



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Schuyler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Schuyler 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 Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-074

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July 22, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Schuyler County, MO

We have audited the accompanying financial statements of Schuyler County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2014 and 2013, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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 *Governmental 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 auditors' 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 opinion.

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

As described in Note 1, the financial statements are prepared by Schuyler 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.

**SCHUYLER COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 Schuyler County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Schuyler County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2015, on our consideration of Schuyler 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 Schuyler County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

SCHUYLER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash			Cash			Cash		
	January 1, 2013	Receipts	Disbursements	December 31, 2013	Receipts	Disbursements	December 31, 2014		
General Revenue	\$ 235,084	583,971	635,698	\$ 183,357	683,952	743,173	\$ 124,136		
Special Road and Bridge	248,910	662,986	636,039	275,857	746,414	693,505	328,766		
Assessment	1,748	67,934	69,682	-	71,203	71,114	89		
Law Enforcement Training	1,345	1,596	1,188	1,753	1,173	1,017	1,909		
Prosecuting Attorney Training	158	261	-	419	171	563	27		
Law Sales	745	371,546	372,291	-	419,424	419,323	101		
Sales Tax Trust	185,394	152,844	152,773	185,465	165,263	152,054	198,674		
Bad Check	725	2,808	2,415	1,118	1,853	2,610	361		
Civil Service	6,002	2,952	4,560	4,394	5,491	8,465	1,420		
County Clerk 5% Election Services	5,158	1,499	4,706	1,951	4,220	1,064	5,107		
Recorder's	944	901	-	1,845	802	745	1,902		
Special Election	-	8,104	8,104	-	30,741	30,741	-		
Senior Citizen	13,105	21,624	34,646	83	23,329	23,347	65		
Domestic Violence	408	231	607	32	229	236	25		
Collector's Tax Maintenance	2,842	6,157	2,598	6,401	5,674	8,030	4,045		
Sheriff Revolving	6,230	3,745	7,860	2,115	6,480	5,717	2,878		
Confined Animal Feeding Operation (CAFO)	2,342	50	-	2,392	1,791	-	4,183		
Sheriff Salary	40	1,143	1,142	41	2,345	2,306	80		
Sheriff Grant	1,253	7,236	8,036	453	-	453	-		
Law Enforcement Restitution	-	2,513	11	2,502	1,705	4,207	-		
Collector's Restitution	-	305	-	305	483	-	788		
Modex	-	117	-	117	1,745	-	1,862		
Collector's Bond Recovery	-	-	-	-	242,937	242,937	-		
Totals	\$ 712,433	1,900,523	1,942,356	\$ 670,600	2,417,425	2,411,607	\$ 676,418		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	General Revenue Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 142,200	138,635	(3,565)	\$ 147,000	123,818	(23,182)
Sales taxes	304,000	327,392	23,392	300,000	301,771	1,771
Intergovernmental	57,600	57,322	(278)	68,787	57,566	(11,221)
Charges for services	86,640	77,121	(9,519)	85,300	80,937	(4,363)
Interest income	3,904	1,506	(2,398)	7,100	4,135	(2,965)
Other	44,456	48,952	4,496	10,300	15,744	5,444
Operating transfers in	61,212	33,024	(28,188)	43,058	-	(43,058)
Total Receipts	<u>\$ 700,012</u>	<u>683,952</u>	<u>(16,060)</u>	<u>\$ 661,545</u>	<u>583,971</u>	<u>(77,574)</u>
DISBURSEMENTS						
General County Government-						
County Commission	\$ 63,873	63,535	(338)	\$ 61,680	61,433	(247)
County Clerk	60,437	57,494	(2,943)	58,378	54,872	(3,506)
Elections	23,685	17,030	(6,655)	9,097	8,104	(993)
Buildings and grounds	59,888	47,328	(12,560)	84,888	40,802	(44,086)
Employee fringe benefits	23,000	20,210	(2,790)	21,650	19,793	(1,857)
Treasurer	33,992	32,965	(1,027)	32,735	32,008	(727)
Collector	50,420	48,509	(1,911)	51,680	51,669	(11)
Recorder of Deeds	35,000	34,745	(255)	35,425	34,523	(902)
Circuit Clerk	21,700	12,965	(8,735)	16,700	8,891	(7,809)
Court Administration	16,922	14,251	(2,671)	8,835	4,529	(4,306)
Public Administrator	18,000	17,260	(740)	17,500	16,950	(550)
Other	134,283	149,791	15,508	129,866	106,981	(22,885)
Public Health and Welfare Services	2,030	1,560	(470)	11,330	1,560	(9,770)
Operating transfers out	232,779	223,287	(9,492)	200,481	193,583	(6,898)
Emergency Fund	20,917	2,243	(18,674)	18,461	-	(18,461)
Total Disbursements	<u>\$ 796,926</u>	<u>743,173</u>	<u>(53,753)</u>	<u>\$ 758,706</u>	<u>635,698</u>	<u>(123,008)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,914)	(59,221)	37,693	\$ (97,161)	(51,727)	45,434
CASH, JANUARY 1	183,357	183,357	-	235,084	235,084	-
CASH, DECEMBER 31	<u>\$ 86,443</u>	<u>124,136</u>	<u>37,693</u>	<u>\$ 137,923</u>	<u>183,357</u>	<u>45,434</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 318,200	331,219	13,019	\$ 323,500	301,708	(21,792)
Intergovernmental	666,385	382,494	(283,891)	299,225	299,129	(96)
Charges for services	22,000	18,749	(3,251)	13,000	24,747	11,747
Interest income	7,700	4,683	(3,017)	8,500	7,566	(934)
Other	11,700	9,269	(2,431)	11,500	29,836	18,336
Total Receipts	\$ 1,025,985	746,414	(279,571)	\$ 655,725	662,986	7,261
DISBURSEMENTS						
Salaries	\$ 220,000	190,202	(29,798)	\$ 206,000	185,102	(20,898)
Employee fringe benefits	35,500	32,177	(3,323)	29,100	26,656	(2,444)
Supplies	121,000	93,733	(27,267)	131,000	98,700	(32,300)
Insurance	16,000	16,552	552	16,500	15,439	(1,061)
Road and bridge materials	295,000	116,056	(178,944)	279,000	179,758	(99,242)
Equipment repairs	50,000	35,850	(14,150)	60,000	25,900	(34,100)
Rentals	10,000	4,975	(5,025)	10,000	7,315	(2,685)
Equipment purchases	55,000	77,973	22,973	50,000	42,184	(7,816)
Road and bridge construction	361,610	51,301	(310,309)	32,245	11,616	(20,629)
Other	47,350	41,662	(5,688)	47,313	43,369	(3,944)
Operating transfers out	60,573	33,024	(27,549)	43,058	-	(43,058)
Total Disbursements	\$ 1,272,033	693,505	(578,528)	\$ 904,216	636,039	(268,177)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (246,048)	52,909	298,957	\$ (248,491)	26,947	275,438
CASH, JANUARY 1	275,857	275,857	-	248,910	248,910	-
CASH, DECEMBER 31	\$ 29,809	328,766	298,957	\$ 419	275,857	275,438

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 61,000	60,783	(217)	\$ 60,506	56,924	(3,582)
Charges for services	1,400	2,171	771	300	1,376	1,076
Interest income	400	190	(210)	440	371	(69)
Other	1,400	1,232	(168)	700	1,371	671
Operating transfers in	9,862	6,827	(3,035)	9,818	7,892	(1,926)
Total Receipts	\$ 74,062	71,203	(2,859)	\$ 71,764	67,934	(3,830)
DISBURSEMENTS						
Assessor	\$ 74,062	71,114	(2,948)	\$ 73,512	69,682	(3,830)
Total Disbursements	\$ 74,062	71,114	(2,948)	\$ 73,512	69,682	(3,830)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	89	89	\$ (1,748)	(1,748)	-
CASH, JANUARY 1	-	-	-	1,748	1,748	-
CASH, DECEMBER 31	\$ -	89	89	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Training Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 500	500	-	\$ 500	549	49
Charges for services	1,000	658	(342)	940	1,014	74
Interest income	32	15	(17)	30	33	3
Total Receipts	\$ 1,532	1,173	(359)	\$ 1,470	1,596	126
DISBURSEMENTS						
Sheriff	\$ 3,000	1,017	(1,983)	\$ 2,800	1,188	(1,612)
Total Disbursements	\$ 3,000	1,017	(1,983)	\$ 2,800	1,188	(1,612)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,468)	156	1,624	\$ (1,330)	408	1,738
CASH, JANUARY 1	1,753	1,753	-	1,345	1,345	-
CASH, DECEMBER 31	\$ 285	1,909	1,624	\$ 15	1,753	1,738

Prosecuting Attorney Training Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 300	170	(130)	\$ 250	256	6
Interest income	5	1	(4)	3	5	2
Total Receipts	\$ 305	171	(134)	\$ 253	261	8
DISBURSEMENTS						
Prosecuting Attorney	\$ 700	563	(137)	\$ 400	-	(400)
Total Disbursements	\$ 700	563	(137)	\$ 400	-	(400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (395)	(392)	3	\$ (147)	261	408
CASH, JANUARY 1	419	419	-	158	158	-
CASH, DECEMBER 31	\$ 24	27	3	\$ 11	419	408

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Sales Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 152,000	163,703	11,703	\$ 152,000	150,905	(1,095)
Intergovernmental	13,683	12,124	(1,559)	11,641	11,896	255
Charges for services	23,200	26,992	3,792	21,200	22,530	1,330
Other	517	145	(372)	517	524	7
Operating transfers in	222,917	216,460	(6,457)	185,089	185,691	602
Total Receipts	\$ 412,317	419,424	7,107	\$ 370,447	371,546	1,099
DISBURSEMENTS						
Sheriff	\$ 178,916	178,418	(498)	\$ 175,846	180,983	5,137
Jail	122,030	140,659	18,629	93,620	100,940	7,320
Prosecutor	53,421	53,693	272	51,626	49,797	(1,829)
Juvenile Office	12,950	8,994	(3,956)	9,800	8,142	(1,658)
Coroner	17,500	9,378	(8,122)	16,600	8,789	(7,811)
Fringe benefits	27,500	28,181	681	23,700	23,640	(60)
Total Disbursements	\$ 412,317	419,323	7,006	\$ 371,192	372,291	1,099
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	101	101	\$ (745)	(745)	-
CASH, JANUARY 1	-	-	-	745	745	-
CASH, DECEMBER 31	\$ -	101	101	\$ -	-	-

Sales Tax Trust Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 152,000	163,703	11,703	\$ 152,000	150,904	(1,096)
Interest income	2,000	1,560	(440)	4,000	1,940	(2,060)
Total Receipts	\$ 154,000	165,263	11,263	\$ 156,000	152,844	(3,156)
DISBURSEMENTS						
Roads	\$ 152,054	152,054	-	\$ 152,773	152,773	-
Total Disbursements	\$ 152,054	152,054	-	\$ 152,773	152,773	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,946	13,209	11,263	\$ 3,227	71	(3,156)
CASH, JANUARY 1	185,465	185,465	-	185,394	185,394	-
CASH, DECEMBER 31	\$ 187,411	198,674	11,263	\$ 188,621	185,465	(3,156)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Bad Check Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,080	1,853	(1,227)	\$ 1,500	2,808	1,308
Total Receipts	\$ 3,080	1,853	(1,227)	\$ 1,500	2,808	1,308
DISBURSEMENTS						
Prosecuting Attorney	\$ 3,300	2,610	(690)	\$ 2,100	2,415	315
Total Disbursements	\$ 3,300	2,610	(690)	\$ 2,100	2,415	315
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (220)	(757)	(537)	\$ (600)	393	993
CASH, JANUARY 1	1,118	1,118	-	725	725	-
CASH, DECEMBER 31	\$ 898	361	(537)	\$ 125	1,118	993

Civil Service Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,500	5,491	(9)	\$ 4,550	2,952	(1,598)
Total Receipts	\$ 5,500	5,491	(9)	\$ 4,550	2,952	(1,598)
DISBURSEMENTS						
Administrative expenses	\$ 9,000	8,465	(535)	\$ 7,000	4,560	(2,440)
Total Disbursements	\$ 9,000	8,465	(535)	\$ 7,000	4,560	(2,440)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,500)	(2,974)	526	\$ (2,450)	(1,608)	842
CASH, JANUARY 1	4,394	4,394	-	6,002	6,002	-
CASH, DECEMBER 31	\$ 894	1,420	526	\$ 3,552	4,394	842

County Clerk 5% Election Services Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,652	4,180	(472)	\$ 1,365	1,423	58
Interest income	75	40	(35)	75	76	1
Total Receipts	\$ 4,727	4,220	(507)	\$ 1,440	1,499	59
DISBURSEMENTS						
Elections	\$ 6,500	1,064	(5,436)	\$ 4,800	4,706	(94)
Total Disbursements	\$ 6,500	1,064	(5,436)	\$ 4,800	4,706	(94)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,773)	3,156	4,929	\$ (3,360)	(3,207)	153
CASH, JANUARY 1	1,951	1,951	-	5,158	5,158	-
CASH, DECEMBER 31	\$ 178	5,107	4,929	\$ 1,798	1,951	153

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Recorder's Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 900	802	(98)	\$ 2,000	901	(1,099)
Total Receipts	<u>\$ 900</u>	<u>802</u>	<u>(98)</u>	<u>\$ 2,000</u>	<u>901</u>	<u>(1,099)</u>
DISBURSEMENTS						
Recorder	\$ 900	745	(155)	\$ 1,300	-	(1,300)
Total Disbursements	<u>\$ 900</u>	<u>745</u>	<u>(155)</u>	<u>\$ 1,300</u>	<u>-</u>	<u>(1,300)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	57	57	\$ 700	901	201
CASH, JANUARY 1	1,845	1,845	-	944	944	-
CASH, DECEMBER 31	<u>\$ 1,845</u>	<u>1,902</u>	<u>57</u>	<u>\$ 1,644</u>	<u>1,845</u>	<u>201</u>

	Special Election Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
Total Receipts	<u>\$ 32,782</u>	<u>30,741</u>	<u>(2,041)</u>	<u>\$ 18,193</u>	<u>8,104</u>	<u>(10,089)</u>
DISBURSEMENTS						
Election expenses	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
Total Disbursements	<u>\$ 32,782</u>	<u>30,741</u>	<u>(2,041)</u>	<u>\$ 18,193</u>	<u>8,104</u>	<u>(10,089)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

	Senior Citizen Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 22,000	23,248	1,248	\$ 23,100	21,161	(1,939)
Intergovernmental	100	64	(36)	85	83	(2)
Interest income	375	17	(358)	485	380	(105)
Total Receipts	<u>\$ 22,475</u>	<u>23,329</u>	<u>854</u>	<u>\$ 23,670</u>	<u>21,624</u>	<u>(2,046)</u>
DISBURSEMENTS						
Senior Center and other	\$ 22,558	23,347	789	\$ 36,420	34,646	(1,774)
Total Disbursements	<u>\$ 22,558</u>	<u>23,347</u>	<u>789</u>	<u>\$ 36,420</u>	<u>34,646</u>	<u>(1,774)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (83)	(18)	65	\$ (12,750)	(13,022)	(272)
CASH, JANUARY 1	83	83	-	13,105	13,105	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>65</u>	<u>65</u>	<u>\$ 355</u>	<u>83</u>	<u>(272)</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Domestic Violence Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 200	229	29	\$ 200	231	31
Total Receipts	\$ 200	229	29	\$ 200	231	31
DISBURSEMENTS						
Domestic shelters	\$ 232	236	4	\$ 608	607	(1)
Total Disbursements	\$ 232	236	4	\$ 608	607	(1)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (32)	(7)	25	\$ (408)	(376)	32
CASH, JANUARY 1	32	32	-	408	408	-
CASH, DECEMBER 31	\$ -	25	25	\$ -	32	32

	Collector's Tax Maintenance Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	5,596	(404)	\$ 6,000	6,007	7
Interest income	125	78	(47)	125	150	25
Total Receipts	\$ 6,125	5,674	(451)	\$ 6,125	6,157	32
DISBURSEMENTS						
Collector	\$ 12,495	8,030	(4,465)	\$ 6,900	2,598	(4,302)
Total Disbursements	\$ 12,495	8,030	(4,465)	\$ 6,900	2,598	(4,302)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,370)	(2,356)	4,014	\$ (775)	3,559	4,334
CASH, JANUARY 1	6,401	6,401	-	2,842	2,842	-
CASH, DECEMBER 31	\$ 31	4,045	4,014	\$ 2,067	6,401	4,334

	Sheriff Revolving Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	6,446	2,446	\$ 2,700	3,681	981
Interest income	75	34	(41)	123	64	(59)
Total Receipts	\$ 4,075	6,480	2,405	\$ 2,823	3,745	922
DISBURSEMENTS						
Sheriff	\$ 6,000	5,717	(283)	\$ 9,000	7,860	(1,140)
Total Disbursements	\$ 6,000	5,717	(283)	\$ 9,000	7,860	(1,140)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,925)	763	2,688	\$ (6,177)	(4,115)	2,062
CASH, JANUARY 1	2,115	2,115	-	6,230	6,230	-
CASH, DECEMBER 31	\$ 190	2,878	2,688	\$ 53	2,115	2,062

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Confined Animal Feeding Operation (CAFO) Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,000	1,750	750	\$ 1,000	-	(1,000)
Interest income	50	41	(9)	50	50	-
Total Receipts	\$ 1,050	1,791	741	\$ 1,050	50	(1,000)
DISBURSEMENTS						
CAFO Operations	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)
Total Disbursements	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 50	1,791	1,741	\$ 50	50	-
CASH, JANUARY 1	2,392	2,392	-	2,342	2,342	-
CASH, DECEMBER 31	\$ 2,442	4,183	1,741	\$ 2,392	2,392	-

Sheriff Salary Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,400	2,345	(55)	\$ 1,900	1,143	(757)
Total Receipts	\$ 2,400	2,345	(55)	\$ 1,900	1,143	(757)
DISBURSEMENTS						
Sheriff	\$ 2,400	2,306	(94)	\$ 1,940	1,142	(798)
Total Disbursements	\$ 2,400	2,306	(94)	\$ 1,940	1,142	(798)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	39	39	\$ (40)	1	41
CASH, JANUARY 1	41	41	-	40	40	-
CASH, DECEMBER 31	\$ 41	80	39	\$ -	41	41

Sheriff Grant Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 600	-	(600)	\$ 8,489	7,236	(1,253)
Total Receipts	\$ 600	-	(600)	\$ 8,489	7,236	(1,253)
DISBURSEMENTS						
Sheriff	\$ 453	453	-	\$ 8,489	8,036	(453)
Total Disbursements	\$ 453	453	-	\$ 8,489	8,036	(453)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 147	(453)	(600)	\$ -	(800)	(800)
CASH, JANUARY 1	453	453	-	1,253	1,253	-
CASH, DECEMBER 31	\$ 600	-	(600)	\$ 1,253	453	(800)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Restitution Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	1,675	(3,325)	\$ -	2,505	2,505
Interest income	20	30	10	-	8	8
Total Receipts	\$ 5,020	1,705	(3,315)	\$ -	2,513	2,513
DISBURSEMENTS						
Sheriff	\$ 7,500	4,207	(3,293)	\$ -	11	11
Total Disbursements	\$ 7,500	4,207	(3,293)	\$ -	11	11
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,480)	(2,502)	(22)	\$ -	2,502	2,502
CASH, JANUARY 1	2,502	2,502	-	-	-	-
CASH, DECEMBER 31	\$ 22	-	(22)	\$ -	2,502	2,502

Collector's Restitution Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 600	483	(117)	\$ -	305	305
Total Receipts	\$ 600	483	(117)	\$ -	305	305
DISBURSEMENTS						
Collector	\$ 905	-	(905)	\$ -	-	-
Total Disbursements	\$ 905	-	(905)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (305)	483	788	\$ -	305	305
CASH, JANUARY 1	305	305	-	-	-	-
CASH, DECEMBER 31	\$ -	788	788	\$ -	305	305

Modex Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,000	1,745	745	\$ -	117	117
Total Receipts	\$ 1,000	1,745	745	\$ -	117	117
DISBURSEMENTS						
Sheriff	\$ 1,000	-	(1,000)	\$ -	-	-
Total Disbursements	\$ 1,000	-	(1,000)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,745	1,745	\$ -	117	117
CASH, JANUARY 1	117	117	-	-	-	-
CASH, DECEMBER 31	\$ 117	1,862	1,745	\$ -	117	117

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>Collector's Bond Recovery Fund</u>			
2014			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Other - bond proceeds	\$ 242,937	242,937	-
Total Receipts	\$ 242,937	242,937	-
DISBURSEMENTS			
Distributions to political subdivisions	\$ 242,937	242,937	-
Total Disbursements	\$ 242,937	242,937	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	-	-	-

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials. The Senior Citizen Fund is under the control of the County Commission with a separate board appointed by the County Commission.

The financial statements referred to above include the primary government of Schuyler County, which consists of all funds, organizations, institutions, agencies, departments, and offices which are considered to comprise the county's legal entity.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

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

1. D. BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.

**SCHUYLER COUNTY, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
 (CONTINUED)**

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budgets include estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires at the individual fund level, budgeted expenditures should not exceed budgeted revenues plus anticipated beginning fund balance. The County did not have any funds reflecting a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission for its budget document.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission. The County Commission amended various budgets during the year ended December 31, 2014 and 2013.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013. The Law Enforcement Restitution Fund, Collector's Restitution Fund, and Modex Fund were new funds starting late in 2013 so no new budgets were established for these funds until 2014. The Collector's Bond Recovery Fund was not established until 2014.

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 26,337,380	\$ 25,929,660
Personal Property	12,330,741	12,190,187
Railroad and Utilities	5,117,359	4,874,676
Total Assessed Valuation	<u>\$ 43,785,480</u>	<u>\$ 42,994,523</u>

**SCHUYLER COUNTY, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
 (CONTINUED)**

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.3041	\$ 0.3415
Common Road and Bridge *	0.4793	0.4793
Special Road and Bridge Fund *	0.2600	0.2600
Senior Citizen Fund	0.0500	0.0500

* The county no longer has any special road districts. The entire county is now called Road 1. The County has two road and bridge county-wide tax levies: a Common Road and Bridge tax levy and an additional Special Road and Bridge levy that is voted on every four years. All tax proceeds from both tax levies are deposited into the Special Road and Bridge Fund.

1. F. SALES TAXES AND USE TAX

The county does not have a local use tax and has the following sales tax rates:

General sales tax-subject to rollback 50%	1/2 %	\$.00500
General sales tax	1/2 %	.00500
Law Enforcement sales tax	1/2 %	.00500
Capital Improvement sales tax	1/2 %	.00500
Total sales tax rate		\$ <u>.02000</u>

1. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer 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 may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

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, purchased at a price at or below 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 the County's name at third-party banking institutions.

1. H. INTERFUND ACTIVITY

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 "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund.

**SCHUYLER COUNTY, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
 (CONTINUED)**

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

FUNDS:	Year Ended December 31, 2014	
	Transfers In	Transfers Out
General Revenue	\$ 33,024	\$ 223,287
Special Road and Bridge	-	33,024
Assessment	6,827	-
Law Sales	216,460	-
Totals	\$ 256,311	\$ 256,311

FUNDS:	Year Ended December 31, 2013	
	Transfers In	Transfers Out
General Revenue	\$ -	\$ 193,583
Assessment	7,892	-
Law Sales	185,691	-
Totals	\$ 193,583	\$ 193,583

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published financial statements included all applicable funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

The county has determined through experience checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

**SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Deposits

Missouri statutes require all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the county's banking facilities at December 31, 2014 and December 31, 2013 were covered by Federal Deposit Insurance Coverage (FDIC) and additional collateral held at the custodial bank in the county's name or by its agent in the county's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The CERF is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) 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 sections 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.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active 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 or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions. As of December 31, 2014, Schuyler County had 30 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

**SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$4,018 and \$4,243, respectively, for the years then ended.

B. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

After one full year of employment, vacation time will accrue at one week per year. After three full years of employment, vacation time will accrue at two weeks per year. Upon termination, an employee is reimbursed for unused vacation, if applicable. All vacation earned in one year must be taken off the following year.

The County does not provide employees with insurance or other health benefits and does not provide post-employment benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. Management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

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

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. LONG-TERM DEBT

The County had the following long-term debt:

- A. On July 7, 2011, the County entered into a Governmental Obligation Contract to purchase a 2008 Volvo G930 Motor Grader in the amount of \$100,000 with five payments of \$21,984 due annually beginning December 7, 2012, at an interest rate of 3.238%.
- B. On April 18, 2012, the County entered into a capital lease agreement for a 2008 Ford Crown Victoria in the amount of \$12,400 with payments of \$1,084 due quarterly beginning July 18, 2012, at an interest rate of 3.00% for a term of 3 years.
- C. On February 5, 2013, the County entered into a retail installment loan contract for the purchase of a 2013 Chevy Silverado beginning in March 2013 for the amount of \$22,496 with monthly payments of \$415 at an interest rate of 3.99% for a term of 5 years.
- D. On November 1, 2013, the County entered into a Governmental Obligation Contract to purchase a 2013 Volvo G940B Motor Grader in the amount of \$80,050 with annual payments of \$12,989 due annually beginning November 1, 2014, at an interest rate of 3.29% for a term of 7 years.
- E. On January 27, 2014, the County entered into a lease-purchase agreement for a 2014 UD Motor Grader for the amount of \$74,064 (net of trade-in) with annual payments of \$16,191 starting January 27, 2015, with an interest rate of 3.00% for a term of 5 years.

At December 31, 2014, the County's total long-term debt is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 50,806	\$ 6,433
2016	51,356	4,800
2017	31,050	3,121
2018	27,863	2,150
2019	27,889	1,293
2020	12,576	414
	<u>\$ 201,540</u>	<u>\$ 18,211</u>

July 22, 2015

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

To the County Commission
and Officeholders of
Schuyler County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Schuyler 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 Schuyler County, Missouri's basic financial statements, and have issued our report thereon dated July 22, 2015.

Internal Control over Financial Reporting

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

**SCHUYLER COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Schuyler 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 opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance we have reported to Schuyler County, Missouri in the accompanying Schedule of Findings and Responses as item 1.

Schuyler County, Missouri's Response to Finding

Schuyler County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Schuyler 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.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**SCHUYLER COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

OTHER MATTER

1. Budgetary Noncompliance on Overspending of Budgets

Condition: The County Commission approved excess expenditures in various county funds as follows:

1. For the year ended December 31, 2014, the Law Sales Fund, Senior Citizen Fund, and the Domestic Violence Fund total expenditures exceeded the total budgeted appropriation by \$7,006, \$789, and \$4, respectively.
2. For the year ended December 31, 2013, the Law Sales Fund, Bad Check Fund, and the Law Enforcement Restitution Fund total expenditures exceeded the total budgeted appropriation by \$1,099, \$315, and \$11, respectively.

Criteria: Section 50.540 RSMo, requires a budget be prepared for all county funds and the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: The County Commission, County Clerk, and other elected officials did not take appropriate measures to keep expenditures within the budgetary appropriations.

Effect: The County Commission, County Clerk, and other elected officials did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

The County Commission, County Clerk, and other elected officials should keep total expenditures within the total appropriations for each county fund budgeted. If additional expenditures are considered necessary, appropriate budgetary amendments should be made and properly approved.

Response: *The recommendation will be implemented and we will make sure that all future budgets are not over budget.*

**SCHUYLER COUNTY, MISSOURI
FOLLOW-UP ON 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 auditors' follow-up on the action taken by Schuyler County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011 by an independent accounting firm.

1. It was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility.

2. Documentation of the County's internal control has not been prepared.

Status: Partially implemented. An internal control policy document has been undertaken by county officials.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. Actual expenditures exceeded the budgeted expenditures in a few funds.

Status: Not implemented. Actual expenditures exceeded total budgeted expenditures in the Law Sales Fund, Senior Citizen Fund and the Domestic Violence Fund for the year ended December 31, 2014 and in the Law Sales Fund, Bad Check Fund and the Law Enforcement Restitution Fund for the year ended December 31, 2013. See current finding 2014-01.

5. Cash disbursements were being paid without approval from each respective elected officials' office.

Status: Implemented.