



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Barry 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 Nichols, Stopp & VanHoy, Certified Public Accountants, is attached.

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

Thomas A. Schweich
State Auditor

September 2014
Report No. 2014-078

**The County of Barry
Cassville, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2013 & 2012**



**The County of Barry
Cassville, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Barry County, Missouri

We have audited the accompanying financial statements of Barry County, Missouri, as of and for the years ended December 31, 2013 and 2012, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. 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 error or fraud.

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 1, the financial statements are prepared by Barry County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Barry County, Missouri, as of December 31, 2013 and 2012, or the changes in its financial position for the years 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 balances of the funds of Barry County, Missouri, as of December 31, 2013 and 2012, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

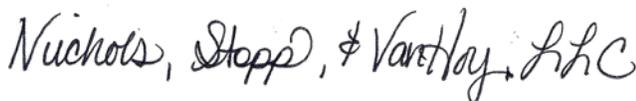
Other Information

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

The 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 July 11, 2014, on our consideration of Barry County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Barry County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 11, 2014

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 260,956	\$ 3,307,631	\$ 3,164,283	\$ 404,304
Special Road and Bridge	933,565	647,153	618,078	962,640
Assessment	520,947	374,253	390,405	504,795
Prosecuting Attorney Training	358	1,008	1,129	237
Law Enforcement Training	939	3,895	4,248	586
Prosecuting Attorney Administrative Handling Cost	990	17,936	18,375	551
Recorder's Microfilm	74,293	32,074	51,077	55,290
Sheriff Special Enforcement	397	1,581	1,035	943
Sheriff Inmate Security	3,896	7,673	7,092	4,477
Forest Reserve	87,707	225,010	266,412	46,305
Law Enforcement Restitution	47,727	32,736	30,176	50,287
Sheriff Revolving	32,551	41,292	45,844	27,999
Local Emergency Planning Commission	3,286	15	888	2,413
Prosecuting Attorney Delinquent Tax	10,242	6,984	5,098	12,128
Deputy Sheriff Salary Supplementation	8,738	94,426	91,306	11,858
Sheriff's	72	50,004	49,610	466
Peace Officers' Standards and Training	1,844	1,746	1,735	1,855
Election	12,389	6,775	6,886	12,278
Liberty Common Road	21,938	11,786	3,983	29,741
Flood Control	-	31,059	31,059	-
Southwest Missouri Drug Task Force	10,000	9,924	19,924	-
Emergency Reserve	105,200	105,000	-	210,200
Senior Citizens Service Board	64,847	216,425	195,098	86,174
Collector's Tax Maintenance	29,463	47,563	43,042	33,984
Senate Bill 40 Board	907,266	347,009	345,123	909,152
Total	<u>\$ 3,139,611</u>	<u>\$ 5,620,958</u>	<u>\$ 5,391,906</u>	<u>\$ 3,368,663</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2012

<u>Fund</u>	Cash and Equivalents January 1, 2012	Receipts 2012	Disbursements 2012	Cash and Equivalents December 31, 2012
General Revenue	\$ 142,381	\$ 3,615,020	\$ 3,496,445	\$ 260,956
Special Road and Bridge	898,748	607,070	572,253	933,565
Assessment	508,585	383,975	371,613	520,947
Prosecuting Attorney Training	304	912	858	358
Law Enforcement Training	852	3,550	3,463	939
Prosecuting Attorney Administrative Handling Cost	2,391	22,474	23,875	990
Recorder's Microfilm	103,517	29,457	58,681	74,293
Sheriff Special Enforcement	233	1,729	1,565	397
Sheriff Inmate Security	1,585	3,256	945	3,896
Forest Reserve	68,895	260,705	241,893	87,707
Law Enforcement Restitution	21,575	26,152	-	47,727
Sheriff Revolving	21,661	24,921	14,031	32,551
Local Emergency Planning Commission	228	8,821	5,763	3,286
Prosecuting Attorney Delinquent Tax	9,073	2,607	1,438	10,242
Deputy Sheriff Salary Supplementation	-	106,695	97,957	8,738
Sheriff's	63	50,009	50,000	72
Peace Officers' Standards and Training	1,831	1,503	1,490	1,844
Election	8,098	9,394	5,103	12,389
Liberty Common Road	14,945	11,965	4,972	21,938
Flood Control	-	28,223	28,223	-
Southwest Missouri Drug Task Force	-	184,245	174,245	10,000
Emergency Reserve	-	105,200	-	105,200
Senior Citizens Service Board	62,758	225,145	223,056	64,847
Collector's Tax Maintenance	71,261	50,159	91,957	29,463
Senate Bill 40 Board	823,752	389,990	306,476	907,266
Total	<u>\$ 2,762,736</u>	<u>\$ 6,153,177</u>	<u>\$ 5,776,302</u>	<u>\$ 3,139,611</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	General Revenue Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 43,000	\$ 45,205	\$ 40,200	\$ 43,204
Sales Taxes	1,662,172	1,796,387	1,800,000	1,757,172
Intergovernmental	501,897	692,737	756,025	986,149
Charges for Services	659,475	688,424	683,550	727,111
Interest	1,750	2,875	1,500	2,257
Other Receipts	49,655	56,703	81,000	47,127
Transfers In	120,000	25,300	128,000	52,000
Total Receipts	<u>\$ 3,037,949</u>	<u>\$ 3,307,631</u>	<u>\$ 3,490,275</u>	<u>\$ 3,615,020</u>
Disbursements				
General County Government:				
County Commission	\$ 208,093	\$ 209,578	\$ 337,300	\$ 363,717
County Clerk	71,279	71,293	70,875	70,538
Elections	51,815	41,856	86,246	82,580
Buildings and Grounds	182,012	163,387	178,663	172,037
Employee Fringe Benefits	435,620	446,572	441,196	442,804
County Treasurer	46,785	46,681	46,795	46,397
County Collector	107,000	106,564	105,650	100,427
Recorder of Deeds	18,352	18,352	18,100	17,800
Circuit Clerk	31,000	31,466	39,000	26,888
Court Administration	9,313	7,871	7,183	7,000
Public Administrator	18,564	18,564	18,200	18,200
Public Safety:				
Sheriff	603,955	650,420	596,350	615,891
Jail	375,605	400,169	383,970	357,002
Prosecuting Attorney	272,952	276,976	274,697	267,952
Juvenile Officer	172,586	139,182	169,694	142,661
County Coroner	24,850	22,988	25,150	28,884
Other:				
Emergency Management	12,500	10,022	11,500	9,700
Tax Increment Financing	127,000	133,128	124,000	126,905
Other Disbursements	299,422	264,214	383,614	360,141
Health and Welfare	-	-	188,190	133,721
Transfers Out	105,000	105,000	105,200	105,200
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 3,173,703</u>	<u>\$ 3,164,283</u>	<u>\$ 3,611,573</u>	<u>\$ 3,496,445</u>
Receipts Over (Under)				
Disbursements	\$ (135,754)	\$ 143,348	\$ (121,298)	\$ 118,575
Cash and Equivalents, Jan 1	<u>260,956</u>	<u>260,956</u>	<u>142,381</u>	<u>142,381</u>
Cash and Equivalents, Dec 31	<u>\$ 125,202</u>	<u>\$ 404,304</u>	<u>\$ 21,083</u>	<u>\$ 260,956</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Special Road and Bridge Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 161,673	\$ 151,349	\$ 151,724	\$ 154,853
Sales Taxes	-	-	-	-
Intergovernmental	122,243	128,658	121,367	138,657
Charges for Services	-	-	-	-
Interest	7,354	5,481	6,200	6,951
Other Receipts	380,000	361,665	475,000	306,609
Transfers In	-	-	-	-
Total Receipts	<u>\$ 671,270</u>	<u>\$ 647,153</u>	<u>\$ 754,291</u>	<u>\$ 607,070</u>
<u>Disbursements</u>				
Salaries	\$ 24,000	\$ 10,302	\$ 24,000	\$ 12,762
Employee Fringe Benefits	3,050	788	3,050	976
Road and Bridge Materials	350,000	357,085	450,000	268,188
Road and Bridge Construction	950,000	217,494	600,000	260,730
Other Expenditures	86,000	32,409	79,000	29,597
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,413,050</u>	<u>\$ 618,078</u>	<u>\$ 1,156,050</u>	<u>\$ 572,253</u>
Receipts Over (Under)				
Disbursements	\$ (741,780)	\$ 29,075	\$ (401,759)	\$ 34,817
Cash and Equivalents, Jan 1	<u>933,565</u>	<u>933,565</u>	<u>898,748</u>	<u>898,748</u>
Cash and Equivalents, Dec 31	<u>\$ 191,785</u>	<u>\$ 962,640</u>	<u>\$ 496,989</u>	<u>\$ 933,565</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Assessment Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	361,621	353,129	363,923	361,621
Charges for Services	17,365	17,822	16,859	18,114
Interest	4,100	3,302	4,550	4,190
Other Receipts	-	-	-	50
Transfers In	-	-	-	-
Total Receipts	<u>\$ 383,086</u>	<u>\$ 374,253</u>	<u>\$ 385,332</u>	<u>\$ 383,975</u>
Disbursements				
Salaries	\$ 250,149	\$ 242,731	\$ 246,820	\$ 238,946
Employee Fringe Benefits	63,000	65,206	63,000	60,109
Materials and Supplies	29,700	21,039	29,700	21,824
Services and Other Disbursements	88,750	50,346	88,750	27,656
Capital Outlay	47,700	11,083	47,700	23,078
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 479,299</u>	<u>\$ 390,405</u>	<u>\$ 475,970</u>	<u>\$ 371,613</u>
Receipts Over (Under)				
Disbursements	\$ (96,213)	\$ (16,152)	\$ (90,638)	\$ 12,362
Cash and Equivalents, Jan 1	<u>520,947</u>	<u>520,947</u>	<u>508,585</u>	<u>508,585</u>
Cash and Equivalents, Dec 31	<u>\$ 424,734</u>	<u>\$ 504,795</u>	<u>\$ 417,947</u>	<u>\$ 520,947</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Prosecuting Attorney Training Fund				Law Enforcement Training Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	900	1,008	750	912	3,500	3,895	2,900	3,550
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 900	\$ 1,008	\$ 750	\$ 912	\$ 3,500	\$ 3,895	\$ 2,900	\$ 3,550
Disbursements								
Public Safety:								
Sheriff	\$ -	\$ -	\$ -	\$ -	\$ 4,438	\$ 4,248	\$ 3,751	\$ 3,463
Prosecuting Attorney	1,258	1,129	1,053	858	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,258	\$ 1,129	\$ 1,053	\$ 858	\$ 4,438	\$ 4,248	\$ 3,751	\$ 3,463
Receipts Over (Under)								
Disbursements	\$ (358)	\$ (121)	\$ (303)	\$ 54	\$ (938)	\$ (353)	\$ (851)	\$ 87
Cash and Equivalents, Jan 1	358	358	304	304	939	939	852	852
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ 1</u>	<u>\$ 358</u>	<u>\$ 1</u>	<u>\$ 586</u>	<u>\$ 1</u>	<u>\$ 939</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Prosecuting Attorney Administrative Handling Cost Fund				Recorder's Microfilm Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	22,000	17,890	25,000	22,398	28,600	31,712	33,500	28,808
Interest	65	46	95	76	600	362	600	649
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 22,065</u>	<u>\$ 17,936</u>	<u>\$ 25,095</u>	<u>\$ 22,474</u>	<u>\$ 29,200</u>	<u>\$ 32,074</u>	<u>\$ 34,100</u>	<u>\$ 29,457</u>
<u>Disbursements</u>								
General County Government:								
Recorder	\$ -	\$ -	\$ -	\$ -	\$ 100,869	\$ 49,246	\$ 101,440	\$ 57,100
Employee Fringe Benefits	-	-	-	-	1,672	1,831	1,640	1,581
Public Safety:								
Prosecuting Attorney	2,550	2,075	4,450	1,875	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	20,500	16,300	23,000	22,000	-	-	-	-
Total Disbursements	<u>\$ 23,050</u>	<u>\$ 18,375</u>	<u>\$ 27,450</u>	<u>\$ 23,875</u>	<u>\$ 102,541</u>	<u>\$ 51,077</u>	<u>\$ 103,080</u>	<u>\$ 58,681</u>
Receipts Over (Under)								
Disbursements	\$ (985)	\$ (439)	\$ (2,355)	\$ (1,401)	\$ (73,341)	\$ (19,003)	\$ (68,980)	\$ (29,224)
Cash and Equivalents, Jan 1	<u>990</u>	<u>990</u>	<u>2,391</u>	<u>2,391</u>	<u>74,293</u>	<u>74,293</u>	<u>103,517</u>	<u>103,517</u>
Cash and Equivalents, Dec 31	<u>\$ 5</u>	<u>\$ 551</u>	<u>\$ 36</u>	<u>\$ 990</u>	<u>\$ 952</u>	<u>\$ 55,290</u>	<u>\$ 34,537</u>	<u>\$ 74,293</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Sheriff Special Enforcement Fund				Sheriff Inmate Security Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3	6	3	4	18	21	3	21
Other Receipts	700	1,575	500	1,725	3,200	7,652	1,500	3,235
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 703</u>	<u>\$ 1,581</u>	<u>\$ 503</u>	<u>\$ 1,729</u>	<u>\$ 3,218</u>	<u>\$ 7,673</u>	<u>\$ 1,503</u>	<u>\$ 3,256</u>
<u>Disbursements</u>								
Public Safety:								
Sheriff	\$ 1,100	\$ 1,035	\$ 733	\$ 1,565	\$ 7,100	\$ 7,092	\$ 3,000	\$ 945
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,100</u>	<u>\$ 1,035</u>	<u>\$ 733</u>	<u>\$ 1,565</u>	<u>\$ 7,100</u>	<u>\$ 7,092</u>	<u>\$ 3,000</u>	<u>\$ 945</u>
Receipts Over (Under)								
Disbursements	\$ (397)	\$ 546	\$ (230)	\$ 164	\$ (3,882)	\$ 581	\$ (1,497)	\$ 2,311
Cash and Equivalents, Jan 1	<u>397</u>	<u>397</u>	<u>233</u>	<u>233</u>	<u>3,896</u>	<u>3,896</u>	<u>1,585</u>	<u>1,585</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ 3</u>	<u>\$ 397</u>	<u>\$ 14</u>	<u>\$ 4,477</u>	<u>\$ 88</u>	<u>\$ 3,896</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Forest Reserve Fund				Law Enforcement Restitution Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	19,000	224,686	20,800	260,078	-	-	-	-
Charges for Services	-	-	-	-	25,000	32,398	15,200	25,907
Interest	700	324	500	627	150	338	100	245
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 19,700</u>	<u>\$ 225,010</u>	<u>\$ 21,300</u>	<u>\$ 260,705</u>	<u>\$ 25,150</u>	<u>\$ 32,736</u>	<u>\$ 15,300</u>	<u>\$ 26,152</u>
<u>Disbursements</u>								
General County Government:								
County Commission	\$ 107,406	\$ 57,012	\$ 90,195	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety:								
Sheriff	-	-	-	-	72,800	30,176	36,875	-
Other Disbursements	-	209,400	-	241,893	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 107,406</u>	<u>\$ 266,412</u>	<u>\$ 90,195</u>	<u>\$ 241,893</u>	<u>\$ 72,800</u>	<u>\$ 30,176</u>	<u>\$ 36,875</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (87,706)	\$ (41,402)	\$ (68,895)	\$ 18,812	\$ (47,650)	\$ 2,560	\$ (21,575)	\$ 26,152
Cash and Equivalents, Jan 1	<u>87,707</u>	<u>87,707</u>	<u>68,895</u>	<u>68,895</u>	<u>47,727</u>	<u>47,727</u>	<u>21,575</u>	<u>21,575</u>
Cash and Equivalents, Dec 31	<u>\$ 1</u>	<u>\$ 46,305</u>	<u>\$ -</u>	<u>\$ 87,707</u>	<u>\$ 77</u>	<u>\$ 50,287</u>	<u>\$ -</u>	<u>\$ 47,727</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Sheriff Revolving Fund				Local Emergency Planning Commission Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	24,000	41,086	15,000	24,721	-	-	12,500	38
Interest	175	206	150	200	22	15	40	25
Other Receipts	-	-	-	-	8,500	-	-	8,758
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,175</u>	<u>\$ 41,292</u>	<u>\$ 15,150</u>	<u>\$ 24,921</u>	<u>\$ 8,522</u>	<u>\$ 15</u>	<u>\$ 12,540</u>	<u>\$ 8,821</u>
<u>Disbursements</u>								
Public Safety:								
Sheriff	\$ 56,000	\$ 45,844	\$ 36,810	\$ 14,031	\$ -	\$ -	\$ -	\$ -
Other Disbursements	-	-	-	-	11,600	888	12,725	5,763
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 56,000</u>	<u>\$ 45,844</u>	<u>\$ 36,810</u>	<u>\$ 14,031</u>	<u>\$ 11,600</u>	<u>\$ 888</u>	<u>\$ 12,725</u>	<u>\$ 5,763</u>
Receipts Over (Under)								
Disbursements	\$ (31,825)	\$ (4,552)	\$ (21,660)	\$ 10,890	\$ (3,078)	\$ (873)	\$ (185)	\$ 3,058
Cash and Equivalents, Jan 1	<u>32,551</u>	<u>32,551</u>	<u>21,661</u>	<u>21,661</u>	<u>3,286</u>	<u>3,286</u>	<u>228</u>	<u>228</u>
Cash and Equivalents, Dec 31	<u>\$ 726</u>	<u>\$ 27,999</u>	<u>\$ 1</u>	<u>\$ 32,551</u>	<u>\$ 208</u>	<u>\$ 2,413</u>	<u>\$ 43</u>	<u>\$ 3,286</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Prosecuting Attorney Delinquent Tax Fund				Deputy Sheriff Salary Supplementation Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	19,500	79,997	-	88,620
Charges for Services	-	-	-	-	75,000	14,429	25,000	18,075
Interest	35	59	25	73	-	-	-	-
Other Receipts	2,300	6,925	3,000	2,534	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,335</u>	<u>\$ 6,984</u>	<u>\$ 3,025</u>	<u>\$ 2,607</u>	<u>\$ 94,500</u>	<u>\$ 94,426</u>	<u>\$ 25,000</u>	<u>\$ 106,695</u>
<u>Disbursements</u>								
Public Safety:								
Sheriff	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 71,610	\$ 25,000	\$ 74,420
Prosecuting Attorney	12,500	5,098	12,097	1,438	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	5,267	-	5,462
Other Disbursements	-	-	-	-	-	14,429	-	18,075
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,500</u>	<u>\$ 5,098</u>	<u>\$ 12,097</u>	<u>\$ 1,438</u>	<u>\$ 100,000</u>	<u>\$ 91,306</u>	<u>\$ 25,000</u>	<u>\$ 97,957</u>
Receipts Over (Under)								
Disbursements	\$ (10,165)	\$ 1,886	\$ (9,072)	\$ 1,169	\$ (5,500)	\$ 3,120	\$ -	\$ 8,738
Cash and Equivalents, Jan 1	<u>10,242</u>	<u>10,242</u>	<u>9,073</u>	<u>9,073</u>	<u>8,738</u>	<u>8,738</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u>\$ 77</u>	<u>\$ 12,128</u>	<u>\$ 1</u>	<u>\$ 10,242</u>	<u>\$ 3,238</u>	<u>\$ 11,858</u>	<u>\$ -</u>	<u>\$ 8,738</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Sheriff's Fund				Peace Officers' Standards and Training Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	49,991	50,000	50,000	-	-	-	-
Interest	9	13	10	9	12	11	13	13
Other Receipts	-	-	-	-	1,400	1,735	1,600	1,490
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 50,009	\$ 50,004	\$ 50,010	\$ 50,009	\$ 1,412	\$ 1,746	\$ 1,613	\$ 1,503
Disbursements								
Public Safety:								
Sheriff	\$ 50,009	\$ 49,610	\$ 50,000	\$ 50,000	\$ 3,255	\$ 1,735	\$ 3,443	\$ 1,490
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 50,009	\$ 49,610	\$ 50,000	\$ 50,000	\$ 3,255	\$ 1,735	\$ 3,443	\$ 1,490
Receipts Over (Under)								
Disbursements	\$ -	\$ 394	\$ 10	\$ 9	\$ (1,843)	\$ 11	\$ (1,830)	\$ 13
Cash and Equivalents, Jan 1	72	72	63	63	1,844	1,844	1,831	1,831
Cash and Equivalents, Dec 31	<u>\$ 72</u>	<u>\$ 466</u>	<u>\$ 73</u>	<u>\$ 72</u>	<u>\$ 1</u>	<u>\$ 1,855</u>	<u>\$ 1</u>	<u>\$ 1,844</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Election Fund				Liberty Common Road Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,062	\$ 651	\$ 685	\$ 732
Sales Taxes	-	-	-	-	6,579	6,857	7,200	6,958
Intergovernmental	-	-	-	-	4,056	4,129	3,982	4,137
Charges for Services	-	-	-	-	-	-	-	-
Interest	50	78	50	75	145	149	75	138
Other Receipts	3,500	6,697	3,000	9,319	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,550</u>	<u>\$ 6,775</u>	<u>\$ 3,050</u>	<u>\$ 9,394</u>	<u>\$ 11,842</u>	<u>\$ 11,786</u>	<u>\$ 11,942</u>	<u>\$ 11,965</u>
<u>Disbursements</u>								
General County Government:								
Elections	\$ 15,500	\$ 6,886	\$ 10,000	\$ 5,103	\$ -	\$ -	\$ -	\$ -
Highways and Roads	-	-	-	-	33,685	3,983	26,673	4,972
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,500</u>	<u>\$ 6,886</u>	<u>\$ 10,000</u>	<u>\$ 5,103</u>	<u>\$ 33,685</u>	<u>\$ 3,983</u>	<u>\$ 26,673</u>	<u>\$ 4,972</u>
Receipts Over (Under)								
Disbursements	\$ (11,950)	\$ (111)	\$ (6,950)	\$ 4,291	\$ (21,843)	\$ 7,803	\$ (14,731)	\$ 6,993
Cash and Equivalents, Jan 1	<u>12,389</u>	<u>12,389</u>	<u>8,098</u>	<u>8,098</u>	<u>21,938</u>	<u>21,938</u>	<u>14,945</u>	<u>14,945</u>
Cash and Equivalents, Dec 31	<u>\$ 439</u>	<u>\$ 12,278</u>	<u>\$ 1,148</u>	<u>\$ 12,389</u>	<u>\$ 95</u>	<u>\$ 29,741</u>	<u>\$ 214</u>	<u>\$ 21,938</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Flood Control Fund				Southwest Missouri Drug Task Force Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	31,059	-	28,223	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	29,924	9,924	290,000	184,245
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 31,059	\$ -	\$ 28,223	\$ 29,924	\$ 9,924	\$ 290,000	\$ 184,245
Disbursements								
Other Disbursements	\$ -	\$ 31,059	\$ -	\$ 28,223	\$ 39,924	\$ 19,924	\$ 290,000	\$ 174,245
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 31,059	\$ -	\$ 28,223	\$ 39,924	\$ 19,924	\$ 290,000	\$ 174,245
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ (10,000)	\$ -	\$ 10,000
Cash and Equivalents, Jan 1	-	-	-	-	10,000	10,000	-	-
Cash and Equivalents, Dec 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Emergency Reserve Fund				Senior Citizens Service Board Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 224,300	\$ 215,967	\$ 213,850	\$ 224,791
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	400	458	650	354
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	105,000	-	105,200	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ 105,200</u>	<u>\$ 224,700</u>	<u>\$ 216,425</u>	<u>\$ 214,500</u>	<u>\$ 225,145</u>
<u>Disbursements</u>								
Other Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 237,045	\$ 195,098	\$ 224,634	\$ 223,056
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,045</u>	<u>\$ 195,098</u>	<u>\$ 224,634</u>	<u>\$ 223,056</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 105,000	\$ -	\$ 105,200	\$ (12,345)	\$ 21,327	\$ (10,134)	\$ 2,089
Cash and Equivalents, Jan 1	<u>105,200</u>	<u>105,200</u>	<u>-</u>	<u>-</u>	<u>64,847</u>	<u>64,847</u>	<u>62,758</u>	<u>62,758</u>
Cash and Equivalents, Dec 31	<u>\$ 105,200</u>	<u>\$ 210,200</u>	<u>\$ -</u>	<u>\$ 105,200</u>	<u>\$ 52,502</u>	<u>\$ 86,174</u>	<u>\$ 52,624</u>	<u>\$ 64,847</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Collector's Tax Maintenance Fund				Senate Bill 40 Board Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 315,000	\$ 307,884	\$ 310,000	\$ 320,113
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	49,000	47,519	48,300	49,217	-	-	-	-
Interest	170	44	190	157	10,000	9,106	15,000	9,596
Other	-	-	-	785	-	30,019	-	60,281
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 49,170	\$ 47,563	\$ 48,490	\$ 50,159	\$ 325,000	\$ 347,009	\$ 325,000	\$ 389,990
<u>Disbursements</u>								
General County Government:								
Collector	\$ 83,870	\$ 34,042	\$ 120,385	\$ 61,957	\$ -	\$ -	\$ -	\$ -
Other Disbursements	-	-	-	-	628,794	345,123	629,794	306,476
Transfers Out	-	9,000	-	30,000	-	-	-	-
Total Disbursements	\$ 83,870	\$ 43,042	\$ 120,385	\$ 91,957	\$ 628,794	\$ 345,123	\$ 629,794	\$ 306,476
Receipts Over (Under)								
Disbursements	\$ (34,700)	\$ 4,521	\$ (71,895)	\$ (41,798)	\$ (303,794)	\$ 1,886	\$ (304,794)	\$ 83,514
Cash and Equivalents, Jan 1	29,463	29,463	71,261	71,261	907,266	907,266	823,752	823,752
Cash and Equivalents, Dec 31	<u>\$ (5,237)</u>	<u>\$ 33,984</u>	<u>\$ (634)</u>	<u>\$ 29,463</u>	<u>\$ 603,472</u>	<u>\$ 909,152</u>	<u>\$ 518,958</u>	<u>\$ 907,266</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 1 - Summary of Significant Accounting Policies

Organized in 1835, the county of Barry was named after United States Postmaster General, William Taylor Barry. It is a third-class county, and the county seat is Cassville. Barry County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk/Ex-Officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Barry County, Missouri, the Barry County Senior Citizens Service Board, and the Barry County Senate Bill 40 Board.

Barry County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Barry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Barry County's legal entity. The Barry County Senior Citizens Service Board and Senate Bill 40 Board are controlled by separate boards and are also included under the control of Barry County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Barry County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

If Barry 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.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Barry County adopts a budget for each governmental fund.

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.

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.

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.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

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 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.

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

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures: Sheriff Special Enforcement Fund in 2012, Forest Reserve Fund in 2013 and 2012, and Deputy Sheriff Salary Supplementation Fund in 2012. We noted the following funds without a prepared budget: Flood Control Fund in 2013 and 2012 and Emergency Reserve Fund in 2013 and 2012. Also, the Collector's Tax Maintenance Fund is budgeted at a deficit in 2013 and 2012.

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 1 - Summary of Significant Accounting Policies (continued)

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 Barry County's boundaries for the calendar year 2013 and 2012, respectively, for the purposes of County taxation was as follows:

	<u>2013</u>	<u>2012</u>
Real Estate	\$ 328,803,624	\$ 322,507,286
Personal Property	111,487,723	110,770,022
Railroad and Utilities	16,359,306	16,130,544
	<u>\$ 456,650,653</u>	<u>\$ 449,407,852</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2013 and 2012, respectively, for the purpose of County taxation, was as follows:

	<u>2013</u>	<u>2012</u>
Senate Bill 40 Board	\$ 0.0700	\$ 0.0700
Senior Citizens Service Board	0.0500	0.0500

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Barry County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Barry County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2013, 100% of Barry County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

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

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 2,822,039	\$ 2,593,128
Investments	775,535	775,535
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 3,597,574</u>	<u>\$ 3,368,663</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2012, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 2,382,057	\$ 2,366,774
Investments	772,837	772,837
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2012	<u>\$ 3,154,894</u>	<u>\$ 3,139,611</u>

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. Barry County's investment policy does not include custodial credit risk requirements. Barry County's deposits were not exposed to custodial credit risk for the years ended December 31, 2013 and 2012.

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 2 - Deposits and Investments (continued)

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 that sold the security to Barry County or its agent but not in the government's name. Barry 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 Barry County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Barry 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 Barry 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). Barry County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Barry County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2013 and 2012.

Note 3 - Interfund Transfers

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

Fund	2013		2012	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 25,300	\$ 105,000	\$ 52,000	\$ 105,200
Prosecuting Attorney Administrative Handling Cost	-	16,300	-	22,000
Emergency Reserve	105,000	-	105,200	-
Collector's Tax Maintenance	-	9,000	-	30,000
Total	<u>\$ 130,300</u>	<u>\$ 130,300</u>	<u>\$ 157,200</u>	<u>\$ 157,200</u>

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 4 - County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. 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 65102, or by calling 1-877-632-2373.

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2013 and 2012, the County collected and remitted to CERF, employee contributions of \$70,893 and \$74,754, respectively, for the years then ended.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Barry County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Barry County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2013 and 2012.

Note 6 - Other Retirement Plan

Barry County has a voluntary 401(a) plan administered by Great West which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2013 and 2012 were \$11,110 and \$12,200, respectively.

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 7 - Post-Employment Benefits

Barry 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 Barry County.

Note 8 - Claims, Commitments and Contingencies

Compensated Absences

The County provides employees with up to three weeks of vacation, depending on length of service. Any remaining unused vacation is not reimbursed upon termination of employment. Sick leave is accrued at 0.5 days per month with a total maximum number of 30 days accrued. Employees can be reimbursed for up to half of any unused sick time upon termination of employment. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

Other Commitments

The County entered into a short-term promissory note with Security Bank of Southwest Missouri for county jail improvements. The note was for \$47,697 due December 31, 2012 with interest payable at 3.25%. This balance was paid in full as of December 31, 2012. Interest expense for the note for the year ended December 31, 2012 was \$138.

Note 9 - 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. 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 537.700 RSMo). 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 meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

Note 10 - Subsequent Events

The County has evaluated events subsequent to December 31, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 11, 2014, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



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

To the County Commission and
Officeholders of Barry County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Barry County, Missouri, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Barry County, Missouri's basic financial statements and have issued our report thereon dated July 11, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 13/12-2 and 13/12-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barry County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

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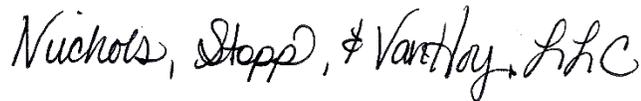
opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 13/12-1.

Barry County, Missouri's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive style.

Creve Coeur, Missouri
July 11, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission and Officeholders of Barry County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Barry County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Barry County, Missouri's major federal programs for the years ended December 31, 2013 and 2012. Barry County, Missouri'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 Barry County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Barry County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Barry County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Barry County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the 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 13/12-4. Our opinion on each major federal program is not modified with respect to these matters.

Barry County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Barry County,

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Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

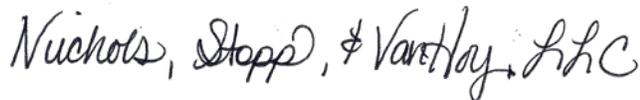
Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Creve Coeur, Missouri
July 11, 2014

**The County of Barry
Cassville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2013 & 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2013	2012
U.S. Department of Agriculture				
Passed through state:				
Office of Administration -				
Schools and Roads - Grants to States	10.665	n/a	\$ 266,412	\$ 241,893
U.S. Department of Defense				
Passed through state:				
Office of Administration -				
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	31,059	28,223
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	n/a	89,033	78,496
U.S. Department of Justice				
JAG Program Cluster				
Passed through state:				
Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-JAG-001	-	58,414
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-JAG-032	-	50,775
Total Edward Byrne Memorial Justice Assistance Grant			-	109,189
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories				
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-JAG-RA-066	-	27,243
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-JAG-RA-096	-	18,678
Total ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories			-	45,921
Total JAG Program Cluster			-	155,110
Total U.S. Department of Justice			-	155,110
U.S. Department of Transportation				
Passed through state:				
Department of Transportation -				
Alcohol Open Container Requirements	20.607	13-154-AL-014	1,881	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	CEPF - Barry	858	3,935
Total U.S. Department of Transportation			2,739	3,935

**The County of Barry
Cassville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2013 & 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2013	2012
General Services Administration				
Passed through state:				
Office of Secretary of State - Election Reform Payments	39.011	n/a	1,491	5,038
Election Assistance Commission				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	n/a	-	7,802
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services - Foster Care _ Title IV-E	93.568	ER0172238	57,465	57,423
U.S. Department of Homeland Security				
Passed through state:				
Department of Public Safety - Emergency Management Performance Grants	97.042	EMPG-2012	-	4,850
Emergency Management Performance Grants	97.042	EMPG-2013	5,000	-
Homeland Security Grant Program	97.067	2010-SS-T0-0039	29,980	149,962
Homeland Security Grant Program	97.067	n/a	2,000	1,958
Total Homeland Security Grant Program			<u>31,980</u>	<u>151,920</u>
Total U.S. Department of Homeland Security			<u>36,980</u>	<u>156,770</u>
Total Expenditures of Federal Awards			<u>\$ 485,179</u>	<u>\$ 734,690</u>

The County of Barry
Cassville, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2013 & 2012

Note 1 - Summary of Significant Accounting Policies

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 federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Barry County, Missouri.

Basis of Presentation

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.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$209,412 and \$241,893 of federal funds related to the Schools and Roads - Grants to States (CFDA# 10.665) to local schools and road districts for the years ended December 31, 2013 and 2012, respectively.

The County passed through \$31,059 and \$28,223 of federal funds related to the Payments to States in Lieu of Real Estate Taxes (CFDA# 12.112) to local schools and road districts for the years ended December 31, 2013 and 2012, respectively.

The County passed through \$0 and \$109,189 of federal funds related to the Edward Byrne Memorial Justice Assistance Grant (CFDA# 16.738) to the Southwest Missouri Drug Task Force for the years ended December 31, 2013 and 2012, respectively.

The County passed through \$0 and \$45,921 of federal funds related to the ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories (CFDA# 16.803) to the Southwest Missouri Drug Task Force for the years ended December 31, 2013 and 2012, respectively.

**The County of Barry
Cassville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None Reported

Any noncompliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? X Yes _____ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
15.226	Payments in Lieu of Taxes

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

Auditee qualified as low-risk auditee? _____ Yes X No

The County of Barry
Cassville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012

Section 2 - Financial Statement Findings

13/12 - 1 **Condition:** During our audit, we noted the following funds with actual expenditures that exceeded the budgeted expenditures: Sheriff Special Enforcement Fund in 2012, Forest Reserve Fund in 2013 and 2012, and Deputy Sheriff Salary Supplementation Fund in 2012. We noted the following funds without a prepared budget: Flood Control Fund in 2013 and 2012 and Emergency Reserve Fund in 2013 and 2012. Also, the Collector's Tax Maintenance Fund is budgeted at a deficit in 2013 and 2012.

Effect: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds and budgeting a deficit in another, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: We do not prepare a budget for Forest Reserve Fund receipts for Title I funds and Mineral Rights or Flood Control Fund receipts because these monies are not kept by the County; we pass all funds through to the school districts and road districts. However, knowing that these monies need to be included in our expenditures of federal awards, we will take them into account on the budget for future years.

We did not take into account an entire year of receipts and expenditures when preparing a budget for the Deputy Sheriff Salary Supplementation Fund in 2012, and we have corrected this issue in 2013 in order to be in compliance. The Sheriff Special Enforcement Fund exceeded budget in 2012 due to a purchase of bulletproof vests; we are aware of this oversight and have remedied the problem.

In regards to the Collector's Tax Maintenance Fund, we did not account for outstanding checks in our beginning and ending cash balances when preparing the budgeted expenditures for 2013 and 2012. This problem will be corrected in the future.

Due to the nature of the Emergency Reserve Fund, we have not prepared a budget since it merely acts as a fund reserve for the County. We will take this finding into consideration when preparing future budgets.

13/12 - 2 **Condition:** Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

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.

Management's Response: We have prepared a documented set of internal controls and adopted the policy as of January 2014.

The County of Barry
Cassville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012

Section 2 - Financial Statement Findings (continued)

13/12 - 3 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud 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 identifying risks and mitigating controls.

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.

Management's Response: We have prepared a formal fraud risk assessment document and adopted the policies and procedures within the document in May 2014.

Section 3 - Federal Award Findings and Questioned Costs

13/12 - 4 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: *OMB Circular A-133* requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: All SEFA errors will be corrected now that we are aware of the need to include Title I, Mineral Receipts, Flood Control and any other monies for which we serve as a pass-through entity only.

**The County of Barry
Cassville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Barry County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010.

Prior Year Financial Statement Findings

10/09 - 1 **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 the financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their 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 necessitate the entity's auditor to provide such assistance is 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.

Views to responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

Status: This is no longer considered a significant deficiency.

10/09 - 2 **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 Barry
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Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

Prior Year Financial Statement Findings (continued)

10/09 - 2 **Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. Each official has their own internal controls within their office.

Status: Management has not corrected this issue, therefore, this finding is repeated as finding 13/12 - 2.

10/09 - 3 **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.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

Status: Management has not corrected this issue, therefore, this finding is repeated as finding 13/12 - 3.

10/09 - 4 **Criteria:** SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit, an amendment to SAS No. 55*.

Condition: Lack of segregation of duties in the Recorder's Office.

Context: During our audit, we noted a single employee has the ability to initiate, record, reconcile and monitor a single transaction.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

**The County of Barry
Cassville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

10/09 - 4 **Cause:** Lack of staff.
(cont.)

Recommendation: Hire another employee to segregate duties or find other ways to monitor transaction of employees.

Views of responsible officials and planned corrective actions: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

Status: This is no longer considered a significant deficiency.

10/09 - 5 **Criteria:** Monthly reconciliation of bank accounts.

Condition: Bank account reconciliations are not being properly prepared in the Recorder's Office, Collector's Office and the Drug Task Force Office.

Context: During our audit, we noted that the reconciliation of the Recorder's accounts are not being properly reconciled on a monthly basis due to including checks written in the following month of the month being reconciled for 2009 and 2010, the Collector's escrow account for 2010 and the JAG account for 2010.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Recorder's, Collector's and Drug Task Force account reconciliations are not being properly prepared.

Recommendation: We recommend that these offices properly reconcile their accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: We agree with the finding and will implement the recommendation immediately.

Status: Management has corrected this issue.

Prior Year Federal Award Findings (continued)

SA All Programs
10/09 - 1

Information on the federal programs: The schedule of expenditures of federal awards contained errors.

Criteria: Section 310(b) of *Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Questioned Costs: Not Applicable.

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Follow-Up to Prior Audit Findings for an Audit of Financial
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Prior Year Federal Award Findings

SA 10/09 - 1 (cont.) **Context:** During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule. Amounts reported were not supported by the documentation provided. Some of these errors were due to using revenue instead of expenditures while others were just errors.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

Status: Management has not corrected this issue, therefore, this finding is repeated as finding 13/12 - 4.