



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

To the County Commission  
and  
Officeholders of Washington County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Washington 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. 2014-065

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

**THE COUNTY OF WASHINGTON  
POTOSI, 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

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## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Washington, Missouri

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

We have audited the accompanying financial statements of the County of Washington ("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 year then ended.

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

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 Washington’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 13, 2014, on our consideration of the County of Washington'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 Washington's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

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

June 13, 2014

## **FINANCIAL STATEMENTS**

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

FUND	CASH AND INVESTMENT BALANCES		RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES			
	JANUARY 1, 2013		2013	2013	DECEMBER 31, 2013			
General Revenue Fund	\$	209,543.77	\$	2,974,006.25	\$	3,170,958.68	\$	12,591.34
Special Road and Bridge Fund		313,771.75		2,630,334.23		2,610,232.56		333,873.42
Assessment Fund		25,791.32		325,051.32		273,085.96		77,756.68
Sheriff L.E.F. Fund		33,681.78		1,326,462.48		1,315,646.21		44,498.05
L.E.F. Fund		5,091.53		3,092.92		5,284.06		2,900.39
Prosecuting Attorney Delinquent Fund		13,165.42		3,812.12		1,216.23		15,761.31
Prosecuting Attorney Training Fund		7,576.50		488.93		300.00		7,765.43
Prosecuting Attorney Bad Check Fund		75,990.41		11,490.36		12,637.14		74,843.63
Sheriff's Civil Fund		-		51,995.54		50,000.00		1,995.54
Recorder User Fund		67,846.09		9,143.02		1,200.00		75,789.11
Airport Fund		10,541.64		28,877.17		38,331.30		1,087.51
Revolving Loan Fund		605,271.05		13,227.68		20.00		618,478.73
D.A.R.E. Fund		8.76		-		-		8.76
Election Service Fund		6,541.69		4,772.93		-		11,314.62
Recorder Technology Fund		20,964.71		6,379.92		10,137.77		17,206.86
Shelter Fund		1,090.47		2,398.77		2,136.79		1,352.45
Economic Development Fund		3,405,752.85		748,507.76		364,391.58		3,789,869.03
Building Fund		137,403.34		250,191.88		-		387,595.22
Sheriff Revolving Fund		24,911.51		45,905.11		36,306.44		34,510.18
Assessor Technology Fund		31,521.89		56,631.67		88,153.56		-
Sur Tax Fund		5,585.12		234,440.89		236,524.04		3,501.97
Senior Citizen Services Fund		77,650.82		115,624.90		122,962.50		70,313.22
Senate Bill 40 Fund		767,776.22		562,956.09		447,813.91		882,918.40
Sheriff Salary Supplement Fund		-		16,303.15		15,005.00		1,298.15
Emergency Fund		74,696.24		25,312.67		-		100,008.91
Sheriff's Inmate Security Fund		2,817.02		3,316.53		1,620.00		4,513.55
L.E.F. Restitution Fund		25,873.48		54,470.52		61,877.07		18,466.93
Help America Vote Act Fund		2,540.84		4,968.23		-		7,509.07
No Interest Fund		-		162,308.00		162,308.00		-
Tax Maintenance Fund		84,511.98		38,598.35		58,988.17		64,122.16
<b>Total</b>	\$	<u>6,037,918.20</u>	\$	<u>9,711,069.39</u>	\$	<u>9,087,136.97</u>	\$	<u>6,661,850.62</u>

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

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

FUND	CASH AND INVESTMENT BALANCES		DISBURSEMENTS		CASH AND INVESTMENT BALANCES	
	January 1, 2012	RECEIPTS 2012	2012	2012	December 31, 2012	
General Revenue Fund	\$ 8,038.34	\$ 2,610,322.06	\$ 2,408,816.63	\$ 209,543.77		
Special Road and Bridge Fund	518,233.00	2,555,292.36	2,759,753.61	313,771.75		
Assessment Fund	428.52	327,594.61	302,231.81	25,791.32		
Sheriff L.E.F. Fund	35,020.89	1,245,236.01	1,246,575.12	33,681.78		
L.E.F. Fund	5,606.85	2,869.49	3,384.81	5,091.53		
Prosecuting Attorney Delinquent Fund	9,830.89	13,165.42	9,830.89	13,165.42		
Prosecuting Attorney Training Fund	7,644.00	8,151.50	8,219.00	7,576.50		
Prosecuting Attorney Bad Check Fund	75,939.24	87,967.05	87,915.88	75,990.41		
Sheriff's Civil Fund	640.04	57,785.07	58,425.11	-		
Recorder User Fund	63,919.37	73,368.07	69,441.35	67,846.09		
Airport Fund	6,068.98	22,833.99	18,361.33	10,541.64		
Revolving Loan Fund	591,220.37	24,050.68	10,000.00	605,271.05		
D.A.R.E. Fund	8.76	-	-	8.76		
Election Service Fund	4,346.15	6,940.31	4,744.77	6,541.69		
Recorder Technology Fund	35,186.70	6,421.05	20,643.04	20,964.71		
Shelter Fund	1,202.28	3,491.10	3,602.91	1,090.47		
Economic Development Fund	3,427,946.02	723,461.87	745,655.04	3,405,752.85		
Building Fund	145,001.37	151,965.84	159,563.87	137,403.34		
Sheriff Revolving Fund	7,952.95	30,597.76	13,639.20	24,911.51		
Assessor Technology Fund	40,020.86	105,665.86	114,164.83	31,521.89		
Sur Tax Fund	50,717.28	289,205.80	334,337.96	5,585.12		
Senior Citizen Services Fund	110,957.52	120,006.80	153,313.50	77,650.82		
Senate Bill 40 Fund	700,568.53	600,725.73	533,518.04	767,776.22		
Sheriff Salary Supplement Fund	-	17,273.39	17,273.39	-		
Emergency Fund	66,614.00	8,082.24	-	74,696.24		
Sheriff's Inmate Security Fund	1,728.48	4,667.74	3,579.20	2,817.02		
L.E.F. Restitution Fund	6,885.66	48,502.96	29,515.14	25,873.48		
Help America Vote Act Fund	-	2,540.84	-	2,540.84		
No Interest Fund	-	382,105.59	382,105.59	-		
Tax Maintenance Fund	84,732.70	43,811.63	44,032.35	84,511.98		
<b>Total</b>	<b>\$ 6,006,459.75</b>	<b>\$ 9,574,102.82</b>	<b>\$ 9,542,644.37</b>	<b>\$ 6,037,918.20</b>		

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

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT 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
<b>RECEIPTS</b>				
Property Taxes	\$ 493,000.00	\$ 529,833.08	\$ 443,000.00	\$ 478,718.69
Sales Taxes	915,000.00	1,027,229.72	915,000.00	1,011,781.34
Intergovernmental	674,213.72	468,657.53	892,808.13	271,301.84
Charges for Services	342,586.00	366,253.54	279,000.00	290,498.43
Interest Income	100.00	537.51	100.00	473.70
Other	326,658.85	471,464.86	317,980.00	412,234.38
Transfers In	261,304.00	110,030.01	294,442.39	145,313.68
<b>TOTAL RECEIPTS</b>	<b>3,012,862.57</b>	<b>2,974,006.25</b>	<b>3,142,330.52</b>	<b>2,610,322.06</b>
<b>DISBURSEMENTS</b>				
County Commission	131,184.00	129,781.63	129,930.00	127,508.32
County Clerk	171,796.00	169,377.05	139,785.00	136,083.67
Elections	106,645.00	90,184.73	200,736.00	194,911.87
Buildings and grounds	693,169.00	529,160.56	760,328.50	185,066.33
Employee fringe benefits	-	-	-	-
County Treasurer	69,213.00	65,917.27	68,140.00	66,750.47
Collector	165,713.00	163,064.91	156,125.00	153,349.39
Recorder of Deeds	119,823.00	118,446.26	93,412.00	94,040.18
Circuit Clerk	91,232.00	88,773.99	89,730.36	83,588.19
Associate Circuit Court	-	-	-	-
Court Administration	27,631.00	17,319.17	13,330.00	9,358.27
Public Administrator	108,475.00	108,323.82	60,583.00	55,626.72
Sheriff	281,283.00	215,972.31	79,101.13	83,888.56
Jail	-	-	-	-
Prosecuting Attorney	346,463.00	310,546.21	323,727.00	285,114.31
Juvenile Officer	91,333.00	91,332.52	91,333.00	91,332.52
Coroner	63,158.50	52,065.46	42,228.00	41,648.58
Sheriff's Auxillary	-	-	-	-
Landfill	41,044.00	40,854.75	39,953.70	40,085.57
Juvenile Detention Services	-	-	-	-
Other	390,312.07	396,290.80	377,170.00	348,574.24
Debt Service	43,750.00	43,750.00	158,352.00	110,295.44
Transfers Out	280,181.00	539,797.24	327,794.00	301,594.00
Emergency Fund	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>3,222,405.57</b>	<b>3,170,958.68</b>	<b>3,151,758.69</b>	<b>2,408,816.63</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(209,543.00)</b>	<b>(196,952.43)</b>	<b>(9,428.17)</b>	<b>201,505.43</b>
<b>CASH AND INVESTMENT BALANCES, JANUARY 1</b>	<b>209,543.77</b>	<b>209,543.77</b>	<b>8,038.34</b>	<b>8,038.34</b>
<b>CASH AND INVESTMENT BALANCES, DECEMBER 31</b>	<b>\$ 0.77</b>	<b>\$ 12,591.34</b>	<b>\$ (1,389.83)</b>	<b>\$ 209,543.77</b>

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

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT 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	\$ 570,000.00	\$ 618,436.69	\$ 577,500.00	\$ 631,778.43
Sales Taxes	715,000.00	744,688.60	715,000.00	716,422.36
Intergovernmental	691,438.00	746,962.56	811,461.63	1,085,954.00
Charges for Services	-	-	-	-
Interest Income	-	563.20	500.00	762.95
Other	1,111,140.33	519,683.18	1,231,292.83	120,374.62
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>3,087,578.33</u>	<u>2,630,334.23</u>	<u>3,335,754.46</u>	<u>2,555,292.36</u>
DISBURSEMENTS				
Salaries	805,368.00	756,155.40	852,097.00	808,554.74
Employee Fringe Benefits	278,944.00	257,106.70	265,643.00	229,251.66
Materials and Supplies	273,950.00	293,730.36	316,985.35	324,347.74
Insurance	40,556.00	41,661.00	39,551.00	39,551.00
Road and Bridge Materials	503,868.61	380,805.09	608,311.28	608,587.39
Equipment Repairs	152,649.12	125,813.86	130,000.00	130,701.36
Equipment Rental	1,000.00	-	1,000.00	27.59
Equipment Purchases	97,595.00	188,856.75	268,322.00	251,326.91
Services and Other	35,800.60	27,068.39	32,909.00	22,809.05
Debt Service	94,177.00	-	103,616.00	39,176.56
Construction	1,025,986.00	447,580.01	1,139,792.83	209,659.61
Transfers Out	91,455.00	91,455.00	95,760.00	95,760.00
TOTAL DISBURSEMENTS	<u>3,401,349.33</u>	<u>2,610,232.56</u>	<u>3,853,987.46</u>	<u>2,759,753.61</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(313,771.00)	20,101.67	(518,233.00)	(204,461.25)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>313,771.75</u>	<u>313,771.75</u>	<u>518,233.00</u>	<u>518,233.00</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 0.75</u>	<u>\$ 333,873.42</u>	<u>\$ -</u>	<u>\$ 313,771.75</u>

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

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

	ASSESSMENT FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	205,260.00	231,212.38	220,000.00	215,140.03
Charges for Services	6,000.00	4,332.20	6,000.00	10,726.85
Interest Income	100.00	80.18	100.00	34.97
Other	-	67,153.56	-	73,102.76
Transfers In	73,741.00	22,273.00	131,017.00	28,590.00
TOTAL RECEIPTS	<u>285,101.00</u>	<u>325,051.32</u>	<u>357,117.00</u>	<u>327,594.61</u>
DISBURSEMENTS				
Assessor	<u>285,101.00</u>	<u>273,085.96</u>	<u>357,117.00</u>	<u>302,231.81</u>
TOTAL DISBURSEMENTS	<u>285,101.00</u>	<u>273,085.96</u>	<u>357,117.00</u>	<u>302,231.81</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	51,965.36	-	25,362.80
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>25,791.32</u>	<u>25,791.32</u>	<u>428.52</u>	<u>428.52</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 25,791.32</u>	<u>\$ 77,756.68</u>	<u>\$ 428.52</u>	<u>\$ 25,791.32</u>

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

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

	SHERIFF L.E.F. FUND				L.E.F. FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	728,514.49	744,694.56	715,000.00	716,429.35	-	-	-	-
Intergovernmental	218,400.00	240,464.85	230,399.40	191,231.40	-	-	-	-
Charges for Services	1,300.00	1,350.00	5,500.00	1,757.00	2,600.00	3,088.87	2,900.00	2,863.20
Other	43,637.40	47,622.83	9,800.00	27,595.60	-	-	-	-
Interest Income	-	24.24	-	18.66	-	4.05	4.00	6.29
Transfers In	327,281.69	292,306.00	341,204.00	308,204.00	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>1,319,133.58</u>	<u>1,326,462.48</u>	<u>1,301,903.40</u>	<u>1,245,236.01</u>	<u>2,600.00</u>	<u>3,092.92</u>	<u>2,904.00</u>	<u>2,869.49</u>
<b>DISBURSEMENTS</b>								
Salaries	1,058,232.02	1,045,142.54	667,666.00	911,391.36	-	-	-	-
Supplies	27,748.65	38,016.67	2,000.00	30,733.05	-	-	-	-
Equipment	2,965.10	5,023.10	53,600.00	66,304.27	-	-	-	-
Other Expenses	230,368.71	207,765.33	117,000.00	193,348.00	5,000.00	5,284.06	8,000.00	3,384.81
Grants	33,500.00	19,698.57	83,999.40	44,798.44	-	-	-	-
Jail - personnel	-	-	244,687.00	-	-	-	-	-
Jail - other	-	-	73,000.00	-	-	-	-	-
Office - personnel	-	-	50,482.00	-	-	-	-	-
Office - other	-	-	44,650.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>1,352,814.48</u>	<u>1,315,646.21</u>	<u>1,337,084.40</u>	<u>1,246,575.12</u>	<u>5,000.00</u>	<u>5,284.06</u>	<u>8,000.00</u>	<u>3,384.81</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(33,680.90)	10,816.27	(35,181.00)	(1,339.11)	(2,400.00)	(2,191.14)	(5,096.00)	(515.32)
<b>CASH AND INVESTMENT BALANCES, JANUARY 1</b>	<u>33,681.78</u>	<u>33,681.78</u>	<u>35,020.89</u>	<u>35,020.89</u>	<u>5,091.53</u>	<u>5,091.53</u>	<u>5,606.85</u>	<u>5,606.85</u>
<b>CASH AND INVESTMENT BALANCES, DECEMBER 31</b>	<u>\$ 0.88</u>	<u>\$ 44,498.05</u>	<u>\$ (160.11)</u>	<u>\$ 33,681.78</u>	<u>\$ 2,691.53</u>	<u>\$ 2,900.39</u>	<u>\$ 510.85</u>	<u>\$ 5,091.53</u>

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

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

	PROSECUTING ATTORNEY DELINQUENT FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000.00	3,795.31	750.00	3,320.14	-	-	-	-
Charges for Services	-	-	-	-	450.00	479.52	550.00	-
Interest Income	-	16.81	10.00	14.39	-	9.41	-	9.03
Other	-	-	-	9,830.89	-	-	-	8,142.47
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	3,812.12	760.00	13,165.42	450.00	488.93	550.00	8,151.50
DISBURSEMENTS								
Prosecuting Attorney	1,500.00	1,216.23	-	9,830.89	-	300.00	-	575.00
Transfers Out	-	-	-	-	-	-	-	7,644.00
TOTAL DISBURSEMENTS	1,500.00	1,216.23	-	9,830.89	-	300.00	-	8,219.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,500.00	2,595.89	760.00	3,334.53	450.00	188.93	550.00	(67.50)
CASH AND INVESTMENT BALANCES, JANUARY 1	13,165.42	13,165.42	9,830.89	9,830.89	7,576.50	7,576.50	7,644.00	7,644.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 14,665.42</u>	<u>\$ 15,761.31</u>	<u>\$ 10,590.89</u>	<u>\$ 13,165.42</u>	<u>\$ 8,026.50</u>	<u>\$ 7,765.43</u>	<u>\$ 8,194.00</u>	<u>\$ 7,576.50</u>

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

	PROSECUTING ATTORNEY BAD CHECK FUND				SHERIFFS CIVIL FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,400.00	11,396.75	10,000.00	87,872.89	50,000.00	51,977.12	55,200.00	57,754.32
Interest Income	80.00	93.61	-	94.16	-	18.42	7.00	30.75
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>10,480.00</u>	<u>11,490.36</u>	<u>10,000.00</u>	<u>87,967.05</u>	<u>50,000.00</u>	<u>51,995.54</u>	<u>55,207.00</u>	<u>57,785.07</u>
DISBURSEMENTS								
Salaries	16,500.00	12,637.14	13,000.00	87,915.88	-	-	-	-
Other	-	-	-	-	-	-	-	640.04
Transfers Out	-	-	-	-	50,000.00	50,000.00	50,000.00	57,785.07
TOTAL DISBURSEMENTS	<u>16,500.00</u>	<u>12,637.14</u>	<u>13,000.00</u>	<u>87,915.88</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>58,425.11</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,020.00)	(1,146.78)	(3,000.00)	51.17	-	1,995.54	5,207.00	(640.04)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>75,990.41</u>	<u>75,990.41</u>	<u>75,939.24</u>	<u>75,939.24</u>	<u>-</u>	<u>-</u>	<u>640.04</u>	<u>640.04</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 69,970.41</u>	<u>\$ 74,843.63</u>	<u>\$ 72,939.24</u>	<u>\$ 75,990.41</u>	<u>\$ -</u>	<u>\$ 1,995.54</u>	<u>\$ 5,847.04</u>	<u>\$ -</u>

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THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
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	RECORDER USER FUND				AIRPORT FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,500.00	9,054.00	8,560.00	7,530.00	-	-	-	-
Interest Income	80.00	89.02	25.00	82.70	15.00	30.83	20.00	23.65
Other	-	-	-	65,755.37	40,000.00	28,846.34	21,000.00	22,810.34
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>8,580.00</u>	<u>9,143.02</u>	<u>8,585.00</u>	<u>73,368.07</u>	<u>40,015.00</u>	<u>28,877.17</u>	<u>21,020.00</u>	<u>22,833.99</u>
DISBURSEMENTS								
Airport Expense	-	-	-	-	41,400.00	38,331.30	19,000.00	18,361.33
Records Preservation	23,000.00	1,200.00	40,000.00	69,441.35	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>23,000.00</u>	<u>1,200.00</u>	<u>40,000.00</u>	<u>69,441.35</u>	<u>41,400.00</u>	<u>38,331.30</u>	<u>19,000.00</u>	<u>18,361.33</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,420.00)	7,943.02	(31,415.00)	3,926.72	(1,385.00)	(9,454.13)	2,020.00	4,472.66
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>67,846.09</u>	<u>67,846.09</u>	<u>63,919.37</u>	<u>63,919.37</u>	<u>10,541.64</u>	<u>10,541.64</u>	<u>6,068.98</u>	<u>6,068.98</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 53,426.09</u>	<u>\$ 75,789.11</u>	<u>\$ 32,504.37</u>	<u>\$ 67,846.09</u>	<u>\$ 9,156.64</u>	<u>\$ 1,087.51</u>	<u>\$ 8,088.98</u>	<u>\$ 10,541.64</u>

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

	REVOLVING LOAN FUND				D.A.R.E. FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2,000.00	1,520.82	3,000.00	2,292.86	-	-	-	-
Other	10,000.00	11,706.86	-	21,757.82	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>12,000.00</u>	<u>13,227.68</u>	<u>3,000.00</u>	<u>24,050.68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS								
Revolving Loan Expenses	10,000.00	20.00	-	10,000.00	-	-	-	-
Engineering Fees	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>10,000.00</u>	<u>20.00</u>	<u>-</u>	<u>10,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,000.00	13,207.68	3,000.00	14,050.68	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>605,271.05</u>	<u>605,271.05</u>	<u>591,220.37</u>	<u>591,220.37</u>	<u>8.76</u>	<u>8.76</u>	<u>8.76</u>	<u>8.76</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u><u>\$607,271.05</u></u>	<u><u>\$618,478.73</u></u>	<u><u>\$594,220.37</u></u>	<u><u>\$605,271.05</u></u>	<u><u>\$ 8.76</u></u>	<u><u>\$ 8.76</u></u>	<u><u>\$ 8.76</u></u>	<u><u>\$ 8.76</u></u>

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

	ELECTION SERVICE FUND				RECORDER TECHNOLOGY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500.00	4,761.59	3,000.00	6,933.16	-	-	-	-
Charges for Services	-	-	-	-	4,800.00	6,357.34	5,000.00	4,985.00
Interest Income	-	11.34	5.00	7.15	28.00	22.58	-	28.55
Other	-	-	-	-	-	-	-	1,407.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>2,500.00</u>	<u>4,772.93</u>	<u>3,005.00</u>	<u>6,940.31</u>	<u>4,828.00</u>	<u>6,379.92</u>	<u>5,000.00</u>	<u>6,421.05</u>
DISBURSEMENTS								
Supplies	8,000.00	-	500.00	4,744.77	-	-	-	-
Records Preservation	-	-	-	-	18,000.00	10,137.77	10,000.53	20,643.04
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,000.00</u>	<u>-</u>	<u>500.00</u>	<u>4,744.77</u>	<u>18,000.00</u>	<u>10,137.77</u>	<u>10,000.53</u>	<u>20,643.04</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,500.00)	4,772.93	2,505.00	2,195.54	(13,172.00)	(3,757.85)	(5,000.53)	(14,221.99)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>6,541.69</u>	<u>6,541.69</u>	<u>4,346.15</u>	<u>4,346.15</u>	<u>20,964.71</u>	<u>20,964.71</u>	<u>35,186.70</u>	<u>35,186.70</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1,041.69</u>	<u>\$ 11,314.62</u>	<u>\$ 6,851.15</u>	<u>\$ 6,541.69</u>	<u>\$ 7,792.71</u>	<u>\$ 17,206.86</u>	<u>\$ 30,186.17</u>	<u>\$ 20,964.71</u>

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

	SHELTER FUND				ECONOMIC DEVELOPMENT FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	715,000.00	744,687.48	715,000.00	716,421.94
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,250.00	2,398.00	1,750.00	2,288.00	-	-	-	-
Interest Income	-	0.77	0.35	0.82	3,000.00	3,748.28	3,000.00	3,641.93
Other	-	-	-	1,202.28	-	72.00	-	3,398.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>2,250.00</u>	<u>2,398.77</u>	<u>1,750.35</u>	<u>3,491.10</u>	<u>718,000.00</u>	<u>748,507.76</u>	<u>718,000.00</u>	<u>723,461.87</u>
DISBURSEMENTS								
Operational Expenses	2,250.00	2,136.79	1,700.00	3,602.91	226,827.00	170,526.12	281,540.00	170,794.70
Economic Development	-	-	-	-	250,000.00	193,865.46	300,000.00	574,860.34
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>2,250.00</u>	<u>2,136.79</u>	<u>1,700.00</u>	<u>3,602.91</u>	<u>476,827.00</u>	<u>364,391.58</u>	<u>581,540.00</u>	<u>745,655.04</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	261.98	50.35	(111.81)	241,173.00	384,116.18	136,460.00	(22,193.17)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>1,090.47</u>	<u>1,090.47</u>	<u>1,202.28</u>	<u>1,202.28</u>	<u>3,405,752.85</u>	<u>3,405,752.85</u>	<u>3,427,946.02</u>	<u>3,427,946.02</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1,090.47</u>	<u>\$ 1,352.45</u>	<u>\$ 1,252.63</u>	<u>\$ 1,090.47</u>	<u>\$ 3,646,925.85</u>	<u>\$ 3,789,869.03</u>	<u>\$ 3,564,406.02</u>	<u>\$ 3,405,752.85</u>

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

	BUILDING FUND				SHERIFF REVOLVING FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	43,090.00	45,866.00	14,000.00	22,622.00
Interest Income	150.00	191.88	-	164.47	5.00	39.11	6.00	22.81
Other	-	-	-	145,001.37	-	-	-	7,952.95
Transfers In	-	250,000.00	47,000.00	6,800.00	-	-	-	-
TOTAL RECEIPTS	<u>150.00</u>	<u>250,191.88</u>	<u>47,000.00</u>	<u>151,965.84</u>	<u>43,095.00</u>	<u>45,905.11</u>	<u>14,006.00</u>	<u>30,597.76</u>
DISBURSEMENTS								
Sheriff Revolving Expenses	-	-	-	-	44,590.00	36,306.44	20,000.00	13,639.20
Capital Projects	-	-	11,000.00	145,001.37	-	-	-	-
Transfers Out	-	-	30,000.00	14,562.50	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>41,000.00</u>	<u>159,563.87</u>	<u>44,590.00</u>	<u>36,306.44</u>	<u>20,000.00</u>	<u>13,639.20</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	150.00	250,191.88	6,000.00	(7,598.03)	(1,495.00)	9,598.67	(5,994.00)	16,958.56
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>137,403.34</u>	<u>137,403.34</u>	<u>145,001.37</u>	<u>145,001.37</u>	<u>24,911.51</u>	<u>24,911.51</u>	<u>7,952.95</u>	<u>7,952.95</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u><u>\$137,553.34</u></u>	<u><u>\$387,595.22</u></u>	<u><u>\$151,001.37</u></u>	<u><u>\$137,403.34</u></u>	<u><u>\$23,416.51</u></u>	<u><u>\$34,510.18</u></u>	<u><u>\$ 1,958.95</u></u>	<u><u>\$ 24,911.51</u></u>

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

	ASSESSOR TECHNOLOGY FUND				SUR TAX FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 60,000.00	\$ 56,586.85	\$ 45,000.00	\$ 64,876.92	\$ 220,000.00	\$ 234,304.08	\$ 213,000.00	\$ 238,374.07
Sales Taxes	-	44.82	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	100.00	-	-	88.08	100.00	136.81	130.00	114.45
Other	-	-	-	40,700.86	-	-	-	50,717.28
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>60,100.00</u>	<u>56,631.67</u>	<u>45,000.00</u>	<u>105,665.86</u>	<u>220,100.00</u>	<u>234,440.89</u>	<u>213,130.00</u>	<u>289,205.80</u>
DISBURSEMENTS								
Salaries	71,468.00	88,153.56	75,000.00	114,164.83	-	-	-	-
Surtax Distribution	-	-	-	-	225,600.00	236,524.04	170,130.00	334,337.96
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>71,468.00</u>	<u>88,153.56</u>	<u>75,000.00</u>	<u>114,164.83</u>	<u>225,600.00</u>	<u>236,524.04</u>	<u>170,130.00</u>	<u>334,337.96</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,368.00)	(31,521.89)	(30,000.00)	(8,498.97)	(5,500.00)	(2,083.15)	43,000.00	(45,132.16)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>31,521.89</u>	<u>31,521.89</u>	<u>40,020.86</u>	<u>40,020.86</u>	<u>5,585.12</u>	<u>5,585.12</u>	<u>50,717.28</u>	<u>50,717.28</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 20,153.89</u>	<u>\$ -</u>	<u>\$ 10,020.86</u>	<u>\$ 31,521.89</u>	<u>\$ 85.12</u>	<u>\$ 3,501.97</u>	<u>\$ 93,717.28</u>	<u>\$ 5,585.12</u>

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

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

	SENIOR CITIZEN SERVICES FUND				SENATE BILL 40 FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 115,141.14	\$ 110,414.65	\$ 105,500.00	\$ 112,886.41	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,255.00	5,055.85	6,210.00	6,988.19	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	175.00	154.40	220.00	132.20	-	-	-	-
Other	-	-	-	-	866,838.75	562,956.09	844,519.86	600,725.73
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>122,571.14</u>	<u>115,624.90</u>	<u>111,930.00</u>	<u>120,006.80</u>	<u>866,838.75</u>	<u>562,956.09</u>	<u>844,519.86</u>	<u>600,725.73</u>
DISBURSEMENTS								
Senior Citizens Fund Expenses	124,931.50	122,962.50	118,815.00	153,313.50	-	-	-	-
SB40 Expenses	-	-	-	-	973,614.18	447,813.91	818,264.48	533,518.04
Training Expenses	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>124,931.50</u>	<u>122,962.50</u>	<u>118,815.00</u>	<u>153,313.50</u>	<u>973,614.18</u>	<u>447,813.91</u>	<u>818,264.48</u>	<u>533,518.04</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(2,360.36)	(7,337.60)	(6,885.00)	(33,306.70)	(106,775.43)	115,142.18	26,255.38	67,207.69
CASH AND INVESTMENT								
BALANCES, JANUARY 1	<u>77,650.82</u>	<u>77,650.82</u>	<u>110,957.52</u>	<u>110,957.52</u>	<u>767,776.22</u>	<u>767,776.22</u>	<u>700,568.53</u>	<u>700,568.53</u>
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$ 75,290.46</u>	<u>\$ 70,313.22</u>	<u>\$ 104,072.52</u>	<u>\$ 77,650.82</u>	<u>\$ 661,000.79</u>	<u>\$ 882,918.40</u>	<u>\$ 726,823.91</u>	<u>\$ 767,776.22</u>

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

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

	SHERIFF SALARY SUPPLEMENT FUND				EMERGENCY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	17,000.00	16,303.15	16,000.00	17,273.39	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	85.00	94.43	-	82.24
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	15,602.00	25,218.24	9,000.00	8,000.00
TOTAL RECEIPTS	<u>17,000.00</u>	<u>16,303.15</u>	<u>16,000.00</u>	<u>17,273.39</u>	<u>15,687.00</u>	<u>25,312.67</u>	<u>9,000.00</u>	<u>8,082.24</u>
DISBURSEMENTS								
Fees to State	17,000.00	15,005.00	16,000.00	17,273.39	-	-	-	-
Intangible Tax	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>17,000.00</u>	<u>15,005.00</u>	<u>16,000.00</u>	<u>17,273.39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,298.15	-	-	15,687.00	25,312.67	9,000.00	8,082.24
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,696.24</u>	<u>74,696.24</u>	<u>66,614.00</u>	<u>66,614.00</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 1,298.15</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90,383.24</u></u>	<u><u>\$ 100,008.91</u></u>	<u><u>\$ 75,614.00</u></u>	<u><u>\$ 74,696.24</u></u>

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

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

	SHERIFFS INMATE SECURITY FUND				L.E.F. RESTITUTION FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,700.00	3,312.26	1,700.00	2,936.00	-	-	-	-
Charges for Services	-	-	-	-	39,000.00	47,793.76	22,000.00	41,596.00
Interest Income	3.00	4.27	0.35	3.26	15.00	32.76	2.00	21.30
Other	-	-	-	1,728.48	-	6,644.00	-	6,885.66
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>2,703.00</u>	<u>3,316.53</u>	<u>1,700.35</u>	<u>4,667.74</u>	<u>39,015.00</u>	<u>54,470.52</u>	<u>22,002.00</u>	<u>48,502.96</u>
DISBURSEMENTS								
Sheriff Expenses	2,700.00	1,620.00	2,000.00	3,579.20	61,000.00	61,877.07	15,000.00	21,593.79
Transfers Out	-	-	-	-	-	-	-	7,921.35
TOTAL DISBURSEMENTS	<u>2,700.00</u>	<u>1,620.00</u>	<u>2,000.00</u>	<u>3,579.20</u>	<u>61,000.00</u>	<u>61,877.07</u>	<u>15,000.00</u>	<u>29,515.14</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	3.00	1,696.53	(299.65)	1,088.54	(21,985.00)	(7,406.55)	7,002.00	18,987.82
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>2,817.02</u>	<u>2,817.02</u>	<u>1,728.48</u>	<u>1,728.48</u>	<u>25,873.48</u>	<u>25,873.48</u>	<u>6,885.66</u>	<u>6,885.66</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,820.02</u>	<u>\$ 4,513.55</u>	<u>\$ 1,428.83</u>	<u>\$ 2,817.02</u>	<u>\$ 3,888.48</u>	<u>\$ 18,466.93</u>	<u>\$ 13,887.66</u>	<u>\$ 25,873.48</u>

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

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

	HELP AMERICA VOTE ACT FUND				NO INTEREST FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	518,756.41	162,308.00	382,105.59	382,105.59
Charges for Services	2,500.00	4,961.57	-	2,538.44	-	-	-	-
Interest Income	-	6.66	-	2.40	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>2,500.00</u>	<u>4,968.23</u>	<u>-</u>	<u>2,540.84</u>	<u>518,756.41</u>	<u>162,308.00</u>	<u>382,105.59</u>	<u>382,105.59</u>
DISBURSEMENTS								
Elections	5,000.00	-	-	-	-	-	-	-
Grant Expenditures	-	-	-	-	518,756.41	162,308.00	382,105.59	382,105.59
TOTAL DISBURSEMENTS	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,756.41</u>	<u>162,308.00</u>	<u>382,105.59</u>	<u>382,105.59</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500.00)	4,968.23	-	2,540.84	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>2,540.84</u>	<u>2,540.84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 40.84</u>	<u>\$ 7,509.07</u>	<u>\$ -</u>	<u>\$ 2,540.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	TAX MAINTENANCE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 43,000.00	\$ 38,257.30	\$ 41,500.00	\$ 43,627.91
Interest Income	80.00	89.51	-	183.72
Other	-	251.54	-	-
TOTAL RECEIPTS	<u>43,080.00</u>	<u>38,598.35</u>	<u>41,500.00</u>	<u>43,811.63</u>
DISBURSEMENTS				
Equipment	50,000.00	28,381.75	20,000.00	14,282.44
Office Supplies	4,000.00	3,730.65	4,000.00	2,419.19
Utilities	1,120.00	720.00	1,320.00	760.00
Computer Services	5,000.00	1,777.61	6,000.00	2,318.40
Professional Services	30,000.00	-	30,000.00	10,706.00
Miscellaneous	12,000.00	5,803.15	12,000.00	1,905.56
Transfers Out	7,500.00	18,575.01	-	11,640.76
TOTAL DISBURSEMENTS	<u>109,620.00</u>	<u>58,988.17</u>	<u>73,320.00</u>	<u>44,032.35</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(66,540.00)	(20,389.82)	(31,820.00)	(220.72)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>84,511.98</u>	<u>84,511.98</u>	<u>84,732.70</u>	<u>84,732.70</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 17,971.98</u>	<u>\$ 64,122.16</u>	<u>\$ 52,912.70</u>	<u>\$ 84,511.98</u>

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

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

	DRUG COURT PROGRAM	FINE MONEY	OVERPLUS	FIRE DISTRICTS	HEALTH CENTER	HOSPITAL
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 48,187.19	\$ 44,520.79	\$ 132,207.76	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>48,187.19</u>	<u>44,520.79</u>	<u>132,207.76</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNRESERVED FUND BALANCES</b>	<u>48,187.19</u>	<u>44,520.79</u>	<u>132,207.76</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 48,187.19</u>	<u>\$ 44,520.79</u>	<u>\$ 132,207.76</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 21.96	\$ 10,333,301.92	\$ 4,182.21	\$ -	\$ -	\$ 0.01
Investments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>21.96</u>	<u>10,333,301.92</u>	<u>4,182.21</u>	<u>-</u>	<u>-</u>	<u>0.01</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNRESERVED FUND BALANCES</b>	<u>21.96</u>	<u>10,333,301.92</u>	<u>4,182.21</u>	<u>-</u>	<u>-</u>	<u>0.01</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 21.96</u>	<u>\$ 10,333,301.92</u>	<u>\$ 4,182.21</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.01</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 676.73	\$ -	\$ 29,635.74	\$ 10,592,734.31		
Investments	-	-	-	-		
<b>TOTAL ASSETS</b>	<u>676.73</u>	<u>-</u>	<u>29,635.74</u>	<u>10,592,734.31</u>		
<b>LIABILITIES AND FUND BALANCES</b>						
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>UNRESERVED FUND BALANCES</b>	<u>676.73</u>	<u>-</u>	<u>29,635.74</u>	<u>10,592,734.31</u>		
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 676.73</u>	<u>\$ -</u>	<u>\$ 29,635.74</u>	<u>\$ 10,592,734.31</u>		

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

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

	DRUG COURT PROGRAM	FINE MONEY	OVERPLUS	FIRE DISTRICTS	HEALTH CENTER	HOSPITAL
ASSETS						
Cash and Cash Equivalents	\$ 48,732.99	\$ 52,229.04	\$ 192,377.28	\$ 0.19	\$ -	\$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>48,732.99</u>	<u>52,229.04</u>	<u>192,377.28</u>	<u>0.19</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>48,732.99</u>	<u>52,229.04</u>	<u>192,377.28</u>	<u>0.19</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 48,732.99</u>	<u>\$ 52,229.04</u>	<u>\$ 192,377.28</u>	<u>\$ 0.19</u>	<u>\$ -</u>	<u>\$ -</u>

	UNEMPLOYMENT	COLLECTOR	SHERIFF	AMBULANCE DISTRICT	HANDICAPPED	RAILROAD & UTILITIES
ASSETS						
Cash and Cash Equivalents	\$ 21.96	\$ 10,047,800.71	\$ 3,385.08	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>21.96</u>	<u>10,047,800.71</u>	<u>3,385.08</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>21.96</u>	<u>10,047,800.71</u>	<u>3,385.08</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21.96</u>	<u>\$ 10,047,800.71</u>	<u>\$ 3,385.08</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	UNCLAIMED FEES	CITIES	SHERIFF EVIDENCE ACCT	TOTAL AGENCY FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 676.73	\$ 0.02	\$ 29,932.74	\$ 10,375,156.74
Investments	-	-	-	-
TOTAL ASSETS	<u>676.73</u>	<u>0.02</u>	<u>29,932.74</u>	<u>10,375,156.74</u>
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	<u>676.73</u>	<u>0.02</u>	<u>29,932.74</u>	<u>10,375,156.74</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 676.73</u>	<u>\$ 0.02</u>	<u>\$ 29,932.74</u>	<u>\$ 10,375,156.74</u>

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

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Washington, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Treasurer, Collector, Circuit Clerk, Sheriff, Coroner, Surveyor, Public Administrator, Recorder 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 the County’s financial accountability.

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 primary government of Washington County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

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

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

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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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 using 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 WASHINGTON  
POTOSI, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

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

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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	\$ 122,288,720	\$ 121,621,730
Personal Property	44,913,002	44,634,569
Railroad and Utilities	70,278,681	66,041,578
	\$ 237,480,403	\$ 232,297,877

The County Commission approved a \$0.7132 and \$0.7101, 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	\$ 0.2178	\$ 0.2147
Special Road and Bridge Fund	0.2591	0.2591
Senior Citizen Services Fund	0.0472	0.0472
Senate Bill 40 Fund	0.1891	0.1891
	\$ 0.7132	\$ 0.7101

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.

THE COUNTY OF WASHINGTON  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions (Concluded)

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

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" 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. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2013, and 2012, the carrying amount of the County's deposits was \$6,661,850.62 and \$6,037,918.20, and the bank balance was \$13,355,610.22 and \$11,452,555.76, respectively. The total bank balances as of December 31, 2013, and 2012 were not insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions by \$460,175.84 and \$335,515.29, respectively.

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:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	\$	6,151,704.94
Investments		510,145.68
Total Deposits and Investments as of December 31, 2013	\$	<u>6,661,850.62</u>

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

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	\$	5,479,793.42
Investments		558,124.78
Total Deposits and Investments as of December 31, 2012	\$	<u>6,037,918.20</u>

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
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II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were exposed to custodial credit risk for the years ended December 31, 2013, and 2012 by \$460,175.84 and \$335,515.29, respectively.

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 WASHINGTON  
POTOSI, MISSOURI  
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III. LONG-TERM DEBT

The County was involved in the following debt instruments during the 2013 and 2012 years.

	Balance as of	
	12/31/2013	12/31/2012
<b>Loan</b>		
The County entered into a line of credit in 2013 and had \$70,025.00 in draw downs with an interest rate of 3.00%. The purpose of the line of credit is to support the general operation of the County. The County did not make any payments during the audit period.	\$ 70,025.00	\$ -
The County entered into a loan in the amount of \$350,000 on June 2, 2009, with an interest rate of 3.25%. The purpose of the loan was to support the County's general operation. The loan is due on an annual basis and the terms can be renegotiated. The County made interest payments during 2012 of \$1,875.49 and paid the loan off in full.	-	-
<b>Total Loan</b>	\$ 70,025.00	\$ -

As of December 31, 2013, the unpaid principal balances of the loan were as follows:

	Account Balance 12/31/2012	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2013	Interest paid Fiscal Year 2013
Loans	\$ -	\$ 70,025.00	\$ -	\$ 70,025.00	\$ -
<b>Total</b>	\$ -	\$ 70,025.00	\$ -	\$ 70,025.00	\$ -

The future payments for the loan agreement as of December 31, 2013 were as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 34,795.61	\$ 1,864.64	\$ 36,660.25
2015	35,229.39	1,056.88	36,286.27
	\$ 70,025.00	\$ 2,921.52	\$ 72,946.52

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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III. LONG-TERM DEBT (concluded)

As of December 31, 2012, the unpaid principal balances of the loan were as follows:

Description	Account Balance 12/31/2011	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2012	Interest paid Fiscal Year 2012
Loans	\$ 108,602.00	\$ -	\$ 108,602.00	\$ -	\$ 1,875.49
Total	\$ 108,602.00	\$ -	\$ 108,602.00	\$ -	\$ 1,875.49

IV. CAPITAL LEASES

Capital Leases

Road and Bridge District #1

The County entered into a capital lease on June 17, 2010, for a 2010 John Deere Skid Steer Loader in the amount of \$39,500 with an interest rate of 9.950%. The balance will be repaid through four annual payments. The County made interest payments during 2013 and 2012 in the amount of \$2,151.35 and 3,091.00. \$ 11,323.17    \$ 21,621.63

The County entered into a capital lease on February 22, 2010, for a 2010 Ford Pickup in the amount of \$48,650 with an interest rate of 9.40%. The balance will be repaid through three annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$1,130.75 and 2,818.87, and paid the lease off in full. -    19,025.25

The County entered into a capital lease on October 15, 2007, for two John Deere tractors, two 2007 Freightliner Trucks and 2 Tiger mowers in the amount of \$327,113.58 with an interest rate of 7.357%. The balance will be repaid through sixty monthly payments. The County made interest payments during 2012 in the amounts of \$3,067.36 and paid the lease off in full. -    -

The County entered into a capital lease on October 21, 2011, for a 1999 International dump truck in the amount of \$25,213.50 with an interest rate of 3.5%. The balance will be repaid through one payment. The County made interest payments during 2012 in the amount of \$245.13 and paid the lease off in full. -    -

THE COUNTY OF WASHINGTON  
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IV. CAPITAL LEASES (continued)

The County entered into a capital lease on September 24, 2009, for two 2009 John Deere graders in the amount of \$103,707.45 with an interest rate of 8.318%. The balance will be repaid through five monthly payments and four additional annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$2,052.41 and \$3,947.22 and paid the lease off in full. - 24,674.34

Road and Bridge District #2

The County entered into a capital lease on July 31, 2009, for a 1998 GMC Truck in the amount of \$16,000.00 with an interest rate of 11.277%. The balance will be repaid through three annual payments. The County made interest payments during 2012 in the amount of \$666.74 and paid the lease off in full. - -

The County entered into a capital lease on December 22, 2008, for a 2010 Freightliner Truck, 2009 John Deere grader, spreader and snow plow in the amount of \$252,129.00 with an interest rate of 8.016%. The balance will be repaid through five annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$9,515.83 and \$13,733.04. 59,491.14 114,414.31

The County entered into a capital lease on October 21, 2011, for a 2011 John Deere grader in the amount of \$186,720.00 with an interest rate of 3.50%. The balance will be repaid through four annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$4,858.63 and \$1,718.85. 93,297.48 138,438.85

Sheriff's Office

The County entered into a capital lease on March 15, 2010, for a 2010 Ford Explorer in the amount of \$26,565 with an interest rate of 6.90%. The balance will be repaid through 36 monthly payments. The County made interest payments during 2013 and 2012 in the amounts of \$4.51 and \$409.49, and paid the lease off in full. - 809.84

The County entered into a capital lease on March 8, 2012, for two 2011 Ford Crown Victoria's in the amount of \$52,575.00 with an interest rate of 3.25%. The balance will be repaid through 3 annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$1,157.24 and \$1,708.69. 18,088.39 35,607.42

The County entered into a capital lease on March 8, 2012, for four 2012 Chevy Tahoes in the amount of \$127,395.00 with an interest rate of 3.25%. The balance will be repaid through 4 annual payments. The County made interest payments during 2013 and 2012 in the amounts of \$3,535.94 and \$79.40. 84,317.00 108,798.13

THE COUNTY OF WASHINGTON  
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IV. CAPITAL LEASES (continued)

Prosecuting Attorney's Office

The County entered into a capital lease on July 21, 2008, for a 2008 Ford Focus in the amount of \$16,305.00 with an interest rate of 7.25%. The balance will be repaid through 48 monthly payments. The County made interest payments during 2012 in the amount of \$48.62 and paid the lease off in full.

	-	-
Total Capital Leases	\$ 266,517.18	\$ 463,389.77

As of December 31, 2013, the unpaid principal balances of the capital leases were as follows:

Description	Account Balance 12/31/2012	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2013	Interest paid Fiscal Year 2013
Capital Leases	\$ 463,389.77	\$ -	\$ 196,872.59	\$ 266,517.18	\$ 24,406.66
<b>Total</b>	<u>\$ 463,389.77</u>	<u>\$ -</u>	<u>\$ 196,872.59</u>	<u>\$ 266,517.18</u>	<u>\$ 24,406.66</u>

The future payments for the capital lease agreements as of December 31, 2013 are as follows:

Year Ended December 31,	Principal	Interest	Total
2014	\$ 172,943.74	\$ 11,945.07	\$ 184,888.81
2015	93,573.44	3,203.90	96,777.34
	<u>\$ 266,517.18</u>	<u>\$ 15,148.97</u>	<u>\$ 281,666.15</u>

As of December 31, 2012, the unpaid principal balances of the capital leases were as follows:

Description	Account Balance 12/31/2011	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2012	Interest paid Fiscal Year 2012
Capital Leases	\$ 586,347.17	\$ 179,970.00	\$ 302,927.40	\$ 463,389.77	\$ 31,534.41
<b>Total</b>	<u>\$ 586,347.17</u>	<u>\$ 179,970.00</u>	<u>\$ 302,927.40</u>	<u>\$ 463,389.77</u>	<u>\$ 31,534.41</u>

THE COUNTY OF WASHINGTON  
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IV. CAPITAL LEASES (continued)

The future payments for the capital lease agreements as of December 31, 2012 were as follows:

Year Ended December 31,	Principal	Interest	Total
2013	\$ 196,872.59	\$ 24,406.66	\$ 221,279.25
2014	172,943.74	11,945.07	184,888.81
2015	93,573.44	3,203.90	96,777.34
	<u>\$ 463,389.77</u>	<u>\$ 39,555.63</u>	<u>\$ 502,945.40</u>

V. OPERATING LEASES

The County entered into an operating lease through Cannon Financial Services for copier equipment for the Surveyor's office as of January 26, 2009. The lease is effective for 48 months with monthly payments of \$89.50. During the 2013 and 2012 year, the County made payments totaling \$89.50 and \$1,074.00.

The County entered into an operating lease through Xerox for copier equipment for the County Clerk's office as of September 3, 2008. The lease is effective for 60 months with monthly payments of \$182.02 which changed later to \$195.99 and yet again to \$202.54. During the 2013 and 2012 year, the County made payments totaling \$1,822.86 and \$2,351.01.

The County entered into an operating lease through Xerox for copier equipment for the Recorder's office as of May 14, 2007. The lease is effective for 76 months with monthly payments of \$266.56 which later changed to \$275.96. During the 2013 and 2012 year, the County made payments totaling \$1,379.80 and \$2,684.40.

The County entered into an operating lease through Xerox for copier equipment for the Prosecuting Attorney's office as of August 7, 2008. The lease is effective for 60 months with monthly payments of \$246.40 which changed later to \$260.37 and yet again to \$266.92. During the 2013 and 2012 year, the County made payments totaling \$2,135.36 and \$3,130.12.

The County entered into an operating lease through GFI Digital Inc. for copier equipment for the County Sheriff's office as of June 26, 2009. The lease is effective for 48 months with monthly payments of \$195.00. During the 2013 and 2012 year, the County made payments totaling \$585.00 and \$2,340.00.

The County entered into an operating lease through Xerox for copier equipment for the Circuit Clerk's office as of March 3, 2011. The lease is effective for 60 months with monthly payments of \$224.32 which changed later to \$225.32. During the 2013 and 2012 year, the County made payments totaling \$2,921.16 and \$2,467.52.

The County entered into an operating lease through Ricoh for copier equipment for the Prosecuting Attorney's office as of July 3, 2013. The lease is effective for 49 months with monthly payments of \$117.63. During the 2013 year, the County made payments totaling \$588.15.

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
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V. OPERATING LEASES (Concluded)

The County entered into an operating lease through Ricoh for copier equipment for the Assessor's office as of October 24, 2010. The lease is effective for 60 months with monthly payments of \$87.08. During the 2013 and 2012 year, the County made payments totaling \$783.72 and \$1,044.96.

The County entered into an operating lease through Pitney Bowes for a postage meter for the Clerk's office as of March 26, 2012. The lease is effective for 60 months with monthly payments of \$1,655.00. During the 2012 year, the County made payments totaling \$3,310.00, this lease was replaced with another after the first two payments.

The County entered into an operating lease through Xerox for copier equipment for the Recorder's office as of March 28, 2013. The lease is effective for 48 months with monthly payments of \$128.63. During the 2013 year, the County made payments totaling \$1,029.04.

The County entered into an operating lease through Total Image Management for copier equipment for the Sheriff's office as of March 14, 2013. The lease is effective for 60 months with monthly payments of \$248.47. During the 2013 year, the County made payments totaling \$2,236.23.

The County entered into an operating lease through Pitney Bowes for a postage meter for the Clerk's office as of June 26, 2012. The lease is effective for 48 months with quarterly payments of \$252.00. During the 2013 and 2012 year, the County made payments totaling \$1,008.00 and \$252.00.

2013 Future Minimum Payments for Operating Leases:

Year Ending December 31,	Total Minimum Payments
2014	\$ 12,032.92
2015	11,961.08
2016	8,362.84
2017	6,652.05
2018	2,346.13
	<u>\$ 41,355.02</u>

2012 Future Minimum Payments for Operating Leases:

Year Ending December 31,	Total Minimum Payments
2013	\$ 14,796.06
2014	12,032.92
2015	11,961.08
2016	8,362.84
2017	6,652.05
2018	2,346.13
	<u>\$ 56,151.08</u>

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
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VI. 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	\$ 110,030.01	\$ 539,797.24	\$ 145,313.68	\$ 301,594.00
Special Road and Bridge Fund	-	91,455.00	-	95,760.00
Assessment Fund	22,273.00	-	28,590.00	-
Sheriff L.E.F. Fund	292,306.00	-	308,204.00	-
Prosecuting Attorney Training Fund	-	-	-	7,644.00
Sheriff's Civil Fund	-	50,000.00	-	57,785.07
Building Fund	250,000.00	-	6,800.00	14,562.50
Emergency Fund	25,218.24	-	8,000.00	-
L.E.F. Restitution Fund	-	-	-	7,921.35
Tax Maintenance Fund	-	18,575.01	-	11,640.76
TOTAL	<u>\$ 699,827.25</u>	<u>\$ 699,827.25</u>	<u>\$ 496,907.68</u>	<u>\$ 496,907.68</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.

VII. 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 11 members, 9 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 WASHINGTON  
POTOSI, MISSOURI  
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VII. 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 \$12,911.88 and \$14,378.31, respectively.

VIII. 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 did not have any COBRA participants at December 31, 2013, and December 31, 2012.

IX. 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 \$7,752 and \$7,752, respectively, for the years ended December 31, 2013, and 2012.

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POTOSI, MISSOURI  
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X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation as of the audit report date. The financial impact to the County is considered immaterial, if any.

B. Compensated Absences

The County provides employees with annual leave. Each employee earns leave based upon his or her term of service with the County earning 72 hours after the first year, 120 hours per year for 2-5 years of service, 144 hours per year for 6-10 years of service, 168 hours per year for 11-15 years of service, 192 hours per year for 16-20 years of service, 216 hours per year for 21-25 years of service, and 240 hours per year after 26 years of service. Annual leave must be used in the year it is earned. Any unused leave time will be forfeited at the end of the calendar year. Any employee with benefits, who has worked for one full year, leaving the County service due to resignation, death or termination, shall be compensated for vacation credit unused to the date of termination.

Employees in the County earn 8 days of sick leave per year and this can be accrued to an unlimited number. It is not paid to the employee upon separation of employment of the County.

C. Federal and State Assisted Programs

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

XI. 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 WASHINGTON  
POTOSI, MISSOURI  
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XI. 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.

XII. SUBSEQUENT EVENTS

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

XIII. CHANGE IN REPORTING

The beginning fund balance at January 1, 2012, has increased by \$84,732.70 due to the inclusion of the Tax Maintenance Fund. In prior audit periods, this fund was included with the Collector accounts as an agency fund.

**SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT**

**STATE COMPLIANCE SECTION**

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
SCHEDULE OF STATE FINDINGS  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2013, expenditures exceeded those budgeted for the following: L.E.F. Fund, Prosecuting Attorney Training Fund, Assessor Technology Fund, Sur Tax Fund and L.E.F. Restitution Fund.
- B. For the year ended December 31, 2012, expenditures exceeded those budgeted for the following: Prosecuting Attorney Delinquent Fund, Prosecuting Attorney Training Fund, Prosecuting Attorney Bad Check Fund, Sheriff's Civil Fund, Recorder User Fund, Revolving Loan Fund, Election Service Fund, Recorder Technology Fund, Shelter Fund, Economic Development Fund, Building Fund, Assessor Technology Fund, Sur Tax Fund, Senior Citizen Services Fund, Sheriff Salary Supplement Fund, Sheriff's Inmate Security Fund and L.E.F. Restitution Fund.
- C. For the year ended December 31, 2012, the County deficit budgeted the following funds: General Revenue Fund and the Sheriff L.E.F. Fund.

**FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
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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 Washington, 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 Washington ("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 13, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

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

June 13, 2014



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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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 Washington, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the County of Washington'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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 13/12-01. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 13/12-01, that we consider to be a significant deficiency.

The County's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

*Daniel Jones & Associates*

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

June 13, 2014

THE COUNTY OF WASHINGTON  
POTOSI, MISSOURI  
SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA Number	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2012
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
PASSED THROUGH THE STATE				
Office of Administration:				
School and Roads - Grants to States	10.665		\$ 399,022.66	\$ 432,594.27
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
PASSED THROUGH THE STATE				
Missouri Department of Economic Development:				
Community Development Block Grant	14.228	05-PF-24	-	108,039.61
		09-PF-24	142,645.90	1,370.00
		10-PF-29	3,886.69	388,638.59
Total Community Development Block Grant			<u>146,532.59</u>	<u>498,048.20</u>
DIRECT PROGRAM				
EDI - Special Project	14.251	B-10-SP-MO-0390	97,058.20	61,041.51
<b>U.S. DEPARTMENT OF INTERIOR</b>				
DIRECT PROGRAM				
PILT - Payment in Lieu of Taxes	15.226	N/A	80,184.00	60,724.00
<b>U.S. DEPARTMENT OF JUSTICE</b>				
DIRECT PROGRAM				
Edward Byrne Memorial State and Local Law Enforcement	16.804	2009-SB-B9-2411	-	3,282.68
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
PASSED THROUGH STATE				
Missouri Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B110(6)	232,276.33	14,526.59
		BRO-B110(7)	20,454.89	14,926.00
		BRO-B110(8)	167,399.84	15,176.97
		BRO-B110(9)	3,130.36	-
		BRO-B110(10)	1,430.14	-
		IBRC - 9900(923)	32,437.61	140,062.39
Missouri Department of Public Safety:	20.205	STP9900(920)	38,352.30	-
Highway Planning and Construction		STP9900(933)	61,534.34	-
Total Highway Planning and Construction			<u>557,015.81</u>	<u>184,691.95</u>
HIGHWAY SAFETY CLUSTER				
PASSED THROUGH STATE				
Missouri Department of Transportation:				
State and Community Highway Safety	20.600	12-PT-02-103	-	2,355.16
	20.600	13-PT-02-058	1,955.80	2,005.98
Total State and Community Highway Safety			<u>1,955.80</u>	<u>4,361.14</u>
Missouri Highway Safety Division:				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	12-K8-03-089	-	8,136.66
Total Highway Safety Cluster			<u>1,955.80</u>	<u>12,497.80</u>
Missouri Department of Transportation:				
DWI Enforcement	20.607	13-154-AL-067	4,976.38	1,291.44
PASSED THROUGH UNIVERSITY OF CENTRAL MISSOURI				
DWI Enforcement	20.607	13-154-AL-068	1,238.61	-
Total DWI Enforcement Grants			<u>6,214.99</u>	<u>1,291.44</u>
<b>GENERAL SERVICES ADMINISTRATION</b>				
PASSED THROUGH STATE				
Office of Administration:				
Election Reform Payments	39.011		937.20	3,499.68
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
ARRA - Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements	66.802	Big River Watershed	16,947.72	4,209.71
<b>ELECTION ASSISTANCE COMMISSION</b>				
PASSED THROUGH STATE				
Missouri Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401		3,784.74	828.26
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
PASSED THROUGH STATE				
Missouri Department of Public Safety:				
Presidentially Declared Disasters	97.036	DR 1847 PA FED	-	109,671.45
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,309,653.71</u></u>	<u><u>\$ 1,372,380.95</u></u>

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

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

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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 Washington 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 sub-recipients during the years ended December 31, 2013, and 2012. The sub-recipients are as follows:

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>		<u>Amount</u> <u>Provided to</u> <u>Subrecipient</u>
Schools and Roads - Grants to States	Bourbon CR-1	10.665	2012	\$ 50,634.47
			2013	46,558.41
Schools and Roads - Grants to States	Valley R-6	10.665	2012	\$ 139,591.49
			2013	128,354.44
Schools and Roads – Grants to States	Potosi R-3	10.665	2012	\$ 108,874.69
			2013	100,087.29
Community Development Block Grant	PWSD #1	14.228	2012	\$ 388,638.59
			2013	3,886.69
Community Development Block Grant	PWSD #2	14.228	2012	\$ 108,039.61
			2013	-
	Total Provided to Subrecipients			<u>\$1,074,665.68</u>

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

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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 WASHINGTON  
POTOSI, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2012

The following findings, recommendations, and questioned costs are the results of the single audit of Washington County, Missouri for the fiscal years ended December 31, 2013, and 2012. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: 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.
2. Material Weakness: 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.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding that discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

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

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2012 (continued)

C. Federal Award Findings and Questioned Costs

SA 13/12-01	Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Department of Interior, U.S. Department of Justice, U.S. Department of Transportation, General Services Administration, U.S. Environmental Protection Agency, Election Assistance Commission, and U.S. Department of Homeland Security.
Other Information	Pass-Through Grantor:	Office of Administration, Missouri Department of Economic Development, Missouri Highway and Transportation Commission, Missouri Department of Public Safety, Missouri Highway Safety Division, Missouri Department of Transportation, and Missouri Office of Secretary of State
Significant Deficiency	Federal CFDA Number:	10.665, 14.228, 14.251, 15.226, 16.804, 20.205, 20.600, 20.601, 20.607, 39.011, 66.802, 90.401, 97.036
	Program Title:	Schools and Roads – Grants to States, Community Development Block Grant, EDI – Special Project, PILT – Payment in Lieu of Taxes, Edward Byrne Memorial State and Local Law Enforcement, Highway Planning and Construction, State and Community Highway Safety, Alcohol Impaired Driving Countermeasures Incentive Grants I, DWI Enforcement, Election Reform Payments, ARRA – Superfund State, Political Subdivision, and Indian Tribe Site – Specific Cooperative Agreements, Help America Vote Act Requirements Payments, and Presidentially Declared Disasters

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

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

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2012 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

**SA 13/12-01** Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correctly prepared going forward. The County Clerk's Office (Jeanette Allen) phone number is (573) 438-6111 ext. 221.

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

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 10/11-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under 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, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of its audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: This finding has been resolved in the current year.

FS 10/11-02 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 discussions with management, we noted that internal control documentation has 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.

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

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 10/11-02     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.

Status: This finding has been resolved in the current year.

FS 10/11-03     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 our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

Status: This finding has been resolved in the current year.

FS 10/11-04     Criteria: The County's Senate Bill 40 Board did not accurately track payroll and prepared IRS Form 941 incorrectly.

Condition: During our audit, we noted Senate Bill 40 Board was not able to accurately reconcile general ledger to IRS Form 941 for the year ended December 31, 2011.

Context: During our attempts to properly reconcile the general ledger to the 941s, for the County's Senate Bill 40 Board, it became evident there was an error of \$9,529 that the client was unable to reconcile.

Effect: Lack of proper accounting for payroll expense may result in inaccurate balances being budgeted for future expenditures.

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

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 10/11-04 Cause: The County's Senate Bill 40 Board was unable to reconcile the general ledger to the 941's with accuracy

Recommendation: We recommend that the County obtain sufficient training in the recognition of payroll expenses to avoid further error.

Status: This finding has been resolved in the current year.

FS 10/11-05 Criteria: The County recorded a negative fund balance for the Sheriff Law Enforcement Fund at December 31, 2010.

Condition: During our audit, we noted a negative fund balance for the Sheriff Law Enforcement Fund.

Context: During our auditing processes on fund balance, we noted a negative balance in one of the County's funds.

Effect: Lack of positive fund balance can create issues for budgeting and preparing accurate financial statements.

Cause: The County did not follow budget for the Sheriff Law Enforcement Fund, creating a deficit fund balance.

Recommendation: We recommend that the County follow budget for proper allocation of funds to stop this from occurring in the future.

Status: This finding has been resolved in the current year.

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

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II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>SA 10/11-01</b>	Federal Grantor:	U.S. Department of Homeland Security
Activities Allowed and Disallowed	Pass-Through Grantor:	State
Significant Deficiency	Federal CFDA Number:	97.036
Internal Control Over Compliance		Disaster Grants –
Material Weakness - Compliance	Program Title:	Public Assistance Grants

Information on the federal program: The County was unable to provide supporting documentation to test expenditures for this grant.

Criteria: OMB Circular A-133 requires the auditee to maintain all backup information for all federal expenditures.

Condition: Through auditing procedures, we were not able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA) for Federal Emergency Management Agency (FEMA).

Questioned Costs: Not applicable

Context: During the audit of Federal Emergency Management Agency (FEMA), we could not test the expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by Governmental Accounting and Financial Reporting Standards.

Cause: Adequate emphasis was not placed on documenting and retaining detailed expenditures for the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office. All expenditure documentation should be maintained.

Status: This finding has been resolved in the current year.

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

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II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

<b>SA 11/10-02</b>	Federal Grantor:	All Programs
Other Information	Pass-Through Grantor:	All Programs
Significant Deficiency	Federal CFDA Number:	All Programs
	Program Title:	All Programs

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Status: Corrective action has not been implemented in the current year being audited. See single audit finding SA 13/12-01.



# Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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June 13, 2014

To the Board of Commissioners  
County of Washington

In planning and performing our audit of the regulatory based financial statements of the County of Washington (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 certain deficiencies in internal control that we consider to be significant deficiencies.

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

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

- I. Deficiencies 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. DEFICIENCIES 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 Senate Bill 40’s accounts were under-pledged for the years ended December 31, 2013 and 2012.

Context: The County Senate Bill 40’s bank accounts with a financial institution were under collateralized by \$460,175.84 at December 31, 2013 and \$335,515.29 at December 31, 2012.

Effect: There is a risk that the County Senate Bill 40’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 Senate Bill 40 periodically review all account balances to ensure they are fully secured.

Views of responsible officials and planned corrective actions: The County Senate Bill 40 will review account balances with the financial institution to ensure that they are collateralized on a regular basis.

<b>SA 13/12-01</b>	Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Department of Interior, U.S. Department of Justice, U.S. Department of Transportation, General Services Administration, U.S. Environmental Protection Agency, Election Assistance Commission, and U.S. Department of Homeland Security.
Other Information	Pass-Through Grantor:	Office of Administration, Missouri Department of Economic Development, Missouri Highway and Transportation Commission, Missouri Department of Public Safety, Missouri Highway Safety Division, Missouri Department of Transportation, and Missouri Office of Secretary of State
Significant Deficiency	Federal CFDA Number:	10.665, 14.228, 14.251, 15.226, 16.804, 20.205, 20.600, 20.601, 20.607, 39.011, 66.802, 90.401, 97.036
	Program Title:	Schools and Roads – Grants to States, Community Development Block Grant, EDI – Special Project, PILT – Payment in Lieu of Taxes, Edward Byrne Memorial State and Local Law Enforcement, Highway Planning and Construction, State and Community Highway Safety, Alcohol Impaired Driving Countermeasures Incentive Grants I, DWI Enforcement, Election Reform Payments, ARRA – Superfund State, Political Subdivision, and Indian Tribe Site – Specific Cooperative Agreements, Help America Vote Act Requirements Payments, and Presidentially Declared Disasters

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

**SA 13/12-01** Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correctly prepared going forward. The County Clerk's Office (Jeanette Allen) phone number is (573) 438-6111 ext. 221.

## 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 April 14, 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.

## II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

### Significant Audit Findings (concluded)

#### *Qualitative Aspects of Accounting Practices (concluded)*

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

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

### Difficulties Encountered in Performing the Audit

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

### Corrected and Uncorrected Misstatements

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

### Disagreements with Management

For purposes of this letter, a disagreement with management 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 13, 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.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### 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.