



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stone 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, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-063

**The County of Stone
Galena, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Stone
Galena, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	24
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	35
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	37
Schedule of Expenditures of Federal Awards.....	39
Notes to the Schedule of Expenditures of Federal Awards.....	40
Schedule of Findings and Questioned Costs.....	41
Schedule of Prior Year Audit Findings.....	44

INDEPENDENT AUDITOR'S REPORT



To the County Commission and
Officeholders of Stone County, Missouri

We have audited the accompanying financial statements of Stone County, Missouri, as of and for the years ended December 31, 2014 and 2013, 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 Stone 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 Stone County, Missouri, as of December 31, 2014 and 2013, 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 Stone County, Missouri, as of December 31, 2014 and 2013, 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

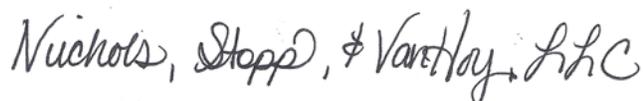
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stone 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 8, 2015, on our consideration of Stone 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 Stone County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 8, 2015

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue	\$ 1,177,209	\$ 6,709,867	\$ 7,010,703	\$ 876,373
Special Road and Bridge	861,812	4,033,070	4,165,513	729,369
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	10,242	75,156	20,000	65,398
Special Road Projects	3,859	9,703	12,487	1,075
Flood Control	-	683,755	683,755	-
National Forest	(1)	33,310	33,309	-
Assessment	211,412	530,463	571,727	170,148
Law Enforcement Restitution	31,412	31,449	34,310	28,551
Election Grant	8,672	18,136	287	26,521
Law Enforcement Grant	(4,390)	33,198	26,762	2,046
Capital Improvement	4	66,381	66,381	4
Emergency	1,336,404	2,956	300,000	1,039,360
Law Enforcement Training	703	4,538	5,870	(629)
Prosecuting Attorney Training	1,199	717	1,594	322
Local Emergency Planning Committee	12,856	6,862	2,903	16,815
Insurance Claims Proceeds	39,288	40,803	63,824	16,267
Children's Trust	765	790	815	740
Abuse Victims	4,050	4,223	4,270	4,003
Inmate Security	15,428	51,987	42,077	25,338
Special Recorder	239,567	116,000	174,996	180,571
Special Recorder Capital Improvement	-	100,000	-	100,000
Sheriff's Revolving	23,637	37,498	38,190	22,945
Election Services	21,185	7,453	7,524	21,114
Senior Citizens Service Board	150,654	263,264	280,996	132,922
Prosecuting Attorney Delinquent Tax	20,887	2,705	11,949	11,643
Drug Abuse Resistance Education	12,070	14,703	15,023	11,750
Jail Prisoner Transport	-	26,421	11,538	14,883
Reserve	-	300,856	-	300,856
Law Enforcement Civil Fees	4,957	68,908	64,492	9,373
Prosecuting Attorney Bad Check	1,577	10,151	4,915	6,813
Collector's Tax Maintenance	1,784	55,156	56,735	205
Tax Maintenance Archive	67,360	-	-	67,360
Federal Seized and Forfeiture	424	1	-	425
Total	<u>\$ 4,755,026</u>	<u>\$ 13,340,480</u>	<u>\$ 13,712,945</u>	<u>\$ 4,382,561</u>

See Notes to the Financial Statements

The County of Stone
Galena, 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 (restated)	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 1,337,676	\$ 6,611,840	\$ 6,772,307	\$ 1,177,209
Special Road and Bridge	660,156	3,896,963	3,695,307	861,812
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	10,173	69	-	10,242
Special Road Projects	1,179	5,276	2,596	3,859
Flood Control	-	748,608	748,608	-
National Forest	(1)	42,024	42,024	(1)
Assessment	205,476	530,060	524,124	211,412
Law Enforcement Restitution	17,959	28,812	15,359	31,412
Election Grant	3,623	21,668	16,619	8,672
Law Enforcement Grant	388	10,277	15,055	(4,390)
Capital Improvement	4,806	8	4,810	4
Emergency	1,027,392	309,012	-	1,336,404
Law Enforcement Training	7,157	3,709	10,163	703
Prosecuting Attorney Training	647	667	115	1,199
Local Emergency Planning Committee	15,783	-	2,927	12,856
Insurance Claims Proceeds	42,441	48,251	51,404	39,288
Children's Trust	435	830	500	765
Abuse Victims	4,338	4,403	4,691	4,050
Inmate Security	1,956	17,293	3,821	15,428
Special Recorder	272,249	110,811	143,493	239,567
Special Recorder Capital Improvement	-	-	-	-
Sheriff's Revolving	7,101	45,607	29,071	23,637
Election Services	20,716	5,487	5,018	21,185
Senior Citizens Service Board	208,492	256,789	314,627	150,654
Prosecuting Attorney Delinquent Tax	17,990	2,977	80	20,887
Drug Abuse Resistance Education	3,532	21,430	12,892	12,070
Jail Prisoner Transport	-	-	-	-
Reserve	-	-	-	-
Law Enforcement Civil Fees	235	53,192	48,470	4,957
Prosecuting Attorney Bad Check	4,316	11,985	14,724	1,577
Collector's Tax Maintenance	578	51,091	49,885	1,784
Tax Maintenance Archive	58,110	14,000	4,750	67,360
Federal Seized and Forfeiture	421	3	-	424
Total	<u>\$ 4,435,324</u>	<u>\$ 12,853,142</u>	<u>\$ 12,533,440</u>	<u>\$ 4,755,026</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 720,540	\$ 729,722	\$ 720,540	\$ 667,201
Sales Taxes	4,096,824	4,294,745	3,912,925	4,291,308
Intergovernmental	297,612	310,128	267,248	281,329
Charges for Services	1,139,800	1,042,469	1,003,100	1,004,363
Interest	5,000	4,962	20,000	13,184
Other Receipts	302,740	325,001	310,240	354,455
Transfers In	-	2,840	-	-
Total Receipts	<u>\$ 6,562,516</u>	<u>\$ 6,709,867</u>	<u>\$ 6,234,053</u>	<u>\$ 6,611,840</u>
Disbursements				
General County Government:				
County Commission	\$ 215,084	\$ 211,146	\$ 214,144	\$ 212,590
County Clerk	154,120	151,194	152,160	149,741
Elections	250,620	198,745	184,140	138,948
Buildings and Grounds	325,320	315,363	262,600	273,460
Employee Fringe Benefits	922,049	841,347	852,403	846,965
County Treasurer	95,240	92,825	91,050	89,639
County Collector	276,257	277,409	267,256	271,278
Recorder of Deeds	171,980	167,993	170,700	164,300
Circuit Clerk	83,860	77,516	78,380	74,179
Court Administration	134,874	86,468	139,200	85,217
Public Administrator	64,075	62,188	64,675	61,231
Public Safety:				
Sheriff	1,665,254	1,659,806	1,630,575	1,650,734
Jail	703,710	701,024	705,433	695,849
Prosecuting Attorney	490,879	474,041	472,622	455,832
Juvenile Officer	118,508	96,108	112,006	96,841
County Coroner	41,121	41,776	36,171	40,648
Other:				
Emergency Management	19,850	19,029	19,750	18,634
Janitorial	88,620	83,480	122,940	117,455
Planning and Zoning	191,507	183,228	178,315	171,983
Debt Service	266,000	267,650	234,200	264,170
Other Disbursements	840,327	727,877	497,480	467,916
Transfers Out	275,855	274,490	484,697	424,697
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 7,395,110</u>	<u>\$ 7,010,703</u>	<u>\$ 6,970,897</u>	<u>\$ 6,772,307</u>
Receipts Over (Under)				
Disbursements	\$ (832,594)	\$ (300,836)	\$ (736,844)	\$ (160,467)
Cash and Equivalents, Jan 1	<u>1,177,209</u>	<u>1,177,209</u>	<u>1,337,676</u>	<u>1,337,676</u>
Cash and Equivalents, Dec 31	<u>\$ 344,615</u>	<u>\$ 876,373</u>	<u>\$ 600,832</u>	<u>\$ 1,177,209</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 6,500	\$ 6,763	\$ 5,490	\$ 7,506
Sales Taxes	1,952,687	2,089,667	1,855,945	1,952,686
Intergovernmental	1,212,000	1,293,098	1,182,000	1,249,674
Charges for Services	-	-	-	-
Interest	14,000	4,454	14,000	12,649
Other Receipts	7,000	4,275	1,000	11,463
Transfers In	689,352	634,813	664,352	662,985
Total Receipts	<u>\$ 3,881,539</u>	<u>\$ 4,033,070</u>	<u>\$ 3,722,787</u>	<u>\$ 3,896,963</u>
Disbursements				
Salaries	\$ 1,133,600	\$ 1,090,424	\$ 1,114,880	\$ 1,093,577
Employee Fringe Benefits	352,589	329,084	341,225	330,996
Supplies	366,500	369,425	378,500	346,150
Insurance	68,000	66,703	66,602	67,135
Road and Bridge Materials	1,748,000	1,649,635	1,680,000	1,532,826
Equipment Repairs	217,500	226,472	236,312	179,956
Rentals	2,000	752	2,500	148
Equipment Purchases	300,000	277,411	90,000	30,681
Other Expenditures	163,460	155,607	137,350	113,838
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 4,351,649</u>	<u>\$ 4,165,513</u>	<u>\$ 4,047,369</u>	<u>\$ 3,695,307</u>
Receipts Over (Under)				
Disbursements	\$ (470,110)	\$ (132,443)	\$ (324,582)	\$ 201,656
Cash and Equivalents, Jan 1	<u>861,812</u>	<u>861,812</u>	<u>660,156</u>	<u>660,156</u>
Cash and Equivalents, Dec 31	<u>\$ 391,702</u>	<u>\$ 729,369</u>	<u>\$ 335,574</u>	<u>\$ 861,812</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Road and Bridge Reserve Fund				Road and Bridge Capital Improvement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	65	156	25	69
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	75,000	75,000	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,065</u>	<u>\$ 75,156</u>	<u>\$ 25</u>	<u>\$ 69</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	500,000	-	500,000	-	85,000	20,000	10,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 20,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (500,000)	\$ -	\$ (500,000)	\$ -	\$ (9,935)	\$ 55,156	\$ (9,975)	\$ 69
Cash and Equivalents, Jan 1	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>10,242</u>	<u>10,242</u>	<u>10,173</u>	<u>10,173</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 307</u>	<u>\$ 65,398</u>	<u>\$ 198</u>	<u>\$ 10,242</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road Projects Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	5,000	9,703	3,000	5,276
Transfers In	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 9,703</u>	<u>\$ 3,000</u>	<u>\$ 5,276</u>
Disbursements				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	8,858	12,487	4,000	2,596
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 8,858</u>	<u>\$ 12,487</u>	<u>\$ 4,000</u>	<u>\$ 2,596</u>
Receipts Over (Under)				
Disbursements	\$ (3,858)	\$ (2,784)	\$ (1,000)	\$ 2,680
Cash and Equivalents, Jan 1	<u>3,859</u>	<u>3,859</u>	<u>1,179</u>	<u>1,179</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1</u></u>	<u><u>\$ 1,075</u></u>	<u><u>\$ 179</u></u>	<u><u>\$ 3,859</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Flood Control Fund				National Forest Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	683,755	-	748,608	-	33,310	-	42,024
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 683,755</u>	<u>\$ -</u>	<u>\$ 748,608</u>	<u>\$ -</u>	<u>\$ 33,310</u>	<u>\$ -</u>	<u>\$ 42,024</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	132,269	-	146,129	-	24,982	-	31,518
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	551,486	-	602,479	-	8,327	-	10,506
Total Disbursements	<u>\$ -</u>	<u>\$ 683,755</u>	<u>\$ -</u>	<u>\$ 748,608</u>	<u>\$ -</u>	<u>\$ 33,309</u>	<u>\$ -</u>	<u>\$ 42,024</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Law Enforcement Restitution Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	451,545	470,651	440,706	451,581	-	-	-	-
Charges for Services	-	-	-	-	30,000	31,449	27,000	28,812
Interest	2,000	691	2,000	2,002	-	-	-	-
Other Receipts	1,000	1,012	1,300	1,780	-	-	100	-
Transfers In	58,109	58,109	134,697	74,697	-	-	-	-
Total Receipts	\$ 512,654	\$ 530,463	\$ 578,703	\$ 530,060	\$ 30,000	\$ 31,449	\$ 27,100	\$ 28,812
Disbursements								
Salaries	\$ 366,520	\$ 353,605	\$ 359,760	\$ 339,454	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	104,537	90,470	104,541	87,617	-	-	-	-
Materials and Supplies	51,000	46,883	39,500	36,404	-	-	-	-
Services	12,700	9,401	12,700	10,026	-	-	-	-
Other Expenditures	18,700	15,095	17,864	14,025	60,000	34,310	45,000	15,359
Capital Outlay	66,000	56,273	34,000	36,598	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 619,457	\$ 571,727	\$ 568,365	\$ 524,124	\$ 60,000	\$ 34,310	\$ 45,000	\$ 15,359
Receipts Over (Under)								
Disbursements	\$ (106,803)	\$ (41,264)	\$ 10,338	\$ 5,936	\$ (30,000)	\$ (2,861)	\$ (17,900)	\$ 13,453
Cash and Equivalents, Jan 1	211,412	211,412	205,476	205,476	31,412	31,412	17,959	17,959
Cash and Equivalents, Dec 31	\$ 104,609	\$ 170,148	\$ 215,814	\$ 211,412	\$ 1,412	\$ 28,551	\$ 59	\$ 31,412

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Grant Fund				Law Enforcement Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,291	18,045	8,808	21,091	35,000	29,831	35,500	7,940
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	77	70	135	-	-	-	-
Other Receipts	-	14	1,000	442	-	1,050	500	2,337
Transfers In	-	-	-	-	-	2,317	-	-
Total Receipts	<u>\$ 9,291</u>	<u>\$ 18,136</u>	<u>\$ 9,878</u>	<u>\$ 21,668</u>	<u>\$ 35,000</u>	<u>\$ 33,198</u>	<u>\$ 36,000</u>	<u>\$ 10,277</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	9,500	287	9,808	16,619	25,000	26,762	35,500	15,055
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,500</u>	<u>\$ 287</u>	<u>\$ 9,808</u>	<u>\$ 16,619</u>	<u>\$ 25,000</u>	<u>\$ 26,762</u>	<u>\$ 35,500</u>	<u>\$ 15,055</u>
Receipts Over (Under)								
Disbursements	\$ (209)	\$ 17,849	\$ 70	\$ 5,049	\$ 10,000	\$ 6,436	\$ 500	\$ (4,778)
Cash and Equivalents, Jan 1	<u>8,672</u>	<u>8,672</u>	<u>3,623</u>	<u>3,623</u>	<u>(4,390)</u>	<u>(4,390)</u>	<u>388</u>	<u>388</u>
Cash and Equivalents, Dec 31	<u>\$ 8,463</u>	<u>\$ 26,521</u>	<u>\$ 3,693</u>	<u>\$ 8,672</u>	<u>\$ 5,610</u>	<u>\$ 2,046</u>	<u>\$ 888</u>	<u>\$ (4,390)</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Capital Improvement Fund				Emergency Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10	-	-	8	8,700	2,956	8,500	9,012
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	67,746	66,381	-	-	-	-	300,000	300,000
Total Receipts	<u>\$ 67,756</u>	<u>\$ 66,381</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8,700</u>	<u>\$ 2,956</u>	<u>\$ 308,500</u>	<u>\$ 309,012</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	4,802	4,810	400,000	-	400,000	-
Capital Outlay	67,746	66,381	-	-	-	-	-	-
Transfers Out	-	-	-	-	300,000	300,000	-	-
Total Disbursements	<u>\$ 67,746</u>	<u>\$ 66,381</u>	<u>\$ 4,802</u>	<u>\$ 4,810</u>	<u>\$ 700,000</u>	<u>\$ 300,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 10	\$ -	\$ (4,802)	\$ (4,802)	\$ (691,300)	\$ (297,044)	\$ (91,500)	\$ 309,012
Cash and Equivalents, Jan 1	<u>4</u>	<u>4</u>	<u>4,806</u>	<u>4,806</u>	<u>1,336,404</u>	<u>1,336,404</u>	<u>1,027,392</u>	<u>1,027,392</u>
Cash and Equivalents, Dec 31	<u>\$ 14</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 645,104</u>	<u>\$ 1,039,360</u>	<u>\$ 935,892</u>	<u>\$ 1,336,404</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,261	2,300	2,458	650	717	575	667
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	1,277	950	1,251	-	-	-	-
Transfers In	-	1,000	-	-	-	-	-	-
Total Receipts	<u>\$ 2,500</u>	<u>\$ 4,538</u>	<u>\$ 3,250</u>	<u>\$ 3,709</u>	<u>\$ 650</u>	<u>\$ 717</u>	<u>\$ 575</u>	<u>\$ 667</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,500	5,870	8,500	10,163	1,800	1,594	700	115
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 5,870</u>	<u>\$ 8,500</u>	<u>\$ 10,163</u>	<u>\$ 1,800</u>	<u>\$ 1,594</u>	<u>\$ 700</u>	<u>\$ 115</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (1,332)	\$ (5,250)	\$ (6,454)	\$ (1,150)	\$ (877)	\$ (125)	\$ 552
Cash and Equivalents, Jan 1	<u>703</u>	<u>703</u>	<u>7,157</u>	<u>7,157</u>	<u>1,199</u>	<u>1,199</u>	<u>647</u>	<u>647</u>
Cash and Equivalents, Dec 31	<u>\$ 703</u>	<u>\$ (629)</u>	<u>\$ 1,907</u>	<u>\$ 703</u>	<u>\$ 49</u>	<u>\$ 322</u>	<u>\$ 522</u>	<u>\$ 1,199</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Local Emergency Planning Committee Fund				Insurance Claims Proceeds Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,800	6,862	2,800	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	50,000	40,803	58,000	48,251
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,800</u>	<u>\$ 6,862</u>	<u>\$ 2,800</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 40,803</u>	<u>\$ 58,000</u>	<u>\$ 48,251</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	15,000	2,903	15,000	2,927	-	-	10,000	9,512
Capital Outlay	-	-	-	-	50,000	63,824	60,000	41,892
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,000</u>	<u>\$ 2,903</u>	<u>\$ 15,000</u>	<u>\$ 2,927</u>	<u>\$ 50,000</u>	<u>\$ 63,824</u>	<u>\$ 70,000</u>	<u>\$ 51,404</u>
Receipts Over (Under)								
Disbursements	\$ (12,200)	\$ 3,959	\$ (12,200)	\$ (2,927)	\$ -	\$ (23,021)	\$ (12,000)	\$ (3,153)
Cash and Equivalents, Jan 1	<u>12,856</u>	<u>12,856</u>	<u>15,783</u>	<u>15,783</u>	<u>39,288</u>	<u>39,288</u>	<u>42,441</u>	<u>42,441</u>
Cash and Equivalents, Dec 31	<u>\$ 656</u>	<u>\$ 16,815</u>	<u>\$ 3,583</u>	<u>\$ 12,856</u>	<u>\$ 39,288</u>	<u>\$ 16,267</u>	<u>\$ 30,441</u>	<u>\$ 39,288</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Children's Trust Fund				Abuse Victims Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	830	790	800	830	4,450	4,223	4,000	4,403
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 830</u>	<u>\$ 790</u>	<u>\$ 800</u>	<u>\$ 830</u>	<u>\$ 4,450</u>	<u>\$ 4,223</u>	<u>\$ 4,000</u>	<u>\$ 4,403</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	1,000	815	900	500	6,000	4,270	6,000	4,691
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 815</u>	<u>\$ 900</u>	<u>\$ 500</u>	<u>\$ 6,000</u>	<u>\$ 4,270</u>	<u>\$ 6,000</u>	<u>\$ 4,691</u>
Receipts Over (Under)								
Disbursements	\$ (170)	\$ (25)	\$ (100)	\$ 330	\$ (1,550)	\$ (47)	\$ (2,000)	\$ (288)
Cash and Equivalents, Jan 1	<u>765</u>	<u>765</u>	<u>435</u>	<u>435</u>	<u>4,050</u>	<u>4,050</u>	<u>4,338</u>	<u>4,338</u>
Cash and Equivalents, Dec 31	<u>\$ 595</u>	<u>\$ 740</u>	<u>\$ 335</u>	<u>\$ 765</u>	<u>\$ 2,500</u>	<u>\$ 4,003</u>	<u>\$ 2,338</u>	<u>\$ 4,050</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Inmate Security Fund				Special Recorder Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,100	4,729	2,200	3,398	110,000	113,108	100,000	109,187
Interest	-	-	-	-	1,500	739	2,300	1,624
Other Receipts	20,000	47,258	-	13,895	-	2,153	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 37,100	\$ 51,987	\$ 2,200	\$ 17,293	\$ 111,500	\$ 116,000	\$ 102,300	\$ 110,811
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 29,000	\$ 16,652	\$ 30,056	\$ 12,950
Employee Fringe Benefits	-	-	-	-	2,219	1,274	2,300	987
Materials and Supplies	-	-	-	-	10,000	6,173	18,000	4,110
Services	-	-	-	-	9,000	2,660	3,000	1,920
Other Expenditures	44,000	39,237	-	-	-	-	180,000	83,599
Capital Outlay	-	-	2,300	3,821	59,000	48,237	49,000	39,927
Transfers Out	-	2,840	-	-	100,000	100,000	-	-
Total Disbursements	\$ 44,000	\$ 42,077	\$ 2,300	\$ 3,821	\$ 209,219	\$ 174,996	\$ 282,356	\$ 143,493
Receipts Over (Under)								
Disbursements	\$ (6,900)	\$ 9,910	\$ (100)	\$ 13,472	\$ (97,719)	\$ (58,996)	\$ (180,056)	\$ (32,682)
Cash and Equivalents, Jan 1	15,428	15,428	1,956	1,956	239,567	239,567	272,249	272,249
Cash and Equivalents, Dec 31	\$ 8,528	\$ 25,338	\$ 1,856	\$ 15,428	\$ 141,848	\$ 180,571	\$ 92,193	\$ 239,567

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Recorder Capital Improvement Fund				Sheriff Revolving Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	35,000	37,498	27,348	45,607
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	5,000	-	4,500	-
Transfers In	100,000	100,000	-	-	-	-	-	-
Total Receipts	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 37,498</u>	<u>\$ 31,848</u>	<u>\$ 45,607</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	395
Services	-	-	-	-	-	-	-	-
Other Expenditures	100,000	-	-	-	47,000	38,190	37,000	28,676
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,000</u>	<u>\$ 38,190</u>	<u>\$ 37,000</u>	<u>\$ 29,071</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 100,000	\$ -	\$ -	\$ (7,000)	\$ (692)	\$ (5,152)	\$ 16,536
Cash and Equivalents, Jan 1	-	-	-	-	23,637	23,637	7,101	7,101
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,637</u>	<u>\$ 22,945</u>	<u>\$ 1,949</u>	<u>\$ 23,637</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Services Fund				Senior Citizens Service Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 260,521	\$ 262,812	\$ 250,686	\$ 250,053
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	7,345	-	5,487	-	-	-	-
Interest	-	-	-	-	600	373	600	565
Other Receipts	-	108	-	-	-	79	-	6,171
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 7,453</u>	<u>\$ -</u>	<u>\$ 5,487</u>	<u>\$ 261,121</u>	<u>\$ 263,264</u>	<u>\$ 251,286</u>	<u>\$ 256,789</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	3,300	1,921	3,300	1,809
Services	-	-	-	-	2,100	947	386,378	298,390
Other Expenditures	-	7,524	-	5,018	343,375	262,523	2,100	1,283
Capital Outlay	-	-	-	-	13,000	15,605	18,000	13,145
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 7,524</u>	<u>\$ -</u>	<u>\$ 5,018</u>	<u>\$ 361,775</u>	<u>\$ 280,996</u>	<u>\$ 409,778</u>	<u>\$ 314,627</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (71)	\$ -	\$ 469	\$ (100,654)	\$ (17,732)	\$ (158,492)	\$ (57,838)
Cash and Equivalents, Jan 1	<u>21,185</u>	<u>21,185</u>	<u>20,716</u>	<u>20,716</u>	<u>150,654</u>	<u>150,654</u>	<u>208,492</u>	<u>208,492</u>
Cash and Equivalents, Dec 31	<u>\$ 21,185</u>	<u>\$ 21,114</u>	<u>\$ 20,716</u>	<u>\$ 21,185</u>	<u>\$ 50,000</u>	<u>\$ 132,922</u>	<u>\$ 50,000</u>	<u>\$ 150,654</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Delinquent Tax Fund				Drug Abuse Resistance Education (D.A.R.E.) Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	2,705	-	2,977	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	14,703	-	19,430
Transfers In	-	-	-	-	-	-	-	2,000
Total Receipts	<u>\$ -</u>	<u>\$ 2,705</u>	<u>\$ -</u>	<u>\$ 2,977</u>	<u>\$ -</u>	<u>\$ 14,703</u>	<u>\$ -</u>	<u>\$ 21,430</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	11,949	-	80	-	15,023	-	12,892
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 11,949</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 15,023</u>	<u>\$ -</u>	<u>\$ 12,892</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (9,244)	\$ -	\$ 2,897	\$ -	\$ (320)	\$ -	\$ 8,538
Cash and Equivalents, Jan 1	<u>20,887</u>	<u>20,887</u>	<u>17,990</u>	<u>17,990</u>	<u>12,070</u>	<u>12,070</u>	<u>3,532</u>	<u>3,532</u>
Cash and Equivalents, Dec 31	<u>\$ 20,887</u>	<u>\$ 11,643</u>	<u>\$ 17,990</u>	<u>\$ 20,887</u>	<u>\$ 12,070</u>	<u>\$ 11,750</u>	<u>\$ 3,532</u>	<u>\$ 12,070</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Jail Prisoner Transport Fund				Reserve Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	856	-	-
Other Receipts	40,000	26,421	-	-	-	-	-	-
Transfers In	-	-	-	-	300,000	300,000	-	-
Total Receipts	<u>\$ 40,000</u>	<u>\$ 26,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,856</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	40,000	11,538	-	-	100,000	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 11,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 14,883	\$ -	\$ -	\$ 200,000	\$ 300,856	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-	-	-	-	-
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 14,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 300,856</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Civil Fees Fund				Prosecuting Attorney Bad Check Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	32,679	-	38,183	-	10,141	-	11,960
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	36,229	-	15,009	-	10	-	25
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 68,908	\$ -	\$ 53,192	\$ -	\$ 10,151	\$ -	\$ 11,985
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	61,175	-	46,470	-	4,915	-	14,724
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	3,317	-	2,000	-	-	-	-
Total Disbursements	\$ -	\$ 64,492	\$ -	\$ 48,470	\$ -	\$ 4,915	\$ -	\$ 14,724
Receipts Over (Under)								
Disbursements	\$ -	\$ 4,416	\$ -	\$ 4,722	\$ -	\$ 5,236	\$ -	\$ (2,739)
Cash and Equivalents, Jan 1	4,957	4,957	235	235	1,577	1,577	4,316	4,316
Cash and Equivalents, Dec 31	<u>\$ 4,957</u>	<u>\$ 9,373</u>	<u>\$ 235</u>	<u>\$ 4,957</u>	<u>\$ 1,577</u>	<u>\$ 6,813</u>	<u>\$ 4,316</u>	<u>\$ 1,577</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Collector's Tax Maintenance Fund				Tax Maintenance Archive Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	45,000	55,143	45,000	51,065	-	-	-	-
Interest	25	13	55	26	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	14,000
Total Receipts	\$ 45,025	\$ 55,156	\$ 45,055	\$ 51,091	\$ -	\$ -	\$ -	\$ 14,000
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	45,000	56,735	40,000	35,885	-	-	-	4,750
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	14,000	-	-	-	-
Total Disbursements	\$ 45,000	\$ 56,735	\$ 40,000	\$ 49,885	\$ -	\$ -	\$ -	\$ 4,750
Receipts Over (Under)								
Disbursements	\$ 25	\$ (1,579)	\$ 5,055	\$ 1,206	\$ -	\$ -	\$ -	\$ 9,250
Cash and Equivalents, Jan 1	1,784	1,784	578	578	67,360	67,360	58,110	58,110
Cash and Equivalents, Dec 31	<u>\$ 1,809</u>	<u>\$ 205</u>	<u>\$ 5,633</u>	<u>\$ 1,784</u>	<u>\$ 67,360</u>	<u>\$ 67,360</u>	<u>\$ 58,110</u>	<u>\$ 67,360</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Federal Seized and Forfeiture Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	1	-	3
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	\$ -	\$ 1	\$ -	\$ 3
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ -
Receipts Over (Under)				
Disbursements	\$ -	\$ 1	\$ -	\$ 3
Cash and Equivalents, Jan 1	424	424	421	421
Cash and Equivalents, Dec 31	\$ 424	\$ 425	\$ 421	\$ 424

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Stone was named after pioneer judge William Stone. It is a third-class county, and the county seat is Galena. Stone County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, 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 Stone County, Missouri and the Stone County Senior Citizens Service Board.

Stone 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 Stone County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Stone County's legal entity. The Stone County Senior Citizens Service Board is controlled by a separate board and is also included under the control of Stone 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 Stone 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.

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.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Stone 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, Stone 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 in 2014: Special Road Projects Fund, Law Enforcement Grant Fund, Law Enforcement Training Fund, Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Election Grant Fund, Capital Improvement Fund, Law Enforcement Training Fund, Inmate Security Fund and Collector's Tax Maintenance Fund. We noted the following funds without a prepared budget for 2014 and 2013: Flood Control Fund, National Forest Fund, Election Services Fund, Prosecuting Attorney Delinquent Tax Fund, Drug Abuse Resistance Education Fund, Law Enforcement Civil Fees Fund, Prosecuting Attorney Bad Check Fund, Tax Maintenance Archive Fund, and Federal Seized and Forfeiture Fund.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

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 Stone County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation was as follows:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 437,309,350	\$ 431,458,180
Personal Property	115,014,807	109,966,520
Railroad and Utilities	<u>12,953,044</u>	<u>12,606,401</u>
	<u>\$ 565,277,201</u>	<u>\$ 554,031,101</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.1233	\$ 0.1288
Senior Citizens Service Board	0.0482	0.0481

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 Stone County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

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

Stone 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, 2014, 100% of Stone 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, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 5,235,527	\$ 4,332,561
Investments	50,000	50,000
Restricted Cash	-	-
Total Deposits and Investments as of December 31, 2014	<u>\$ 5,285,527</u>	<u>\$ 4,382,561</u>

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	\$ 5,601,154	\$ 4,705,026
Investments	50,000	50,000
Restricted Cash	-	-
Total Deposits and Investments as of December 31, 2013	<u>\$ 5,651,154</u>	<u>\$ 4,755,026</u>

Note: Bank balances are inclusive of all funds of Stone County, and as such, include balances of unaudited funds which are not included in the scope of this report.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 2 - Deposits and Investments (continued)

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. Stone County's investment policy does not include custodial credit risk requirements. Stone County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

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 Stone County or its agent but not in the government's name. Stone 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 Stone 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. Stone 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 Stone 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). Stone 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. Stone County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 2,840	\$ 274,490	\$ -	\$ 424,697
Special Road and Bridge	634,813	-	662,985	-
Road and Bridge Capital Improvement	75,000	-	-	-
Flood Control	-	551,486	-	602,479
National Forest	-	8,327	-	10,506
Assessment	58,109	-	74,697	-
Law Enforcement Grant	2,317	-	-	-
Capital Improvement	66,381	-	-	-
Emergency	-	300,000	300,000	-

The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 3 - Interfund Transfers (continued)

Law Enforcement Training	1,000	-	-	-
Inmate Security	-	2,840	-	-
Special Recorder	-	100,000	-	-
Special Recorder Capital Improvement	100,000	-	-	-
Drug Abuse Resistance Education	-	-	2,000	-
Reserve	300,000	-	-	-
Law Enforcement Civil Fees	-	3,317	-	2,000
Collector's Tax Maintenance	-	-	-	14,000
Tax Maintenance Archive	-	-	14,000	-
Total	<u>\$ 1,240,460</u>	<u>\$ 1,240,460</u>	<u>\$ 1,053,682</u>	<u>\$ 1,053,682</u>

Note 4 - Long-Term Debt

Certificates of Participation

In 2009, Stone County issued \$3,690,000 in Refunding Certificates of Participation (COP's) for the purpose of refinancing the Stone County, Missouri Refunding Certificates of Participation Series 1998 for the amount of \$2,155,000 and the Stone County, Missouri Black Oak Mountain Resort Phase I Neighborhood Improvement District Bonds Series 2000 for the amount of \$1,710,000. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 4.10%.

<u>Balance at</u> <u>Dec. 31, 2012</u>	<u>Amount</u> <u>Borrowed</u>	<u>Amount</u> <u>Repaid</u>	<u>Balance at</u> <u>Dec. 31, 2013</u>	<u>Amount</u> <u>Borrowed</u>	<u>Amount</u> <u>Repaid</u>	<u>Balance at</u> <u>Dec. 31, 2014</u>
<u>\$ 2,950,000</u>	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>\$ 2,600,000</u>	<u>\$ -</u>	<u>\$ (360,000)</u>	<u>\$ 2,240,000</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$104,190 and \$118,190, respectively.

2014 Amortization			
Series 2009 Refunding Certificates of Participation			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 380,000	\$ 89,790	\$ 469,790
2016	395,000	74,590	469,590
2017	410,000	58,790	468,790
2018	425,000	42,390	467,390
2019	440,000	25,390	465,390
2020	190,000	7,790	197,790
	<u>\$ 2,240,000</u>	<u>\$ 298,740</u>	<u>\$ 2,538,740</u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - Long-Term Debt (continued)

Certificates of Participation (continued)

2013 Amortization
Series 2009 Refunding Certificates of Participation

Year	Principal	Interest	Total
2014	\$ 360,000	\$ 104,190	\$ 464,190
2015	380,000	89,790	469,790
2016	395,000	74,590	469,590
2017	410,000	58,790	468,790
2018	425,000	42,390	467,390
2019-2020	630,000	33,180	663,180
	<u>\$ 2,600,000</u>	<u>\$ 402,930</u>	<u>\$ 3,002,930</u>

Limited General Obligation Bonds

In 2012, the County issued \$1,115,000 in Limited General Obligation Bonds for the purpose of refinancing the Edgewater Village Neighborhood Improvement District Bonds Series 2000. Principal payments are due annually on September 1; interest payments are due semi-annually on March 1 and September 1 with annual variable interest rates at 2.00% - 3.00%.

Balance at Dec. 31, 2012	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2013	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2014
<u>\$ 1,115,000</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ 995,000</u>	<u>\$ -</u>	<u>\$ (135,000)</u>	<u>\$ 860,000</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$27,150 and \$41,534, respectively.

2014 Amortization
Series 2012 Limited General Obligation Bonds

Year	Principal	Interest	Total
2015	\$ 135,000	\$ 24,450	\$ 159,450
2016	140,000	21,750	161,750
2017	140,000	17,550	157,550
2018	145,000	13,350	158,350
2019	150,000	9,000	159,000
2020	150,000	4,500	154,500
	<u>\$ 860,000</u>	<u>\$ 90,600</u>	<u>\$ 950,600</u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - Long-Term Debt (continued)

2013 Amortization			
Series 2012 Limited General Obligation Bonds			
Year	Principal	Interest	Total
2014	\$ 135,000	\$ 27,150	\$ 162,150
2015	135,000	24,450	159,450
2016	140,000	21,750	161,750
2017	140,000	17,550	157,550
2018	145,000	13,350	158,350
2019-2020	300,000	13,500	313,500
	\$ 995,000	\$ 117,750	\$ 1,112,750

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

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 65101, or by calling 1-877-632-2373.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 5 - County Employees' Retirement Fund (CERF) (continued)

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 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$215,860 and \$210,543, respectively, for the years then ended.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Stone 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. Stone County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2014 and 2013.

Note 7 - Other Retirement Plan

Stone County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) 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, 2014 and 2013 for the 457 plan were \$113,335 and \$103,076, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 401(a) plan were \$31,913 and \$31,484, respectively.

Note 8 - Post-Employment Benefits

Stone 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 Stone County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to 200 hours (25 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward a maximum of 320 hours (40 days). Accumulated sick leave is not paid out upon termination of employment. These have not been subjected to auditing procedures.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 9 - Claims, Commitments and Contingencies (continued)

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 First Home Savings Bank for the purchase of a building. The note was for \$65,000 plus closing costs due February 15, 2014 with interest payable at 3.25%. This balance was paid in full as of February 15, 2014. Interest expense and loan fees for the note for the year ended December 31, 2014 was \$1,381.

Note 10 - 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.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 8, 2015, the date the financial statements were available to be issued.

On January 27, 2015, the County entered into a contract to purchase new election equipment at a cost of \$106,245 before trade allowance with an interest rate of 0.00%. This amount is due in January of 2018 with the payment schedule to be determined in accordance with the County's budget needs.

Note 12 - Prior Period Adjustments

Beginning cash balances of the County have been restated to include the National Forest Fund, Tax Maintenance Archive Fund and the Federal Seized and Forfeiture Fund. It has also been restated to correct a misstatement of the beginning cash balance of the Law Enforcement Grant Fund. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2012	\$ 4,375,591
Prior Period Adjustment 1	58,530
Prior Period Adjustment 2	<u>1,203</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 4,435,324</u></u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 13 - Economic Concentrations

Approximately 32% and 38% of the County's sales tax revenues received was remitted by two taxpayers located in the County, for the years ended December 31, 2014 and 2013, respectively. Any material reduction in sales tax could result in a significant impact to the County's operations.

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 Stone 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 Stone County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements and have issued our report thereon dated July 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stone 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 Stone County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Stone 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: 14/13-002 and 14/13-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stone 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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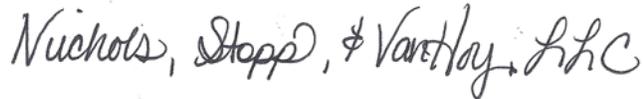
opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 14/13-001.

Stone County, Missouri's Response to Findings

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



Creve Coeur, Missouri
July 8, 2015

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 Stone County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Stone 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 Stone County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Stone 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 Stone 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 Stone 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 Stone County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Stone 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, 2014 and 2013.

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 14/13-004. Our opinion on each major federal program is not modified with respect to these matters.

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

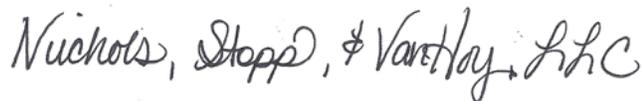
Report on Internal Control Over Compliance

Management of Stone 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 Stone 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 Stone 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-004 to be a significant deficiency.

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 8, 2015

**The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Agriculture				
Passed through state:				
Office of Administration - Schools and Roads - Grants to States	10.665	n/a	\$ 33,310	42,025
U.S. Department of Defense				
Passed through state:				
Office of Administration - Payments to States in Lieu of Real Estate Taxes	12.112	n/a	683,755	748,608
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	n/a	120,165	107,258
U.S. Department of Justice				
Passed through state:				
Department of Public Safety -				
Violence Against Women Formula Grants	16.588	2012-VAWA-005-OS	36,026	-
Violence Against Women Formula Grants	16.588	2011-VAWA-020-OS	-	42,313
Violence Against Women Formula Grants	16.588	2011-VAWA-024-SW	-	27,209
Total Violence Against Women Formula Grants			36,026	69,522
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-JAG-024	-	17,132
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-JAG-025	15,034	16,578
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-JAG-025	10,298	-
Total Edward Byrne Memorial Justice Assistance Grant			25,332	33,710
Total U.S. Department of Justice			61,358	103,232
General Services Administration				
Passed through state:				
Office of Secretary of State - Election Reform Payments	39.011	n/a	-	4,129
Election Assistance Commission				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	n/a	4,196	8,821
Total Expenditures of Federal Awards			\$ 902,784	1,014,073

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Stone
Galena, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

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 Stone 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 \$132,269 and \$146,129 of federal funds related to the Payments to States in Lieu of Real Estate Taxes Program (CFDA #12.112) to local schools and road districts for the years ended December 31, 2014 and 2013, respectively.

The County passed through \$24,983 and \$31,518 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, 2014 and 2013, respectively.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

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 <u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> X </u> Yes _____ None Reported
Any noncompliance material to financial statements noted?	<u> X </u> Yes _____ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u> 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?	<u> X </u> Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
12.112	Payments to States in Lieu of Real Estate Taxes

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 300,000 </u>
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** 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 in 2014: Special Road Projects Fund, Law Enforcement Grant Fund, Law Enforcement Training Fund, Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Election Grant Fund, Capital Improvement Fund, Law Enforcement Training Fund, Inmate Security Fund and Collector's Tax Maintenance Fund. We noted the following funds without a prepared budget for 2014 and 2013: Flood Control Fund, National Forest Fund, Election Services Fund, Prosecuting Attorney Delinquent Tax Fund, Drug Abuse Resistance Education Fund, Law Enforcement Civil Fees Fund, Prosecuting Attorney Bad Check Fund, Tax Maintenance Archive Fund, and Federal Seized and Forfeiture Fund.

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, 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: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The phone number for the Clerk's office is (417) 357-6127.

14/13-002 **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: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-003 **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 address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk will develop and perform the risk assessment. This will be included in the documentation of internal control in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Section 3 - Federal Award Findings and Questioned Costs

14/13-004 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: OMB Circular A-133 is being reviewed and training sessions will be initiated by September 30, 2015 in the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

**The County of Stone
Galena, 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 Stone County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012.

Prior Year Financial Statement Findings

12/11-01 **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.

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 the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 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 the 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 Clerk has taken steps to complete the audited financial statements for the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has corrected this issue.

12/11-02 **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, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

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

Effect: SAS 122 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 Stone
Galena, 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)

12/11-02 **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. (cont.) 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 Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-002.

12/11-03 **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.

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-003.

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

12/11-04 **Criteria:** Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2012 and 2011.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2012 and 2011.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

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

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its 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: The Prosecuting Attorney is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports for the next audit period. The Prosecuting Attorney's office can be reached at (417) 357-6137.

Status: Management has corrected this issue.

Prior Year Federal Award Findings

SA	Federal Grantor:	Department of Defense
12/11-01	Pass-Through Grantor:	Missouri Office of Administration
	Federal CFDA Number:	12.112
	Program Title:	Payments to States in Lieu of Real Estate Taxes

Information on the federal programs: The Schedule of Expenditures of Federal Awards(SEFA) contained errors.

Criteria: Management is responsible for the preparation and the maintaining of support for the County's SEFA.

Condition: The Federal programs and the expenditures reported were not correctly reported on the SEFA.

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: Although the SEFA was corrected by the audit team, the amounts originally reported were incorrect. It is evident that ineffective monitoring controls and procedures are in place for the preparation of the SEFA.

Cause: Adequate emphasis was not placed on the preparation and obtaining of support for the SEFA.

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

Prior Year Federal Award Findings (Continued)

SA 12/11-01 (cont.) **Recommendation:** We recommend that the County 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.

Views of responsible officials and planned corrective actions: OMB Circular A-133 is being reviewed and training sessions will be initiated on October 1, 2013 in the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-004.