



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Scott County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Scott County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2013, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

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

Thomas A. Schweich
State Auditor

August 2014
Report No. 2014-064

THE COUNTY OF SCOTT
BENTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013 AND 2012

**THE COUNTY OF SCOTT
BENTON, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Scott, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Scott ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2013, and 2012, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2013, and 2012, or changes in financial position or cash flows thereof for the years then ended.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2013, and 2012, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Scott’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is 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 June 27, 2014, on our consideration of the County of Scott's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Scott's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 27, 2014

FINANCIAL STATEMENTS

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH BALANCES JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH BALANCES DECEMBER 31, 2013
General Revenue Fund	\$ 1,329,542.42	\$ 4,680,745.70	\$ 5,297,238.77	\$ 713,049.35
Special Road and Bridge Fund	288,035.57	1,785,588.44	1,845,267.36	228,356.65
Assessment Fund	151,569.60	354,314.90	455,224.72	50,659.78
Law Enforcement Training Fund	1,824.46	3,840.91	3,259.51	2,405.86
Law Enforcement Fund	-	2,570,028.56	2,570,028.56	-
Sheriff's Revolving Fund	13,042.36	73,325.43	75,733.73	10,634.06
Prosecuting Attorney's Training Fund	1,499.69	981.44	90.00	2,391.13
Election Services Fund	13,062.35	7,440.83	4,450.02	16,053.16
Housing and County Development Fund	293,774.83	600.18	3,230.00	291,145.01
Prosecuting Attorney Bad Check Fund	10,183.62	21,240.74	22,627.58	8,796.78
Landfill Fund	26,421.61	118.41	6,642.00	19,898.02
Johnson Grass Fund	19,595.01	43,609.26	40,160.50	23,043.77
Recorder User Fund	64,605.40	23,983.00	30,499.04	58,089.36
HAVA Fund	-	16,130.00	16,130.00	-
911 Communications Center Fund	-	514,732.67	514,732.67	-
Domestic Violence Fund	-	7,725.23	7,725.23	-
Sheriff's POST Fund	3,801.05	1,965.46	1,525.44	4,241.07
Sheriff's Special Fund	17,648.22	50,000.00	62,777.75	4,870.47
Law Enforcement Restitution Fund	82,501.64	13,353.40	68,946.84	26,908.20
TIF Special Allocation Fund	-	41,994.00	41,994.00	-
Federal Seizure Fund	-	-	-	-
Sheriff's Emergency Response Team Fund	154.49	2,475.00	1,627.29	1,002.20
Inmate Security Fund	3,427.58	8,401.15	5,479.03	6,349.70
Collector's Maintenance Fund	50,539.56	50,561.99	51,352.28	49,749.27
Prosecuting Attorney's Delinquent Tax Fund	11,493.95	4,859.97	3,909.24	12,444.68
Truancy Fund	138,462.73	8,062.40	36,636.25	109,888.88
Senate Bill 40 Fund	267,583.30	183,075.99	253,789.40	196,869.89
Reserve Fund	367,385.00	232,615.00	-	600,000.00
D.A.R.E. Fund	240.90	-	-	240.90
TOTAL	\$ 3,156,395.34	\$ 10,701,770.06	\$ 11,421,077.21	\$ 2,437,088.19

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

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

FUND	CASH BALANCES JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH BALANCES DECEMBER 31, 2012
General Revenue Fund	\$ 1,371,800.47	\$ 4,654,174.04	\$ 4,696,432.09	\$ 1,329,542.42
Special Road and Bridge Fund	543,642.00	1,374,679.20	1,630,285.63	288,035.57
Assessment Fund	146,955.70	470,818.08	466,204.18	151,569.60
Law Enforcement Training Fund	2,450.18	4,397.59	5,023.31	1,824.46
Law Enforcement Fund	-	2,679,429.48	2,679,429.48	-
Sheriff's Revolving Fund	17,401.04	34,254.69	38,613.37	13,042.36
Prosecuting Attorney's Training Fund	1,616.47	1,106.81	1,223.59	1,499.69
Election Services Fund	6,645.24	11,788.66	5,371.55	13,062.35
Housing and County Development Fund	542,764.97	1,025.22	250,015.36	293,774.83
Prosecuting Attorney Bad Check Fund	11,846.49	21,852.05	23,514.92	10,183.62
Landfill Fund	37,468.22	129.22	11,175.83	26,421.61
Johnson Grass Fund	15,492.65	42,761.76	38,659.40	19,595.01
Recorder User Fund	68,004.54	22,094.93	25,494.07	64,605.40
HAVA Fund	-	3,678.53	3,678.53	-
911 Communications Center Fund	-	419,895.45	419,895.45	-
Domestic Violence Fund	-	8,615.67	8,615.67	-
Sheriff's POST Fund	7.98	3,793.07	-	3,801.05
Sheriff's Special Fund	8,002.95	50,000.00	40,354.73	17,648.22
Law Enforcement Restitution Fund	49,378.38	33,123.26	-	82,501.64
TIF Special Allocation Fund	-	41,929.75	41,929.75	-
Federal Seizure Fund	26.09	-	26.09	-
Sheriff's Emergency Response Team Fund	753.55	0.94	600.00	154.49
Inmate Security Fund	9,247.49	4,180.09	10,000.00	3,427.58
Collector's Maintenance Fund	68,760.30	49,200.58	67,421.32	50,539.56
Prosecuting Attorney's Delinquent Tax Fund	5,514.27	15,100.09	9,120.41	11,493.95
Truancy Fund	132,471.43	37,850.27	31,858.97	138,462.73
Senate Bill 40 Fund	362,809.19	180,506.59	275,732.48	267,583.30
Reserve Fund	217,385.00	150,000.00	-	367,385.00
D.A.R.E. Fund	462.84	0.54	222.48	240.90
TOTAL	\$ 3,620,907.44	\$ 10,316,386.56	\$ 10,780,898.66	\$ 3,156,395.34

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	GENERAL REVENUE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 23,396.00	\$ 23,394.36	\$ 24,800.00	\$ 24,133.95
Sales Taxes	3,601,917.00	3,601,917.33	3,563,300.00	3,563,287.66
Intergovernmental	361,118.00	328,960.37	449,234.00	321,688.25
Charges for Services	612,600.00	582,208.58	624,755.00	585,690.23
Interest	4,325.00	4,317.77	6,000.00	5,833.74
Other	127,973.00	109,947.29	119,575.00	103,540.21
Transfers In	30,000.00	30,000.00	50,000.00	50,000.00
TOTAL RECEIPTS	4,761,329.00	4,680,745.70	4,837,664.00	4,654,174.04
DISBURSEMENTS				
County Commission	115,169.00	113,360.44	113,015.00	112,806.07
County Clerk	89,312.00	89,110.78	87,856.00	86,329.57
Elections	112,492.00	111,553.67	175,701.00	148,012.88
Buildings and Grounds	838,252.50	783,441.95	577,083.00	357,964.38
Employee Fringe Benefits	400,000.00	316,000.56	500,000.00	329,023.00
County Treasurer	81,617.00	79,043.80	80,135.00	77,967.68
Collector	135,131.00	131,018.56	133,636.00	130,047.01
Recorder of Deeds	97,636.00	95,840.60	96,767.00	94,608.35
Circuit Clerk	31,500.00	29,383.88	35,000.00	34,532.93
Court Administration	5,200.00	2,046.70	4,950.00	2,082.35
Public Administrator	116,044.00	114,654.03	120,266.00	115,235.53
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	344,050.40	332,563.60	341,315.18	325,985.84
Juvenile Officer	130,000.00	103,580.59	130,000.00	90,584.36
County Coroner	46,313.00	46,262.41	41,301.00	38,977.37
Emergency Management	40,378.00	30,747.06	75,599.75	60,200.10
PA Child Support	49,028.00	38,518.38	47,230.00	41,233.59
Reimbursable Grants	156,776.00	136,980.54	248,776.00	152,325.65
General County	431,540.00	306,293.44	546,640.00	333,572.72
Health and Welfare	10,000.00	944.67	10,000.00	1,908.74
Other	-	41,994.00	-	41,929.75
Transfers Out	2,458,177.50	2,393,899.11	2,214,843.00	2,121,104.22
Emergency Fund	150,000.00	-	150,000.00	-
TOTAL DISBURSEMENTS	5,838,616.40	5,297,238.77	5,730,113.93	4,696,432.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,077,287.40)	(616,493.07)	(892,449.93)	(42,258.05)
CASH BALANCES, JANUARY 1	1,329,542.42	1,329,542.42	1,371,800.47	1,371,800.47
CASH BALANCES, DECEMBER 31	\$ 252,255.02	\$ 713,049.35	\$ 479,350.54	\$ 1,329,542.42

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	SPECIAL ROAD AND BRIDGE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 606,600.00	\$ 605,098.14	\$ 608,711.00	\$ 608,679.13
Intergovernmental	1,068,240.00	1,006,311.15	788,966.00	685,589.31
Charges for Services	101,320.00	101,319.14	37,000.00	37,000.00
Interest	1,050.00	1,033.02	2,500.00	1,500.70
Other	67,500.00	71,826.99	42,025.00	41,910.06
TOTAL RECEIPTS	1,844,710.00	1,785,588.44	1,479,202.00	1,374,679.20
DISBURSEMENTS				
Salaries	355,000.00	318,012.66	302,000.00	298,036.61
Employee Fringe Benefits	150,000.00	118,787.39	123,000.00	121,437.30
Supplies	156,900.00	135,473.40	160,900.00	147,955.04
Insurance	45,000.00	26,972.00	85,000.00	29,937.00
Road & Bridge Materials	701,175.00	708,278.23	726,500.00	700,663.86
Equipment Repairs	30,000.00	39,541.04	40,000.00	31,483.95
Rentals	500.00	-	1,000.00	132.16
Equipment Purchases	25,000.00	26,425.59	240,650.00	245,127.41
Road and Bridge Construction	513,590.00	447,551.82	80,000.00	34,253.00
Other Expenditures	28,500.00	14,225.23	25,750.00	11,259.30
Operating Transfers	10,000.00	10,000.00	10,000.00	10,000.00
TOTAL DISBURSEMENTS	2,015,665.00	1,845,267.36	1,794,800.00	1,630,285.63
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(170,955.00)	(59,678.92)	(315,598.00)	(255,606.43)
CASH BALANCES, JANUARY 1	288,035.57	288,035.57	543,642.00	543,642.00
CASH BALANCES, DECEMBER 31	\$ 117,080.57	\$ 228,356.65	\$ 228,044.00	\$ 288,035.57

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 377,454.00	\$ 335,259.54	\$ 446,482.00	\$ 446,478.07	\$ 1,925.00	\$ 1,396.00	\$ 1,620.00	\$ 1,570.00
Charges for Services	8,700.00	6,404.55	7,875.00	7,825.75	3,000.00	2,444.91	2,900.00	2,717.31
Interest	500.00	462.73	800.00	777.30	5.00	-	5.00	2.29
Other	5,000.00	1,905.58	5,414.00	5,412.96	-	-	150.00	107.99
Transfers In	10,282.50	10,282.50	10,324.00	10,324.00	-	-	-	-
TOTAL RECEIPTS	401,936.50	354,314.90	470,895.00	470,818.08	4,930.00	3,840.91	4,675.00	4,397.59
DISBURSEMENTS								
Assessor	518,577.00	455,224.72	527,087.00	466,204.18	-	-	-	-
Expenses	-	-	-	-	6,750.00	3,259.51	7,125.00	5,023.31
TOTAL DISBURSEMENTS	518,577.00	455,224.72	527,087.00	466,204.18	6,750.00	3,259.51	7,125.00	5,023.31
RECEIPTS OVER (UNDER) DISBURSEMENTS								
	(116,640.50)	(100,909.82)	(56,192.00)	4,613.90	(1,820.00)	581.40	(2,450.00)	(625.72)
CASH BALANCES, JANUARY 1	151,569.60	151,569.60	146,955.70	146,955.70	1,824.46	1,824.46	2,450.18	2,450.18
CASH BALANCES, DECEMBER 31	\$ 34,929.10	\$ 50,659.78	\$ 90,763.70	\$ 151,569.60	\$ 4.46	\$ 2,405.86	\$ 0.18	\$ 1,824.46

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	LAW ENFORCEMENT FUND				SHERIFF'S REVOLVING FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 930.00	\$ 929.71	\$ 750.00	\$ 724.06	\$ -	\$ -	\$ -	\$ -
Intergovernmental	733,896.00	659,746.68	885,766.00	850,928.95	6,536.00	6,536.45	-	-
Charges for Services	85,345.00	81,071.88	91,500.00	83,673.77	68,000.00	66,590.00	33,500.00	34,181.46
Interest	2.00	1.94	-	-	75.00	64.98	80.00	73.23
Other	39,256.00	38,993.25	18,350.00	17,772.34	-	134.00	-	-
Transfers In	1,750,240.00	1,789,285.10	1,770,679.00	1,726,330.36	-	-	-	-
TOTAL RECEIPTS	2,609,669.00	2,570,028.56	2,767,045.00	2,679,429.48	74,611.00	73,325.43	33,580.00	34,254.69
DISBURSEMENTS								
Sheriff	748,170.00	742,039.83	781,988.00	760,575.76	87,653.00	75,733.73	50,981.00	38,613.37
Jail	642,336.00	662,538.12	695,969.00	682,810.08	-	-	-	-
Vehicles	314,913.00	290,179.09	356,847.00	340,281.51	-	-	-	-
Buildings & Other	470,750.00	460,610.94	500,500.00	459,530.70	-	-	-	-
Fringes	433,500.00	414,660.58	431,741.00	436,231.43	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,609,669.00	2,570,028.56	2,767,045.00	2,679,429.48	87,653.00	75,733.73	50,981.00	38,613.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(13,042.00)	(2,408.30)	(17,401.00)	(4,358.68)
CASH BALANCES, JANUARY 1	-	-	-	-	13,042.36	13,042.36	17,401.04	17,401.04
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 0.36	\$ 10,634.06	\$ 0.04	\$ 13,042.36

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	PROSECUTING ATTORNEY'S TRAINING FUND				ELECTION SERVICES FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 525.00	\$ 349.77	\$ 335.00	\$ 394.00	\$ -	\$ -	\$ 8,000.00	\$ 4,002.00
Charges for Services	750.00	631.67	800.00	708.27	15,000.00	7,411.83	8,000.00	7,766.73
Interest	-	-	4.00	4.54	3,000.00	29.00	50.00	19.93
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,275.00	981.44	1,139.00	1,106.81	18,000.00	7,440.83	16,050.00	11,788.66
DISBURSEMENTS								
Election Services	-	-	-	-	31,000.00	4,450.02	22,695.00	5,371.55
Training	2,774.00	90.00	2,755.00	1,223.59	-	-	-	-
TOTAL DISBURSEMENTS	2,774.00	90.00	2,755.00	1,223.59	31,000.00	4,450.02	22,695.00	5,371.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,499.00)	891.44	(1,616.00)	(116.78)	(13,000.00)	2,990.81	(6,645.00)	6,417.11
CASH BALANCES, JANUARY 1	1,499.69	1,499.69	1,616.47	1,616.47	13,062.35	13,062.35	6,645.24	6,645.24
CASH BALANCES, DECEMBER 31	\$ 0.69	\$ 2,391.13	\$ 0.47	\$ 1,499.69	\$ 62.35	\$ 16,053.16	\$ 0.24	\$ 13,062.35

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	HOUSING AND COUNTY DEVELOPMENT FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	22,700.00	20,503.92	28,900.00	20,355.78
Interest	1,000.00	600.18	3,000.00	1,025.22	15.00	14.70	20.00	29.02
Other	-	-	-	-	1,000.00	722.12	500.00	1,467.25
TOTAL RECEIPTS	1,000.00	600.18	3,000.00	1,025.22	23,715.00	21,240.74	29,420.00	21,852.05
DISBURSEMENTS								
Housing and County Development	294,500.00	3,230.00	265,000.00	250,015.36	-	-	-	-
Prosecuting Attorney	-	-	-	-	33,198.00	22,627.58	41,266.00	23,514.92
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	294,500.00	3,230.00	265,000.00	250,015.36	33,198.00	22,627.58	41,266.00	23,514.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(293,500.00)	(2,629.82)	(262,000.00)	(248,990.14)	(9,483.00)	(1,386.84)	(11,846.00)	(1,662.87)
CASH BALANCES, JANUARY 1	293,774.83	293,774.83	542,764.97	542,764.97	10,183.62	10,183.62	11,846.49	11,846.49
CASH BALANCES, DECEMBER 31	\$ 274.83	\$ 291,145.01	\$ 280,764.97	\$ 293,774.83	\$ 700.62	\$ 8,796.78	\$ 0.49	\$ 10,183.62

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	LANDFILL FUND				JOHNSON GRASS FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 45,000.00	\$ 42,403.41	\$ 42,650.00	\$ 42,639.69
Sales Taxes	25.00	56.63	75.00	51.15	-	-	-	-
Intergovernmental	-	12.45	-	-	-	-	-	-
Interest	100.00	49.33	300.00	78.07	100.00	105.85	150.00	122.07
Other	-	-	-	-	-	1,100.00	-	-
TOTAL RECEIPTS	125.00	118.41	375.00	129.22	45,100.00	43,609.26	42,800.00	42,761.76
DISBURSEMENTS								
Landfill	26,540.00	6,642.00	37,815.00	11,175.83	-	-	-	-
Johnson Grass	-	-	-	-	42,050.00	40,160.50	42,050.00	38,659.40
TOTAL DISBURSEMENTS	26,540.00	6,642.00	37,815.00	11,175.83	42,050.00	40,160.50	42,050.00	38,659.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(26,415.00)	(6,523.59)	(37,440.00)	(11,046.61)	3,050.00	3,448.76	750.00	4,102.36
CASH BALANCES, JANUARY 1	26,421.61	26,421.61	37,468.22	37,468.22	19,595.01	19,595.01	15,492.65	15,492.65
CASH BALANCES, DECEMBER 31	\$ 6.61	\$ 19,898.02	\$ 28.22	\$ 26,421.61	\$ 22,645.01	\$ 23,043.77	\$ 16,242.65	\$ 19,595.01

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THE COUNTY OF SCOTT
BENTON, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	RECORDER USER FUND				HAVA FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ 16,130.00	\$ 35,000.00	\$ 3,678.53
Charges for Services	25,000.00	23,818.75	21,948.00	21,921.75	-	-	-	-
Interest	150.00	135.54	250.00	173.18	-	-	-	-
Other	-	28.71	-	-	-	-	-	-
TOTAL RECEIPTS	25,150.00	23,983.00	22,198.00	22,094.93	35,000.00	16,130.00	35,000.00	3,678.53
DISBURSEMENTS								
Recorder	65,000.00	30,499.04	68,000.00	25,494.07	-	-	-	-
HAVA Expenses	-	-	-	-	35,000.00	16,130.00	35,000.00	3,678.53
TOTAL DISBURSEMENTS	65,000.00	30,499.04	68,000.00	25,494.07	35,000.00	16,130.00	35,000.00	3,678.53
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,850.00)	(6,516.04)	(45,802.00)	(3,399.14)	-	-	-	-
CASH BALANCES, JANUARY 1	64,605.40	64,605.40	68,004.54	68,004.54	-	-	-	-
CASH BALANCES, DECEMBER 31	<u>\$ 24,755.40</u>	<u>\$ 58,089.36</u>	<u>\$ 22,202.54</u>	<u>\$ 64,605.40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	911 COMMUNICATIONS CENTER FUND				DOMESTIC VIOLENCE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	11,000.00	1,394.00	10,050.00	1,564.00
Charges for Services	2,500.00	2,500.00	2,500.00	2,500.00	-	6,331.23	-	7,048.95
Interest	-	-	-	-	25.00	-	25.00	2.72
Other	150,716.00	150,516.16	183,500.00	172,945.59	-	-	-	-
Transfers In	364,040.00	361,716.51	242,840.00	244,449.86	-	-	-	-
TOTAL RECEIPTS	517,256.00	514,732.67	428,840.00	419,895.45	11,025.00	7,725.23	10,075.00	8,615.67
DISBURSEMENTS								
911	517,256.00	514,732.67	428,800.00	419,895.45	-	-	-	-
Domestic Violence	-	-	-	-	11,025.00	7,725.23	10,075.00	8,615.67
TOTAL DISBURSEMENTS	517,256.00	514,732.67	428,800.00	419,895.45	11,025.00	7,725.23	10,075.00	8,615.67
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	40.00	-	-	-	-	-
CASH BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -

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THE COUNTY OF SCOTT
BENTON, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	SHERIFF'S POST FUND				SHERIFFS SPECIAL FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,000.00	1,965.46	3,793.00	3,793.07	49,975.00	49,978.27	49,900.00	49,960.23
Interest	-	-	2.00	-	25.00	21.73	100.00	39.77
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>2,000.00</u>	<u>1,965.46</u>	<u>3,795.00</u>	<u>3,793.07</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>
DISBURSEMENTS								
Sheriff	5,800.00	1,525.44	3,802.00	-	67,648.00	62,777.75	58,000.00	40,354.73
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>5,800.00</u>	<u>1,525.44</u>	<u>3,802.00</u>	<u>-</u>	<u>67,648.00</u>	<u>62,777.75</u>	<u>58,000.00</u>	<u>40,354.73</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,800.00)	440.02	(7.00)	3,793.07	(17,648.00)	(12,777.75)	(8,000.00)	9,645.27
CASH BALANCES, JANUARY 1	<u>3,801.05</u>	<u>3,801.05</u>	<u>7.98</u>	<u>7.98</u>	<u>17,648.22</u>	<u>17,648.22</u>	<u>8,002.95</u>	<u>8,002.95</u>
CASH BALANCES, DECEMBER 31	<u>\$ 1.05</u>	<u>\$ 4,241.07</u>	<u>\$ 0.98</u>	<u>\$ 3,801.05</u>	<u>\$ 0.22</u>	<u>\$ 4,870.47</u>	<u>\$ 2.95</u>	<u>\$ 17,648.22</u>

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	LAW ENFORCEMENT RESTITUTION FUND				TIF SPECIAL ALLOCATION FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	51,000.00	41,994.00	51,000.00	41,929.75
Charges for Services	45,000.00	13,250.33	45,000.00	32,946.38	-	-	-	-
Interest	200.00	103.07	300.00	176.88	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	45,200.00	13,353.40	45,300.00	33,123.26	51,000.00	41,994.00	51,000.00	41,929.75
DISBURSEMENTS								
Law Enforcement	127,701.00	68,946.84	94,678.00	-	-	-	-	-
TIF Special Allocation	-	-	-	-	51,000.00	41,994.00	51,000.00	41,929.75
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	127,701.00	68,946.84	94,678.00	-	51,000.00	41,994.00	51,000.00	41,929.75
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(82,501.00)	(55,593.44)	(49,378.00)	33,123.26	-	-	-	-
CASH BALANCES, JANUARY 1	82,501.64	82,501.64	49,378.38	49,378.38	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ 0.64	\$ 26,908.20	\$ 0.38	\$ 82,501.64	\$ -	\$ -	\$ -	\$ -

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	FEDERAL SEIZURE FUND				SHERIFF'S EMERGENCY RESPONSE TEAM FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	2.00	-	2.00	0.94
Other	-	-	-	-	3,000.00	2,475.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	3,002.00	2,475.00	2.00	0.94
DISBURSEMENTS								
Federal Seizure	-	-	26.09	26.09	-	-	-	-
Sheriff	-	-	-	-	3,156.00	1,627.29	755.00	600.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	26.09	26.09	3,156.00	1,627.29	755.00	600.00
RECEIPTS OVER (UNDER) DISBURSEMENTS								
	-	-	(26.09)	(26.09)	(154.00)	847.71	(753.00)	(599.06)
CASH BALANCES, JANUARY 1	-	-	26.09	26.09	154.49	154.49	753.55	753.55
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 0.49	\$ 1,002.20	\$ 0.55	\$ 154.49

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	INMATE SECURITY FUND				COLLECTOR'S MAINTENANCE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,000.00	\$ 2,408.00	\$ 1,600.00	\$ 1,556.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	6,425.00	5,991.79	2,700.00	2,594.31	-	-	-	-
Interest	15.00	1.36	30.00	29.78	150.00	134.87	300.00	221.23
Other	-	-	-	-	51,000.00	50,427.12	50,000.00	48,979.35
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,440.00	8,401.15	4,330.00	4,180.09	51,150.00	50,561.99	50,300.00	49,200.58
DISBURSEMENTS								
Inmate Security	11,867.00	5,479.03	13,577.00	-	-	-	-	-
Collector's Maintenance	-	-	-	-	80,540.00	31,352.28	79,060.00	27,421.32
Transfers Out	-	-	-	10,000.00	20,000.00	20,000.00	40,000.00	40,000.00
TOTAL DISBURSEMENTS	11,867.00	5,479.03	13,577.00	10,000.00	100,540.00	51,352.28	119,060.00	67,421.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,427.00)	2,922.12	(9,247.00)	(5,819.91)	(49,390.00)	(790.29)	(68,760.00)	(18,220.74)
CASH BALANCES, JANUARY 1	3,427.58	3,427.58	9,247.49	9,247.49	50,539.56	50,539.56	68,760.30	68,760.30
CASH BALANCES, DECEMBER 31	<u>\$ 0.58</u>	<u>\$ 6,349.70</u>	<u>\$ 0.49</u>	<u>\$ 3,427.58</u>	<u>\$ 1,149.56</u>	<u>\$ 49,749.27</u>	<u>\$ 0.30</u>	<u>\$ 50,539.56</u>

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	PROSECUTING ATTORNEY'S DELINQUENT TAX FUND				TRUANCY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,000.00	4,833.08	15,000.00	15,077.69	-	-	-	-
Charges for Services	-	-	-	-	37,500.00	7,500.00	37,500.00	37,500.00
Interest	25.00	26.89	25.00	22.40	300.00	262.40	500.00	350.27
Other	-	-	-	-	-	300.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,025.00	4,859.97	15,025.00	15,100.09	37,800.00	8,062.40	38,000.00	37,850.27
DISBURSEMENTS								
Prosecuting Attorney	31,518.00	3,909.24	20,539.00	9,120.41	-	-	-	-
Truancy Expenses	-	-	-	-	100,000.00	36,636.25	100,000.00	31,858.97
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	31,518.00	3,909.24	20,539.00	9,120.41	100,000.00	36,636.25	100,000.00	31,858.97
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(11,493.00)	950.73	(5,514.00)	5,979.68	(62,200.00)	(28,573.85)	(62,000.00)	5,991.30
CASH BALANCES, JANUARY 1	11,493.95	11,493.95	5,514.27	5,514.27	138,462.73	138,462.73	132,471.43	132,471.43
CASH BALANCES, DECEMBER 31	\$ 0.95	\$ 12,444.68	\$ 0.27	\$ 11,493.95	\$ 76,262.73	\$ 109,888.88	\$ 70,471.43	\$ 138,462.73

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THE COUNTY OF SCOTT
BENTON, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	SENATE BILL 40 FUND				RESERVE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 182,500.00	\$ 175,676.17	\$ 171,500.00	\$ 177,630.49	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	800.00	43.85	-	-	-	-
Interest	1,200.00	1,639.74	2,000.00	1,161.05	-	-	-	-
Other	1,803.00	5,760.08	5,005.00	1,671.20	-	-	-	-
Transfers In	-	-	-	-	232,615.00	232,615.00	150,000.00	150,000.00
TOTAL RECEIPTS	185,503.00	183,075.99	179,305.00	180,506.59	232,615.00	232,615.00	150,000.00	150,000.00
DISBURSEMENTS								
Funds Distributed-Contracts	172,921.60	123,807.90	167,750.00	130,498.79	-	-	-	-
Funds Distributed-Other Projects	141,047.00	127,519.08	39,300.00	135,166.14	-	-	-	-
Other	13,250.00	2,462.42	5,250.00	10,067.55	600,000.00	-	367,385.00	-
TOTAL DISBURSEMENTS	327,218.60	253,789.40	212,300.00	275,732.48	600,000.00	-	367,385.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(141,715.60)	(70,713.41)	(32,995.00)	(95,225.89)	(367,385.00)	232,615.00	(217,385.00)	150,000.00
CASH BALANCES, JANUARY 1	267,583.30	267,583.30	362,809.19	362,809.19	367,385.00	367,385.00	217,385.00	217,385.00
CASH BALANCES, DECEMBER 31	\$ 125,867.70	\$ 196,869.89	\$ 329,814.19	\$ 267,583.30	\$ -	\$ 600,000.00	\$ -	\$ 367,385.00

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THE COUNTY OF SCOTT
 BENTON, MISSOURI
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 YEARS ENDED DECEMBER 31, 2013 AND 2012

D.A.R.E. FUND

	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	2.00	-	2.00	0.54
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	2.00	-	2.00	0.54
DISBURSEMENTS				
D.A.R.E. Expenses	242.00	-	464.00	222.48
Other	-	-	-	-
TOTAL DISBURSEMENTS	242.00	-	464.00	222.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(240.00)	-	(462.00)	(221.94)
CASH BALANCES, JANUARY 1	240.90	240.90	462.84	462.84
CASH BALANCES, DECEMBER 31	\$ 0.90	\$ 240.90	\$ 0.84	\$ 240.90

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	<u>School Fines</u>	<u>Fees and Dues</u>	<u>Overplus Fund</u>	<u>Consolidate D#1</u>	<u>Intangible Tax</u>
ASSETS					
Cash and Cash Equivalents	\$ 77,503.90	\$ 478.72	\$ 12,175.76	\$ 89,691.30	\$ 156,145.61
Total Assets	77,503.90	478.72	12,175.76	89,691.30	156,145.61
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	77,503.90	478.72	12,175.76	89,691.30	156,145.61
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 77,503.90</u>	<u>\$ 478.72</u>	<u>\$ 12,175.76</u>	<u>\$ 89,691.30</u>	<u>\$ 156,145.61</u>
	<u>Levee Dist. #2</u>	<u>Oran Fire</u>	<u>Collector</u>	<u>Recorder Deeds</u>	<u>Prosecuting Attorney</u>
ASSETS					
Cash and Cash Equivalents	\$ 101,239.41	\$ -	\$ 6,799,828.54	\$ 250.00	\$ 30,678.52
Total Assets	101,239.41	-	6,799,828.54	250.00	30,678.52
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	101,239.41	-	6,799,828.54	250.00	30,678.52
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 101,239.41</u>	<u>\$ -</u>	<u>\$ 6,799,828.54</u>	<u>\$ 250.00</u>	<u>\$ 30,678.52</u>
	<u>Sheriff</u>	<u>Grand Total Agency Funds</u>			
ASSETS					
Cash and Cash Equivalents	\$ 42,835.57	\$ 7,310,827.33			
Total Assets	42,835.57	7,310,827.33			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-			
UNRESERVED FUND BALANCES	42,835.57	7,310,827.33			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 42,835.57</u>	<u>\$ 7,310,827.33</u>			

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2012

	<u>School Fines</u>	<u>Fees and Dues</u>	<u>Overplus Fund</u>	<u>Consolidate D#1</u>	<u>Intangible Tax</u>
ASSETS					
Cash and Cash Equivalents	\$ 70,300.16	\$ 49.55	\$ 9,537.07	\$ 112,932.00	\$ -
Total Assets	70,300.16	49.55	9,537.07	112,932.00	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	70,300.16	49.55	9,537.07	112,932.00	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,300.16</u>	<u>\$ 49.55</u>	<u>\$ 9,537.07</u>	<u>\$ 112,932.00</u>	<u>\$ -</u>
	<u>Levee Dist. #2</u>	<u>Oran Fire</u>	<u>Collector</u>	<u>Recorder Deeds</u>	<u>Prosecuting Attorney</u>
ASSETS					
Cash and Cash Equivalents	\$ 101,895.62	\$ 140,901.83	\$ 6,384,882.51	\$ 23,718.00	\$ 34,420.37
Total Assets	101,895.62	140,901.83	6,384,882.51	23,718.00	34,420.37
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	101,895.62	140,901.83	6,384,882.51	23,718.00	34,420.37
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 101,895.62</u>	<u>\$ 140,901.83</u>	<u>\$ 6,384,882.51</u>	<u>\$ 23,718.00</u>	<u>\$ 34,420.37</u>
		<u>Grand Total Agency Funds</u>			
ASSETS					
Cash and Cash Equivalents	\$ 37,451.72	\$ 6,916,088.83			
Total Assets	37,451.72	6,916,088.83			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-			
UNRESERVED FUND BALANCES	37,451.72	6,916,088.83			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 37,451.72</u>	<u>\$ 6,916,088.83</u>			

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Scott, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1821 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Treasurer, Collector of Revenue, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

A. Reporting Entity

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

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

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

B. Basis of Presentation

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

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported 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 officeholders.

C. Basis of Accounting

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

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

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

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

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

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

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2013 and 2012, for purposes of taxation, was:

	2013	2012
Real Estate	\$ 266,530,960	\$ 265,103,890
Personal Property	124,679,480	117,708,550
Railroad and Utilities	43,441,974	41,200,376
	\$ 434,652,414	\$ 424,012,816

During 2013 and 2012, the County Commission approved a \$0.3536 and \$0.3536, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2013 and 2012, for purposes of County taxation, as follows:

	2013	2012
General Revenue Fund	\$ 0.0000	\$ 0.0000
Special Road and Bridge Fund	0.3036	0.3036
Johnson Grass Fund	0.0100	0.0100
Senate Bill 40 Fund	0.0400	0.0400
Total	0.3536	0.3536

F. Cash and Investments

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

G. Interfund Transactions

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

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

II. CASH AND INVESTMENTS

The County maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Cash Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2013 and 2012, the carrying amounts of the County's deposits were \$2,437,088.19 and \$3,156,395.34, and the bank balances were \$12,814,276.93 and \$9,765,704.87, respectively. The total bank balances as of December 31, 2013, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions. The bank balances were under-pledged by \$29,264.16 for the year ended December 31, 2012.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2013, as follows:

Included in the following fund financial statement captions:	
Statements of Receipts, Disbursements and Changes in Cash	
Balances— Governmental Funds:	
Deposits	\$ 2,437,088.19
Total Governmental Funds	<u>2,437,088.19</u>
<u>Statement of Assets and Liabilities Arising From Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>7,310,827.33</u>
Total Agency Funds	<u>7,310,827.33</u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 9,747,915.52</u>

The carrying values of deposits and investments at December 31, 2012, are as follows:

Included in the following fund financial statement captions:	
Statements of Receipts, Disbursements and Changes in Cash	
Balances— Governmental Funds:	
Deposits	\$ 3,156,395.34
Total Governmental Funds	<u>3,156,395.34</u>
<u>Statement of Assets and Liabilities Arising From Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>6,916,088.83</u>
Total Agency Funds	<u>6,916,088.83</u>
Total Deposits and Investments as of December 31, 2012	<u>\$ 10,072,484.17</u>

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2013. The County's deposits, however, were exposed to custodial credit risk for the year ended December 31, 2012 in the amount of \$29,264.16.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2013, and 2012.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

III. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2013, and 2012 are as follows:

	2013		2012	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 30,000.00	\$ 2,393,899.11	\$ 50,000.00	\$ 2,121,104.22
Special Road and Bridge Fund	-	10,000.00	-	10,000.00
Assessment Fund	10,282.50	-	10,324.00	-
Law Enforcement Fund	1,789,285.10	-	1,726,330.36	-
911 Communications Center Fund	361,716.51	-	244,449.86	-
Inmate Security Fund	-	-	-	10,000.00
Collector's Maintenance Fund	-	20,000.00	-	40,000.00
Reserve Fund	232,615.00	-	150,000.00	-
TOTAL	<u>\$ 2,423,899.11</u>	<u>\$ 2,423,899.11</u>	<u>\$ 2,181,104.22</u>	<u>\$ 2,181,104.22</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.

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

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

A. Plan Description (concluded)

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2013, and 2012 were \$85,994.09 and \$82,701.72, respectively.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Scott 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 COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description (concluded)

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 Scott County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 9.1% (General) and 11.6% (Police) for 2013 and 9.2% (General) and 10.6% (Police) for 2012, 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 (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2013 and 2012, were as follows:

<u>2013</u>	
Annual required contribution	\$ 267,922
Interest on net pension obligation	4,287
Adjustment to annual required contribution	(5,056)
Annual pension cost	<u>267,153</u>
Actual contributions	<u>267,654</u>
Increase (decrease) in NPO	(501)
NPO beginning of year	<u>59,137</u>
NPO end of year	<u><u>\$ 58,636</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, 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, 2011, was 10 years for the General division and 30 years for

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

the Police division. The amortization period as of February 29, 2012, was 30 years for the General division and 16 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$271,900	89.0%	\$52,792
2012	266,674	97.6	59,137
2013	267,153	100.2	58,636

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
2/28/2011	\$4,835,429	\$4,999,711	\$164,282	97%	\$2,771,326	6%
2/29/2012	4,805,389	4,953,665	148,276	97	2,811,145	5
2/28/2013	5,497,314	5,386,657	(110,657)	102	2,787,603	

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

2012

Annual required contribution	\$	266,458
Interest on net pension obligation		3,827
Adjustment to annual required contribution		(3,611)
Annual pension cost		266,674
Actual contributions		260,329
Increase (decrease) in NPO		6,345
NPO beginning of year		52,792
NPO end of year	\$	59,137

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 10 years for the General division and 30 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$232,200	90.1%	\$22,988
2011	271,900	89.0	52,792
2012	266,674	97.6	59,137

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

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
2/28/2010	\$4,336,285	\$4,440,978	\$104,693	98%	\$2,627,563	4%
2/28/2011	4,835,429	4,999,711	164,282	97	2,771,326	6
2/29/2012	4,805,389	4,953,665	148,276	97	2,811,145	5

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had four COBRA participants at December 31, 2013, and the County had three COBRA participants at December 31, 2012.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2013 and 2012.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Employees receive one week of vacation after the first year of service, two weeks of vacation per year after two years of employment, three weeks of vacation per year after twelve years of employment, and four weeks of vacation per year after twenty years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue four hours of sick leave per month for a total of six days for the year. The County allows employees to carry forward any and all unused sick leave up to 560 hours. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

IX. RISK MANAGEMENT (concluded)

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

X. SUBSEQUENT EVENTS

On March 6, 2014, Scott County purchased a 2014 John Deere 6115M Cub Tractor in the amount of \$72,751.00. The County entered into a one year lease purchase agreement with First State Bank and Trust Company, Inc. to finance \$41,194.75 of the purchase. The lease purchase agreement calls for one annual payment of \$42,865.43. The lease purchase agreement carries an interest rate of 4.245%.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2013 AND 2012

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2012, expenditures exceeded those budgeted for the Senate Bill 40 Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To the County Commission
The County of Scott, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Scott ("County") as of and for the years ended December 31, 2013, and 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. [FS 13/12-01]

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Daniel Jones & Associates

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

June 27, 2014



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To The County Commission
The County of Scott, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Scott's ("County") 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 the County's major federal programs for the years ended December 31, 2013, and 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, the County 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 years ended December 31, 2013, and 2012.

Report on Internal Control Over Compliance

Management of the County 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 the County'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 an 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 the County'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Daniel Jones & Associates

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

June 27, 2014

**THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2012
U.S. DEPARTMENT OF AGRICULTURE				
PASSED THROUGH STATE:				
COMMUNITY FACILITIES LOANS AND GRANTS	10.766	RURAL DEVELOPMENT	-	28,137.00
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
PASSED THROUGH STATE:				
DEPARTMENT OF ECONOMIC DEVELOPMENT				
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.228	99 EM 903	-	1,700.00
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.228	2004-ND-614	11,325.00	-
			<u>11,325.00</u>	<u>1,700.00</u>
DEPARTMENT OF SOCIAL SERVICES				
EMERGENCY SHELTER GRANTS PROGRAM	14.231	DAEOC	-	38,883.04
EMERGENCY SHELTER GRANTS PROGRAM	14.231	HOUSE OF REFUGE	-	7,847.00
			<u>-</u>	<u>46,730.04</u>
U.S. DEPARTMENT OF JUSTICE				
PASSED THROUGH STATE:				
CRIME VICTIM ASSISTANCE	16.575		22,661.51	8,047.73
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		-	15,202.45
U.S. DEPARTMENT OF TRANSPORTATION				
PASSED THROUGH STATE:				
HIGHWAY AND TRANSPORTATION COMMISSION				
HIGHWAY PLANNING AND CONSTRUCTION	20.205	BRO-B100(14)	243,790.10	33,053.00
HIGHWAY PLANNING AND CONSTRUCTION	20.205	BRO-B100(15)	246,771.32	-
			<u>490,561.42</u>	<u>33,053.00</u>
HMV ENFORCEMENT				
DWI ENFORCEMENT	20.600		-	2,879.53
	20.601		-	2,995.29
GENERAL SERVICES ADMINISTRATION				
PASSED THROUGH STATE OFFICE OF ADMINISTRATION:				
OFFICE OF SECRETARY OF STATE				
ELECTION REFORM PAYMENTS	39.011		-	3,889.00
ELECTION ASSISTANCE COMMISSION:				
PASSED THROUGH:				
OFFICE OF SECRETARY OF STATE				
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401		10,383.00	5,536.53
EXECUTIVE OFFICE OF THE PRESIDENT				
DIRECT PROGRAM				
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001		51,730.80	32,798.77
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
PASSED THROUGH STATE:				
DEPARTMENT OF SOCIAL SERVICES				
CHILD SUPPORT ENFORCEMENT	93.563		62,698.52	75,602.25
U.S. DEPARTMENT OF HOMELAND SECURITY				
PASSED THROUGH STATE:				
DEPARTMENT OF PUBLIC SAFETY				
DISASTER GRANTS - PUBLIC ASSISTANCE GRANTS	97.036	FEMA-1980-DR-MO	-	55,386.56
DEPARTMENT OF PUBLIC SAFETY				
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042		23,442.35	-
DIRECT PROGRAM:				
IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE)	97.XXX		59,812.35	162,949.04
	Total		<u><u>732,614.95</u></u>	<u><u>474,907.19</u></u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

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

The schedule includes all federal awards administered by Scott County, Missouri.

B. Basis of Presentation

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

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

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

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

C. Basis of Accounting

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

NOTE 2 – SUB-RECIPIENTS

The County provided federal awards to the following sub-recipients during the year ended December 31, 2012.

<u>Sub-Recipient</u>	<u>CFDA No.</u>	<u>Year</u>	<u>Amount</u>
DAEOC	14.231	2012	\$ 38,883.04
House of Refuge	14.231	2012	7,847.00
			<u>\$ 46,730.04</u>

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

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

	2013	___ Yes	___ No
	2012	___ Yes	___ No
 - b. Significant deficiencies identified?

	2013	___ Yes	___ None Reported
	2012	___ Yes	___ None Reported
3. Noncompliance material to financial statements noted?

	2013	___ Yes	___ No
	2012	___ Yes	___ No

B. Federal Awards

1. Internal control over major programs:
 - a. Material weakness(es) identified?

	2013	___ Yes	___ No
	2012	___ Yes	___ No
 - b. Significant deficiencies identified?

	2013	___ Yes	___ None Reported
	2012	___ Yes	___ None Reported
2. Type of auditor's report issued on compliance for major programs:

	2013 - Unmodified
	2012 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

	2013	___ Yes	___ No
	2012	___ Yes	___ No

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 11/10-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

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

Views of Responsible Officials and Planned Corrective Actions: The County is in the process of preparing the needed documentation to document its internal control structure in conformity with the COSO framework.

Status: The County has resolved this finding in the current year.

FS 11/10-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

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

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 11/10-02 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

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

Views of Responsible Officials and Planned Corrective Actions: The County is in the process of preparing the needed documentation to document its internal control structure in conformity with the COSO framework.

Status: The County has resolved this finding in the current year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no federal award findings or questioned costs during the County's audit of the years ending December 31, 2011, and 2010.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

June 27, 2014

To the Board of Commissioners
County of Scott

In planning and performing our audit of the regulatory based financial statements of the County of Scott (the "County") as of and for the years ended December 31, 2013, and December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

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

- I. Deficiency Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided a written response to the finding in this report that was identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Very truly yours,

Daniel Jones & Associates

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

I. DEFICIENCY CONSIDERED TO BE SIGNIFICANT

FS 13/12-01 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2012.

Context: The County bank accounts with a financial institution were under collateralized by \$29,264.16 at December 31, 2012.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. This problem was corrected in the 2013 fiscal year. The Treasurer is Glenda Enderle and her office phone number is (573)545-3543.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 27, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2013-2012 fiscal years. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

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

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, a disagreement with management 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 27, 2014.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We were engaged to report on the schedule of expenditures of federal awards which accompany the financial statements but are not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. The County's accounting software has limited capabilities of providing an audit trail for transaction corrections. The County Clerk appears to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.