANCES	43,482	50	48,307	91,839	3,194,537

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

December 31, 2012

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Total	Grand Total All Non Major Funds
REVENUES:					
Property Taxes	-	-	-	-	996,543
Sales Tax	-	-	-	-	2,065,560
Telephone Tax	-	-	-	-	568,553
Intergovernmental Revenue	337,818	39,896	-	377,714	1,747,500
Charges for Services	-	-	-	-	817,770
Grants, Distributions and Reimbursements	-	-	-	-	169,342
Fees, Licenses and Permits	54,056	1,055	-	55,111	655,851
Interest	-	-	-	-	3,489
Other	100,493	6	170,676	271,175	1,147,269
Total Revenues	492,367	40,957	170,676	704,000	8,171,877
EXPENDITURES:					
Administration	-	40,957	-	40,957	1,255,086
Property Assessments	493,095	-	-	493,095	1,690,145
Public Safety and Judicial	-	-	-	-	1,635,536
Road & Bridge	-	-	-	-	1,297,262
Miscellaneous	-	-	171,844	171,844	2,116,047
Capital Outlay	-	-	-	-	85,408
Debt Service:					
Principal Payments	-	-	-	-	170,000
Interest Payments	-	-	-	-	123,193
Fiscal Agent Fees	-	-	-	-	3,814
Total Expenditures	493,095	40,957	171,844	705,896	8,376,491
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(728)	-	(1,168)	(1,896)	(204,614)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	6,020
Transfers out	-	-	-	-	(157,140)
Total Other Financing Sources (Uses)	-	-	-	-	(151,120)
NET CHANGE IN FUND BALANCES	(728)	-	(1,168)	(1,896)	(355,735)
FUND BALANCES - BEGINNING OF YEAR	44,210	50	49,475	93,735	3,549,580
FUND BALANCES - END OF YEAR	43,482	50	48,307	91,839	3,193,844

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS -
AGENCY FUNDS

DECEMBER 31, 2012

	<u>Juvenile Fund</u>	<u>Collector of Revenue Fund</u>	<u>Division III CD Savings Fund</u>	<u>Circuit Clerk Banner Account Fund</u>	<u>Total</u>
ASSETS:					
Restricted Cash	\$ 143,214	\$ 29,133,561	\$ -	\$ 425,710	\$ 29,702,485
Investments	-	-	36,301	-	36,301
Taxes Receivable	-	4,384,685	-	-	4,384,685
TOTAL ASSETS	<u>143,214</u>	<u>33,518,246</u>	<u>36,301</u>	<u>425,710</u>	<u>34,123,471</u>
LIABILITIES AND FUND BALANCES:					
Accrued Liabilities	422	-	-	-	422
TOTAL LIABILITIES	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422</u>
UNRESERVED FUND BALANCES	<u>142,792</u>	<u>33,518,246</u>	<u>36,301</u>	<u>425,710</u>	<u>34,123,049</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 143,214</u>	<u>\$ 33,518,246</u>	<u>\$ 36,301</u>	<u>\$ 425,710</u>	<u>\$ 34,123,471</u>

FEDERAL COMPLIANCE SECTION



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

To the County Commission and Officeholders of
St. Francois County, Missouri

Report on Compliance for Each Major Federal Program

We have audited St. Francois 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 St. Francois County, Missouri's major federal programs for the year ended December 31, 2012. St. Francois County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of St. Francois County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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 St. Francois 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the county's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Francois County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-07. Our opinion on each major federal program is not modified with respect to these matters.

St. Francois County, Missouri's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of St. Francois County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Francois County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 St. Francois County, Missouri's internal control over compliance.

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

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the

accompanying Schedule of Findings and Questioned Costs as item 2012-07 that we consider to be a significant deficiency.

St. Francois County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Maloney, Wright & Robbins

Farmington, MO
July 9, 2013

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
<i>Passed through Missouri Department of Social Services</i>			
Child Support IV-D	93.563		\$ 166,180
Juvenile Care & Maintenance	93.667		<u>10,010</u>
Total U.S. Department of Health and Human Services			176,190
US Department of Justice			
<i>Passed through Missouri Department of Public Safety</i>			
Public Safety	16.738		3,639
Title II Formula Grant - JDAI	16.540		390
Detention Counseling - At Risk, Residential Care Mentor	16.726		56,781
Detention Care and Reimbursement	16.unknown		36,218
COPS 2008 Technology Grant	16.710	2010CKWX0153	509,364
Missouri Sheriff's Meth-Amphetamine (MOSMART)	16.710	2010CKWX0183	4,264
Bullet Proof Vest	16.607		<u>12,256</u>
Total U.S. Department of Justice			622,912
US Department of Agriculture			
<i>Passed through State of Missouri</i>			
National School Lunch Program	10.555		13,886
Schools and Roads - Grants to Counties	10.666		<u>1,030</u>
Total U.S. Department of Agriculture			14,916
US Department of Housing & Urban Development			
<i>Passed through Missouri Department of Social Svc; Family Support Div.</i>			
Homelessness Prevention & Rapid Rehousing - ARRA	14.257		4,050
<i>Passed through Missouri Department of Economic Development</i>			
Community Development Block Grant	14.228	08-DI-29	<u>153,036</u>
Total U.S. Department of Housing & Urban Development			157,086
US Department of Homeland Security			
<i>Passed through Missouri Emergency Management Agency</i>			
Disaster Grants - Public Assistance	97.036		74,517
Hazard Mitigation Grant	97.039		<u>7,892</u>
Total U.S. Department of Homeland Security			82,409
US Department of Transportation			
Off-System Bridge Program	20.205		<u>125,780</u>
Total U.S. Department of Transportation			125,780
US Environmental Protection Agency			
Big River Watershed Master Plan	66.802	V-97722901-D	<u>5,440</u>
Total US Department of Environmental Protection			5,440
Total Expenditures of Federal Awards			<u><u>\$ 1,184,733</u></u>

The accompanying notes are an integral part of this schedule.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2012

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Francois County, Missouri under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of St. Francois County, Missouri, it is not intended to and does not present the financial position, changes in net assets or cash flows of St. Francois County, Missouri.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 SUBRECIPIENTS

Of the federal expenditures presented in the schedule, St. Francois County, Missouri provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
14.228	Community Development Block Grant	\$ 153,036

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- An unqualified report was issued on the financial statements of St. Francois County, Missouri.

Internal control over financial reporting:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes ___none
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes ___none
- An unqualified report was issued on compliance for major programs. X yes ___no

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

Identification of major programs:

<u>CDFA#</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
16.710	COPS 2008 Technology Grant	\$509,364
14.228	Community Development Block Grant	153,036

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

Auditee qualified as low-risk auditee: ___yes X no

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-01

Type: Internal Control

Criteria: A good internal control system should include written policies and procedures.

Condition: The County of St. Francois, Missouri does not have documentation of internal control policies.

Cause: The County has not communicated policies and procedures in writing to employees.

Effect: The internal control environment is weak.

Recommendation: The County should develop the required internal control documentation and study the COSO internal control guidance and tools as a means to begin the process.

Management Response: County does have an internal control policy that was adopted by the standing County Commission in year 1992. County does still refer to this manual for policies and procedures. This auditor will be recommending to our present County Commission that our policy/procedure manual be revised and brought up-to-date, and should be communicated to each department/office head that policy manual be placed in the hands of each county employee.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-02

Type: Internal Control

Criteria: A fraud risk policy ensures that management directives are carried out.

Condition: The County does not have a fraud risk assessment policy.

Cause: The County has not implemented a policy to deter fraud.

Effect: Lack of a fraud risk policy and procedures implemented to deter fraud could potentially result in the County not being able to generate reliable financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Recommendation: The County should address the risk of fraud by performing a fraud risk assessment to identify, analyze and manage the risk of asset misappropriation.

Management Response: The County is looking into establishing a fraud risk assessment policy. Our Prosecuting Attorney is reviewing a policy, which will be reviewed by our County Commission and will possibly be in place by the end of this fiscal year 2013.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-03

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Effect of Condition: While the preparation of the financial statements does not impair the auditor's independence, the assistance of the County's staff would possibly eliminate the number of year end and/or audit adjustments.

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

Management Response: The above reference has been in place in previous years audits, through an outsource, with the exception of this year 2012. County will be outsourcing this requirement for fiscal year audit 2013.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-04

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: The County will be looking at ways to tighten internal control on procedures with officeholders and staff in this fiscal year 2013.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-05

Type: Internal Control

Condition: Several cash accounts were not included on the trial balance report provided by the client, and several account balances were included on the report that are no longer in existence.

Criteria: Management is responsible for ensuring the financial information is reliable and properly recorded.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of materially misstating their financial statements.

Recommendation: The County should record all cash accounts maintained, and reconcile all bank accounts each month.

Management Response: These cash accounts have been put in place, the account balances no longer in existence have been removed, and bank statements are reconciled on a monthly basis.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-06

Type: Compliance

Criteria: Per Governmental Accounting Standards, debt service activities should be reported in debt service funds if financial resources are being accumulated for principal and interest payments maturing in future years.

Condition: The County does not record their reserve funds and debt payments through their debt service fund.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of noncompliance with their debt issuance.

Recommendation: The County should review the financial reports for compliance with provisions of laws, regulations, contracts, and grant agreements at interim periods.

Management Response: The County is at this time looking at the most feasible way to put this on the county books and will have it in place by the end of this fiscal year 2013.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2012-07

Federal Program: US Department of Housing & Urban Development passed through Missouri Department of Economic Development – *2012 Community Development Block Grant, CFDA number 14.228*

Criteria: St. Francois County passed these grant funds through to Mineral Area College. Pass through entities are required by the Single Audit Act Amendments of 1996 to conduct sub recipient monitoring.

Condition: Sub recipient monitoring was not conducted by St. Francois County.

Questioned Costs: None

Effect of Condition: No pass-through entity oversight of the sub recipients use of the grant funds

Cause of Condition: The County did not refer to the grant document or the A-133 Compliance Supplement to determine responsibility for sub recipient monitoring requirements.

Recommendation: The County should refer to the grant document, the A-133 Compliance Supplement, or both to determine sub recipient monitoring requirements to ensure compliance requirements are met.

Management Response: This office has since been in contact with grant recipient. Economic Development representative has recently reviewed the grant and findings are in compliance. These documents will be forwarded to the County when completed. Concerning all grants, existing and future grants, this office will make every effort to have all documents pertaining to such grants and will periodically be checking those offices/departments that have been awarded grants to make sure all is in compliance. Also this office will have in possession the A-133 Compliance Supplement. We will be in compliance by the next fiscal audit, 2013.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2012

I. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.

II. FINANCIAL STATEMENT FINDINGS

- There were no findings.