



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

To the County Commission  
and  
Officeholders of Gentry County, Missouri

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

A handwritten signature in cursive script that reads "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-082

**GENTRY COUNTY, MISSOURI**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2012**

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## **INDEPENDENT AUDITORS' REPORT**

Gentry County Commission  
Gentry County  
Albany, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Gentry County, Missouri, which comprise the cash balances of each fund as of December 31, 2012, the related receipts, disbursements and budgetary results for each fund for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements prepared using accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express 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.

Gentry County Commission  
Gentry County  
Albany, Missouri

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

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

As described in Note A, the financial statements are prepared by Gentry County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Gentry County, Missouri, as of December 31, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Gentry County, Missouri, as of December 31, 2012, and the receipts, disbursements and budgetary results of the governmental funds for the year then ended, on the basis of accounting as described in Note A.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013, on our consideration of Gentry County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gentry County, Missouri's internal control over financial reporting and compliance.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL  
GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2012

FUND	Cash	Receipts	Disbursements	Cash
	Balance			Balance
	January 1			December 31
General Revenue	\$ 1,037,319	\$ 1,325,593	\$ 1,139,057	\$ 1,223,855
Special Road and Bridge	115,673	553,742	617,099	52,316
Assessment	66,075	134,501	120,427	80,149
Emergency Management Preparedness	10,646	5,993	15,163	1,476
Bad Check	32,069	4,155	10,242	25,982
Prosecuting Attorney Training	1,455	131	-	1,586
Law Enforcement Training	379	516	626	269
Children's Trust	55	310	325	40
Prosecuting Attorney Tax Collection	6,320	-	-	6,320
Post Commission	182	500	662	20
Emergency	311,464	40,000	-	351,464
Sheriff's Civil Fees	24,509	14,937	1,924	37,522
Recorder User Fee	14,764	2,839	-	17,603
County Clerk's Election	3,547	2,928	616	5,859
Recorder Technology	7,318	1,644	5,996	2,966
Special Election	-	29,553	29,553	-
Tax Maintenance	48,233	14,660	9,685	53,208
Sheriff's Revolving	4,578	3,100	1,422	6,256
Law Library	1,967	3,656	3,817	1,806
Law Enforcement Restitution	28,644	11,704	14,440	25,908
War Memorial	1,949	20	-	1,969
Senior Citizen's Services	9,322	42,223	43,597	7,948
Levee Restoration	2,136	21	-	2,157
Local Emergency Planning Committee	3,881	-	1,158	2,723
CDBG	202	2	-	204
<b>TOTAL</b>	<b>\$ 1,732,687</b>	<b>\$ 2,192,728</b>	<b>\$ 2,015,809</b>	<b>\$ 1,909,606</b>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>GENERAL REVENUE FUND</u>			
<b>RECEIPTS</b>			
Property taxes	\$ 433,200	\$ 472,473	\$ 39,273
Sales taxes	300,000	329,730	29,730
Intergovernmental	163,973	187,260	23,287
Charges for services	255,806	257,617	1,811
Interest	12,000	20,121	8,121
Other	48,175	58,392	10,217
<b>TOTAL RECEIPTS</b>	<u>1,213,154</u>	<u>1,325,593</u>	<u>112,439</u>
<b>DISBURSEMENTS</b>			
Treasurer	73,598	70,382	3,216
County Commission	84,320	83,675	645
Public Administrator	36,793	37,344	(551)
Election and Voter Registration	49,750	39,380	10,370
County Clerk	117,036	111,031	6,005
Fringe Benefits	141,500	133,655	7,845
Building and Grounds	101,275	99,207	2,068
Probate Judge	6,700	3,879	2,821
Circuit Clerk	18,471	9,875	8,596
Coroner	15,994	16,739	(745)
Juvenile	9,000	8,424	576
Prosecuting Attorney	75,438	74,820	618
Sheriff	288,558	254,225	34,333
Other General County Government	166,682	154,001	12,681
Transfers out	42,640	42,420	220
<b>TOTAL DISBURSEMENTS</b>	<u>1,227,755</u>	<u>1,139,057</u>	<u>88,698</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(14,601)	186,536	201,137
<b>CASH BALANCE, January 1</b>	<u>1,037,319</u>	<u>1,037,319</u>	<u>-</u>
<b>CASH BALANCE, December 31</b>	<u>\$ 1,022,718</u>	<u>\$ 1,223,855</u>	<u>\$ 201,137</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>SPECIAL ROAD AND BRIDGE FUND</u>			
RECEIPTS			
Property taxes	\$ 15,500	\$ 15,353	\$ (147)
Sales taxes	488,604	491,428	2,824
Intergovernmental	355,000	4,216	(350,784)
Interest	600	1,349	749
Other	35,000	41,396	6,396
TOTAL RECEIPTS	<u>894,704</u>	<u>553,742</u>	<u>(340,962)</u>
DISBURSEMENTS			
Salaries	149,600	150,125	(525)
Employee fringe benefits	42,964	41,404	1,560
Supplies	34,500	65,482	(30,982)
Road and bridge materials	160,000	133,194	26,806
Equipment repairs	8,000	4,223	3,777
Equipment purchases	20,000	19,098	902
Construction, repair, and maintenance	373,000	19,766	353,234
Distributions to townships and road districts	190,800	183,508	7,292
Other	2,588	299	2,289
TOTAL DISBURSEMENTS	<u>981,452</u>	<u>617,099</u>	<u>364,353</u>
RECEIPTS (UNDER) DISBURSEMENTS	(86,748)	(63,357)	23,391
CASH BALANCE, January 1	<u>115,673</u>	<u>115,673</u>	<u>-</u>
CASH BALANCE, December 31	<u>\$ 28,925</u>	<u>\$ 52,316</u>	<u>\$ 23,391</u>
<u>ASSESSMENT FUND</u>			
RECEIPTS			
Intergovernmental	\$ 32,000	\$ 36,958	\$ 4,958
Charges for services	86,000	96,492	10,492
Interest	800	1,051	251
TOTAL RECEIPTS	<u>118,800</u>	<u>134,501</u>	<u>15,701</u>
DISBURSEMENTS			
Assessor	<u>133,003</u>	<u>120,427</u>	<u>12,576</u>
TOTAL DISBURSEMENTS	<u>133,003</u>	<u>120,427</u>	<u>12,576</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,203)	14,074	28,277
CASH BALANCE, January 1	<u>66,075</u>	<u>66,075</u>	<u>-</u>
CASH BALANCE, December 31	<u>\$ 51,872</u>	<u>\$ 80,149</u>	<u>\$ 28,277</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>EMERGENCY MANAGEMENT PREPAREDNESS FUND</u>			
RECEIPTS			
Intergovernmental	\$ 8,540	\$ 3,573	\$ (4,967)
Transfers in	2,640	2,420	(220)
TOTAL RECEIPTS	11,180	5,993	(5,187)
DISBURSEMENTS			
Emergency management	16,239	15,163	1,076
TOTAL DISBURSEMENTS	16,239	15,163	1,076
RECEIPTS (UNDER) DISBURSEMENTS	(5,059)	(9,170)	(4,111)
CASH BALANCE, January 1	10,646	10,646	-
CASH BALANCE, December 31	<u>\$ 5,587</u>	<u>\$ 1,476</u>	<u>\$ (4,111)</u>
 <u>BAD CHECK FUND</u>			
RECEIPTS			
Charges for services	\$ 8,000	\$ 4,155	\$ (3,845)
TOTAL RECEIPTS	8,000	4,155	(3,845)
DISBURSEMENTS			
Prosecuting attorney	9,100	10,242	(1,142)
TOTAL DISBURSEMENTS	9,100	10,242	(1,142)
RECEIPTS (UNDER) DISBURSEMENTS	(1,100)	(6,087)	(4,987)
CASH BALANCE, January 1	32,069	32,069	-
CASH BALANCE, December 31	<u>\$ 30,969</u>	<u>\$ 25,982</u>	<u>\$ (4,987)</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>PROSECUTING ATTORNEY</u>			
<u>TRAINING FUND</u>			
RECEIPTS			
Charges for services	\$ 150	\$ 131	\$ (19)
TOTAL RECEIPTS	150	131	(19)
DISBURSEMENTS			
Prosecuting Attorney	400	-	400
TOTAL DISBURSEMENTS	400	-	400
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)	131	381
CASH BALANCE, January 1	1,455	1,455	-
CASH BALANCE, December 31	<u>\$ 1,205</u>	<u>\$ 1,586</u>	<u>\$ 381</u>
<u>LAW ENFORCEMENT</u>			
<u>TRAINING FUND</u>			
RECEIPTS			
Charges for services	\$ 700	\$ 516	\$ (184)
TOTAL RECEIPTS	700	516	(184)
DISBURSEMENTS			
Sheriff	700	626	74
TOTAL DISBURSEMENTS	700	626	74
RECEIPTS (UNDER) DISBURSEMENTS	-	(110)	(110)
CASH BALANCE, January 1	379	379	-
CASH BALANCE, December 31	<u>\$ 379</u>	<u>\$ 269</u>	<u>\$ (110)</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>CHILDREN'S TRUST FUND</u>			
RECEIPTS			
Charges for services	\$ 325	\$ 310	\$ (15)
TOTAL RECEIPTS	325	310	(15)
DISBURSEMENTS			
Other	330	325	5
TOTAL DISBURSEMENTS	330	325	5
RECEIPTS (UNDER) DISBURSEMENTS	(5)	(15)	(10)
CASH BALANCE, January 1	55	55	-
CASH BALANCE, December 31	<u>\$ 50</u>	<u>\$ 40</u>	<u>\$ (10)</u>
 <u>PROSECUTING ATTORNEY</u>			
<u>TAX COLLECTION FUND</u>			
RECEIPTS			
Taxes	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
Prosecuting Attorney	-	-	-
TOTAL DISBURSEMENTS	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	-	-
CASH BALANCE, January 1	6,320	6,320	-
CASH BALANCE, December 31	<u>\$ 6,320</u>	<u>\$ 6,320</u>	<u>\$ -</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>POST COMMISSION FUND</u>			
RECEIPTS			
Intergovernmental	\$ 500	\$ 500	\$ -
TOTAL RECEIPTS	500	500	-
DISBURSEMENTS			
Other	675	662	13
TOTAL DISBURSEMENTS	675	662	13
RECEIPTS (UNDER) DISBURSEMENTS	(175)	(162)	13
CASH BALANCE, January 1	182	182	-
CASH BALANCE, December 31	<u>\$ 7</u>	<u>\$ 20</u>	<u>\$ 13</u>
 <u>EMERGENCY FUND</u>			
RECEIPTS			
Transfers in	\$ 40,000	\$ 40,000	\$ -
TOTAL RECEIPTS	40,000	40,000	-
DISBURSEMENTS			
Other	200,000	-	200,000
TOTAL DISBURSEMENTS	200,000	-	200,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(160,000)	40,000	200,000
CASH BALANCE, January 1	311,464	311,464	-
CASH BALANCE, December 31	<u>\$ 151,464</u>	<u>\$ 351,464</u>	<u>\$ 200,000</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>SHERIFF'S CIVIL FEES FUND</u>			
RECEIPTS			
Charges for services	\$ 14,000	\$ 14,937	\$ 937
TOTAL RECEIPTS	14,000	14,937	937
DISBURSEMENTS			
Sheriff	10,100	1,924	8,176
TOTAL DISBURSEMENTS	10,100	1,924	8,176
RECEIPTS OVER DISBURSEMENTS	3,900	13,013	9,113
CASH BALANCE, January 1	24,509	24,509	-
CASH BALANCE, December 31	<u>\$ 28,409</u>	<u>\$ 37,522</u>	<u>\$ 9,113</u>
 <u>RECORDER USER FEE FUND</u>			
RECEIPTS			
Charges for services	\$ 2,500	\$ 2,839	\$ 339
TOTAL RECEIPTS	2,500	2,839	339
DISBURSEMENTS			
Recorder of Deeds	5,000	-	5,000
TOTAL DISBURSEMENTS	5,000	-	5,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500)	2,839	5,339
CASH BALANCE, January 1	14,764	14,764	-
CASH BALANCE, December 31	<u>\$ 12,264</u>	<u>\$ 17,603</u>	<u>\$ 5,339</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>COUNTY CLERK'S ELECTION FUND</u>			
RECEIPTS			
Charges for services	\$ 1,000	\$ 730	\$ (270)
Interest	20	35	15
Other	600	-	(600)
Transfers in	-	2,163	2,163
TOTAL RECEIPTS	<u>1,620</u>	<u>2,928</u>	<u>1,308</u>
DISBURSEMENTS			
Elections	<u>1,600</u>	<u>616</u>	<u>984</u>
TOTAL DISBURSEMENTS	<u>1,600</u>	<u>616</u>	<u>984</u>
RECEIPTS OVER DISBURSEMENTS	20	2,312	2,292
CASH BALANCE, January 1	<u>3,547</u>	<u>3,547</u>	-
CASH BALANCE, December 31	<u>\$ 3,567</u>	<u>\$ 5,859</u>	<u>\$ 2,292</u>
<u>RECORDER TECHNOLOGY FUND</u>			
RECEIPTS			
Charges for services	\$ 1,400	\$ 1,644	\$ 244
TOTAL RECEIPTS	<u>1,400</u>	<u>1,644</u>	<u>244</u>
DISBURSEMENTS			
Recorder of Deeds	<u>6,250</u>	<u>5,996</u>	<u>254</u>
TOTAL DISBURSEMENTS	<u>6,250</u>	<u>5,996</u>	<u>254</u>
RECEIPTS (UNDER) DISBURSEMENTS	(4,850)	(4,352)	498
CASH BALANCE, January 1	<u>7,318</u>	<u>7,318</u>	-
CASH BALANCE, December 31	<u>\$ 2,468</u>	<u>\$ 2,966</u>	<u>\$ 498</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>SPECIAL ELECTION FUND</u>			
RECEIPTS			
Intergovernmental	\$ 15,000	\$ 14,901	\$ (99)
Charges for services	17,000	14,652	(2,348)
TOTAL RECEIPTS	<u>32,000</u>	<u>29,553</u>	<u>(2,447)</u>
DISBURSEMENTS			
Elections	29,000	27,390	1,610
Transfers out	3,000	2,163	837
TOTAL DISBURSEMENTS	<u>32,000</u>	<u>29,553</u>	<u>2,447</u>
RECEIPTS OVER DISBURSEMENTS	-	-	-
CASH BALANCE, January 1	-	-	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TAX MAINTENANCE FUND</u>			
RECEIPTS			
Charges for services	\$ 12,400	\$ 14,660	\$ 2,260
TOTAL RECEIPTS	<u>12,400</u>	<u>14,660</u>	<u>2,260</u>
DISBURSEMENTS			
Collector	22,650	9,685	12,965
TOTAL DISBURSEMENTS	<u>22,650</u>	<u>9,685</u>	<u>12,965</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,250)	4,975	15,225
CASH BALANCE, January 1	48,233	48,233	-
CASH BALANCE, December 31	<u>\$ 37,983</u>	<u>\$ 53,208</u>	<u>\$ 15,225</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>SHERIFF'S REVOLVING FUND</u>			
RECEIPTS			
Charges for services	\$ 2,000	\$ 3,100	\$ 1,100
TOTAL RECEIPTS	2,000	3,100	1,100
DISBURSEMENTS			
Sheriff	2,000	1,422	578
TOTAL DISBURSEMENTS	2,000	1,422	578
RECEIPTS OVER DISBURSEMENTS	-	1,678	1,678
CASH BALANCE, January 1	4,578	4,578	-
CASH BALANCE, December 31	<u>\$ 4,578</u>	<u>\$ 6,256</u>	<u>\$ 1,678</u>
 <u>LAW LIBRARY FUND</u>			
RECEIPTS			
Intergovernmental	\$ 3,500	\$ 3,645	\$ 145
Interest	-	11	11
TOTAL RECEIPTS	3,500	3,656	156
DISBURSEMENTS			
Prosecuting attorney	5,400	3,817	1,583
TOTAL DISBURSEMENTS	5,400	3,817	1,583
RECEIPTS (UNDER) DISBURSEMENTS	(1,900)	(161)	1,739
CASH BALANCE, January 1	1,967	1,967	-
CASH BALANCE, December 31	<u>\$ 67</u>	<u>\$ 1,806</u>	<u>\$ 1,739</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>LAW ENFORCEMENT RESTITUTION FUND</u>			
RECEIPTS			
Charges for services	\$ 9,000	\$ 11,704	\$ 2,704
TOTAL RECEIPTS	9,000	11,704	2,704
DISBURSEMENTS			
Sheriff	23,600	14,440	9,160
TOTAL DISBURSEMENTS	23,600	14,440	9,160
RECEIPTS (UNDER) DISBURSEMENTS	(14,600)	(2,736)	11,864
CASH BALANCE, January 1	28,644	28,644	-
CASH BALANCE, December 31	<u>\$ 14,044</u>	<u>\$ 25,908</u>	<u>\$ 11,864</u>
 <u>WAR MEMORIAL FUND</u>			
RECEIPTS			
Interest	\$ 19	\$ 20	\$ 1
TOTAL RECEIPTS	19	20	1
DISBURSEMENTS			
Other	1,000	-	1,000
TOTAL DISBURSEMENTS	1,000	-	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(981)	20	1,001
CASH BALANCE, January 1	1,949	1,949	-
CASH BALANCE, December 31	<u>\$ 968</u>	<u>\$ 1,969</u>	<u>\$ 1,001</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>SENIOR CITIZEN'S SERVICES FUND</u>			
RECEIPTS			
Property taxes	\$ 46,150	\$ 42,105	\$ (4,045)
Interest	100	118	18
TOTAL RECEIPTS	<u>46,250</u>	<u>42,223</u>	<u>(4,027)</u>
DISBURSEMENTS			
Senior services	<u>46,250</u>	<u>43,597</u>	<u>2,653</u>
TOTAL DISBURSEMENTS	<u>46,250</u>	<u>43,597</u>	<u>2,653</u>
RECEIPTS (UNDER) DISBURSEMENTS	-	(1,374)	(1,374)
CASH BALANCE, January 1	<u>9,322</u>	<u>9,322</u>	-
CASH BALANCE, December 31	<u>\$ 9,322</u>	<u>\$ 7,948</u>	<u>\$ (1,374)</u>
 <u>LEVEE RESTORATION FUND</u>			
RECEIPTS			
Interest	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 21</u>
TOTAL RECEIPTS	-	21	21
DISBURSEMENTS			
Other	<u>2,136</u>	<u>-</u>	<u>2,136</u>
TOTAL DISBURSEMENTS	<u>2,136</u>	<u>-</u>	<u>2,136</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,136)	21	2,157
CASH BALANCE, January 1	<u>2,136</u>	<u>2,136</u>	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ 2,157</u>	<u>\$ 2,157</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
 AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)  
 Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>LOCAL EMERGENCY PLANNING COMMITTEE FUND</u>			
RECEIPTS			
Intergovernmental	\$ 2,500	\$ -	\$ (2,500)
TOTAL RECEIPTS	2,500	-	(2,500)
DISBURSEMENTS			
Other	3,423	1,158	2,265
TOTAL DISBURSEMENTS	3,423	1,158	2,265
RECEIPTS (UNDER) DISBURSEMENTS	(923)	(1,158)	(235)
CASH BALANCE, January 1	3,881	3,881	-
CASH BALANCE, December 31	<u>\$ 2,958</u>	<u>\$ 2,723</u>	<u>\$ (235)</u>
<u>CDBG FUND</u>			
RECEIPTS			
Interest	\$ -	\$ 2	\$ 2
TOTAL RECEIPTS	-	2	2
DISBURSEMENTS			
Grants	-	-	-
TOTAL DISBURSEMENTS	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	2	2
CASH BALANCE, January 1	202	202	-
CASH BALANCE, December 31	<u>\$ 202</u>	<u>\$ 204</u>	<u>\$ 2</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
 REGULATORY BASIS  
 December 31, 2012

	Collector of Revenue Fund	School Fund	Depriest Cemetery Fund	Sheriff Water Rescue Fund	Medical Reimbursement Fund	Surplus Tax Fund	Victim's Fund	Unclaimed Fee Fund	Total
<b>ASSETS</b>									
Cash	\$ 5,275,036	\$ 32,652	\$ 835	\$ 1,986	\$ 1,391	\$ 637	\$ 2,393	\$ 2	\$ 5,314,932
Investments	-	-	1,000	-	-	-	-	-	1,000
<b>TOTAL ASSETS</b>	<b>\$ 5,275,036</b>	<b>\$ 32,652</b>	<b>\$ 1,835</b>	<b>\$ 1,986</b>	<b>\$ 1,391</b>	<b>\$ 637</b>	<b>\$ 2,393</b>	<b>\$ 2</b>	<b>\$ 5,315,932</b>
<b>LIABILITIES</b>									
Due to other governments	\$ 5,275,036	\$ 32,652	\$ -	\$ -	\$ -	\$ 637	\$ -	\$ -	\$ 5,308,325
Due to others	-	-	1,835	1,986	1,391	-	2,393	2	7,607
<b>TOTAL LIABILITIES</b>	<b>\$ 5,275,036</b>	<b>\$ 32,652</b>	<b>\$ 1,835</b>	<b>\$ 1,986</b>	<b>\$ 1,391</b>	<b>\$ 637</b>	<b>\$ 2,393</b>	<b>\$ 2</b>	<b>\$ 5,315,932</b>

See accompanying notes.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gentry County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three Commissioners, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer/Collector.

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

### Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

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

### Basis of Presentation

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

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

Fiduciary Funds – 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, or other governmental units. 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 and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts in the Bad Check Fund.

Cash

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

NOTE B – CASH

The County maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash". In addition, cash is separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012, all bank balances are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

Gentry County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. 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 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

Gentry County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Gentry County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

GENTRY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>
ASSESSED VALUATION	
Real estate	\$ 59,781,320
Personal property	<u>25,928,047</u>
	<u>\$ 85,709,367</u>
TAX LEVY	
General Revenue	\$ .5405
Senior Citizen's Services	<u>.0500</u>
	<u>\$ .5905</u>

The legal debt margin at December 31, 2012, is computed as follows:

	<u>2012</u>
Constitutional debt limit	\$ 8,570,937
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 8,570,937</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2012, consisted of the following:

	<u>Transfers In (Out)</u>
General Revenue Fund	\$ (42,420)
Emergency Management Preparedness Fund	2,420
Emergency Fund	40,000
County Clerk's Election Fund	2,163
Special Election Fund	<u>(2,163)</u>
	<u>\$ -</u>

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

NOTE H – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of unused vacation time and unused accumulated comp time up to 240 hours for employees. The balance at December 31, 2012, totaled \$19,980.

## **SUPPLEMENTARY SCHEDULES**



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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**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***

Gentry County Commission  
Gentry County  
Albany, Missouri

We have audited, 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, the financial statements of Gentry County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Gentry County, Missouri's financial statements, and have issued our report thereon, dated June 14, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gentry 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 Gentry County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. It is identified as item 12-1.

### **Compliance and Other Matters**

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

### **Gentry County, Missouri's Response to Findings and Other Matters**

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

We noted certain other matters that we have reported to management of the County in a separate letter dated June 14, 2013.

### **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 Gentry County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gentry County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013

GENTRY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
Year ended December 31, 2012

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.



DAVIS, LYNN &  
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Gentry County Commission  
Gentry County  
Albany, Missouri

In planning and performing our audit of the basic financial statements of Gentry County, Missouri for the year ended December 31, 2012, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weakness discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

During our audit, we noted the County was not in compliance with the budgetary statute, Chapter 50, RSMo, as actual disbursements exceeded budgeted disbursements in the Bad Check Fund.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo).

2. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's Bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which County assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

3. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Gentry County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013



DAVIS, LYNN &  
MOOTS, P.C.  
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Gentry County Commission  
Gentry County  
Albany, Missouri

We have audited the financial statements of Gentry County, Missouri, for the year ended December 31, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 25, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gentry County, Missouri, are described in Note A to the financial statements. All significant transactions have been recognized in the financial statements in the proper period. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Cash
- Fund Balance

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 14, 2013.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

This information is intended solely for the use of the County Commission and management of Gentry County, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013