



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Butler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Butler 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.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-076

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



**The County of Butler
Poplar Bluff, 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.....	21
<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>	33
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	35
Schedule of Expenditures of Federal Awards.....	37
Notes to the Schedule of Expenditures of Federal Awards.....	39
Schedule of Findings and Questioned Costs.....	40
Schedule of Prior Year Audit Findings.....	44



INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Butler County, Missouri

We have audited the accompanying financial statements of Butler 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 Butler 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 Butler 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 Butler 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

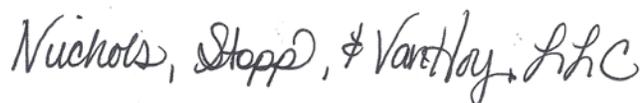
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Butler 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 13, 2015, on our consideration of Butler 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 Butler County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 13, 2015

The County of Butler
Poplar Bluff, 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	\$ 1,579,586	\$ 4,080,182	\$ 4,445,301	\$ 1,214,467
Special Road and Bridge	591,325	2,978,786	3,175,574	394,537
Assessment	260,074	483,186	474,583	268,677
Law Enforcement Training	1,183	6,186	5,059	2,310
Law Enforcement Complex	450,528	3,262,722	3,149,201	564,049
Prosecuting Attorney Training	1,451	1,056	1,478	1,029
Prosecuting Attorney Delinquent Tax	1,696	387	1,139	944
Prosecuting Attorney Bad Check	112,553	41,067	65,125	88,495
Prosecuting Attorney Administrative Handling Cost	4,882	7,288	-	12,170
Eastern Capital Improvement	607,448	912,178	1,057,522	462,104
Western Capital Improvement	567,641	911,890	1,065,126	414,405
Care of the Handicapped (SB40)	436,560	553,652	707,867	282,345
Senior Citizens Service Board	108,255	272,972	243,925	137,302
Drainage District #12	28,335	3,084	420	30,999
Domestic Violence	256	9,081	4,393	4,944
Sheriff Commissary	3,010	40,705	38,742	4,973
Community Policing (DARE)	7	1,000	631	376
Sheriff Drug	1,289	1,350	2,210	429
911	45,908	137,191	173,225	9,874
Special Election	54,284	188,307	182,347	60,244
Recorder User Fee	282,045	25,640	16,490	291,195
Health and Dental Escrow	62,824	1,449,586	1,413,530	98,880
Collector's Tax Maintenance	285,363	73,717	110,551	248,529
Law Enforcement Restitution	12,834	12,699	11,780	13,753
Sheriff Civil Fees	9,070	35,636	33,409	11,297
Sheriff Revolving	12,732	35,641	42,558	5,815
Community Development Block Grant	121	157,847	157,847	121
Delta Regional Authority	80	29,609	29,609	80
Total	<u>\$ 5,521,340</u>	<u>\$ 15,712,645</u>	<u>\$ 16,609,642</u>	<u>\$ 4,624,343</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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	\$ 2,061,597	\$ 4,254,665	\$ 4,736,676	\$ 1,579,586
Special Road and Bridge	774,186	2,541,196	2,724,057	591,325
Assessment	287,887	450,502	478,315	260,074
Law Enforcement Training	4,458	5,768	9,043	1,183
Law Enforcement Complex	284,526	3,415,616	3,249,614	450,528
Prosecuting Attorney Training	1,050	981	580	1,451
Prosecuting Attorney Delinquent Tax	928	1,360	592	1,696
Prosecuting Attorney Bad Check	140,235	50,687	78,369	112,553
Prosecuting Attorney Administrative Handling Cost	-	4,882	-	4,882
Eastern Capital Improvement	696,336	853,611	942,499	607,448
Western Capital Improvement	710,416	853,421	996,196	567,641
Care of the Handicapped (SB40)	617,414	507,701	688,555	436,560
Senior Citizens Service Board	94,080	248,366	234,191	108,255
Drainage District #12	26,460	2,715	840	28,335
Domestic Violence	5,657	9,440	14,841	256
Sheriff Commissary	3,179	40,284	40,453	3,010
Community Policing (DARE)	834	100	927	7
Sheriff Drug	2,296	-	1,007	1,289
911	66,542	143,366	164,000	45,908
Special Election	(1,220)	159,708	104,204	54,284
Recorder User Fee	283,867	27,818	29,640	282,045
Health and Dental Escrow	40,289	1,333,448	1,310,913	62,824
Collector's Tax Maintenance	266,800	71,279	52,716	285,363
Law Enforcement Restitution	4,552	8,282	-	12,834
Sheriff Civil Fees	26,577	35,401	52,908	9,070
Sheriff Revolving	11,515	51,251	50,034	12,732
Community Development Block Grant	121	144,014	144,014	121
Delta Regional Authority	80	-	-	80
Total	<u>\$ 6,410,662</u>	<u>\$ 15,215,862</u>	<u>\$ 16,105,184</u>	<u>\$ 5,521,340</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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	\$ 552,000	\$ 600,904	\$ 554,000	\$ 555,098
Sales Taxes	2,017,000	2,224,529	2,000,000	2,079,361
Intergovernmental	649,577	273,772	756,769	300,822
Charges for Services	974,042	940,191	1,201,600	1,205,240
Interest	14,000	12,931	12,000	15,975
Other Receipts	52,900	27,855	43,300	98,169
Transfers In	15,000	-	-	-
Total Receipts	<u>\$ 4,274,519</u>	<u>\$ 4,080,182</u>	<u>\$ 4,567,669</u>	<u>\$ 4,254,665</u>
Disbursements				
General County Government:				
County Commission	\$ 139,594	\$ 135,191	\$ 135,965	\$ 130,257
County Clerk	174,774	162,851	172,586	160,699
Elections	177,500	149,875	77,500	35,423
Buildings and Grounds	511,621	358,208	561,665	407,144
Employee Fringe Benefits	986,400	870,703	1,022,500	930,265
County Treasurer	108,138	101,247	105,309	97,483
County Collector	192,055	159,129	168,689	154,683
Recorder of Deeds	205,561	184,462	197,437	197,127
Circuit Clerk	95,000	47,186	95,000	69,162
Court Administration	21,075	10,003	20,200	12,224
Public Administrator	149,479	129,978	146,143	131,382
Public Safety:				
Prosecuting Attorney	331,893	326,184	310,270	300,495
Juvenile Officer	282,996	269,193	259,346	233,117
County Coroner	109,574	81,960	100,653	68,442
Other:				
Child Support Enforcement	124,541	120,700	262,300	241,308
Youth Services Program	51,987	51,821	53,096	53,525
Civil Defense	98,775	84,593	99,743	81,174
Truancy Program	109,784	73,649	137,008	88,851
Other Disbursements	768,709	325,968	960,343	352,315
Health and Welfare Services	5,000	2,400	5,000	1,600
Transfers Out	800,000	800,000	990,000	990,000
Emergency Fund	400,000	-	500,000	-
Total Disbursements	<u>\$ 5,844,456</u>	<u>\$ 4,445,301</u>	<u>\$ 6,380,753</u>	<u>\$ 4,736,676</u>
Receipts Over (Under)				
Disbursements	\$ (1,569,937)	\$ (365,119)	\$ (1,813,084)	\$ (482,011)
Cash and Equivalents, Jan 1	<u>1,579,586</u>	<u>1,579,586</u>	<u>2,061,597</u>	<u>2,061,597</u>
Cash and Equivalents, Dec 31	<u>\$ 9,649</u>	<u>\$ 1,214,467</u>	<u>\$ 248,513</u>	<u>\$ 1,579,586</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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	\$ 171,500	\$ 192,919	\$ 182,000	\$ 177,462
Sales Taxes	850,000	953,369	866,000	891,155
Intergovernmental	2,041,000	1,623,283	1,613,010	1,259,752
Charges for Services	-	-	-	-
Interest	3,000	2,757	1,000	4,310
Other Receipts	1,000	6,458	-	8,517
Transfers In	200,000	200,000	200,000	200,000
Total Receipts	\$ 3,266,500	\$ 2,978,786	\$ 2,862,010	\$ 2,541,196
Disbursements				
Salaries	\$ 1,340,000	\$ 1,350,620	\$ 1,349,300	\$ 1,312,076
Employee Fringe Benefits	870,000	821,430	807,000	785,429
Supplies	485,000	453,598	685,000	411,062
Insurance	105,000	97,424	95,000	92,993
Road and Bridge Materials	5,000	1,808	5,000	4,255
Equipment Repairs	20,000	-	20,000	361
Rentals	1,500	500	1,500	1,146
Road and Bridge Construction	915,000	399,027	531,000	78,680
Other Expenditures	71,500	51,167	51,500	38,055
Transfers Out	-	-	-	-
Total Disbursements	\$ 3,813,000	\$ 3,175,574	\$ 3,545,300	\$ 2,724,057
Receipts Over (Under)				
Disbursements	\$ (546,500)	\$ (196,788)	\$ (683,290)	\$ (182,861)
Cash and Equivalents, Jan 1	591,325	591,325	774,186	774,186
Cash and Equivalents, Dec 31	\$ 44,825	\$ 394,537	\$ 90,896	\$ 591,325

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	449,121	464,184	408,100	432,199	-	-	1,900	1,972
Charges for Services	760	2,147	3,108	3,719	6,350	6,056	4,250	3,796
Interest	2,750	2,908	150	2,979	-	-	-	-
Other Receipts	19,650	13,947	-	11,605	-	130	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 472,281	\$ 483,186	\$ 411,358	\$ 450,502	\$ 6,350	\$ 6,186	\$ 6,150	\$ 5,768
Disbursements								
Salaries	\$ 259,368	\$ 258,373	\$ 261,397	\$ 261,397	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	153,000	135,747	141,000	130,839	-	-	-	-
Materials and Supplies	31,320	28,151	46,200	25,303	-	-	-	-
Services	25,500	22,132	24,800	21,135	7,500	5,059	8,400	7,543
Other Expenditures	35,400	9,380	35,400	19,641	-	-	2,000	1,500
Capital Outlay	72,000	20,800	56,500	20,000	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 576,588	\$ 474,583	\$ 565,297	\$ 478,315	\$ 7,500	\$ 5,059	\$ 10,400	\$ 9,043
Receipts Over (Under)								
Disbursements	\$ (104,307)	\$ 8,603	\$ (153,939)	\$ (27,813)	\$ (1,150)	\$ 1,127	\$ (4,250)	\$ (3,275)
Cash and Equivalents, Jan 1	260,074	260,074	287,887	287,887	1,183	1,183	4,458	4,458
Cash and Equivalents, Dec 31	\$ 155,767	\$ 268,677	\$ 133,948	\$ 260,074	\$ 33	\$ 2,310	\$ 208	\$ 1,183

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Complex Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,600,000	1,588,951	1,545,000	1,485,261
Intergovernmental	639,143	644,883	451,746	589,585
Charges for Services	152,000	157,582	215,000	115,404
Interest	2,250	3,033	2,000	2,370
Other Receipts	60,000	78,273	81,000	220,496
Transfers In	801,000	790,000	1,008,500	1,002,500
Total Receipts	<u>\$ 3,254,393</u>	<u>\$ 3,262,722</u>	<u>\$ 3,303,246</u>	<u>\$ 3,415,616</u>
<u>Disbursements</u>				
Sheriff	\$ 1,578,414	\$ 1,479,898	\$ 1,291,906	\$ 1,264,096
Jail	676,772	703,682	626,223	646,534
Employee Fringe Benefits	774,500	695,237	700,586	631,645
Building and Grounds	283,700	270,384	727,100	707,339
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 3,313,386</u>	<u>\$ 3,149,201</u>	<u>\$ 3,345,815</u>	<u>\$ 3,249,614</u>
Receipts Over (Under)				
Disbursements	\$ (58,993)	\$ 113,521	\$ (42,569)	\$ 166,002
Cash and Equivalents, Jan 1	<u>450,528</u>	<u>450,528</u>	<u>284,526</u>	<u>284,526</u>
Cash and Equivalents, Dec 31	<u>\$ 391,535</u>	<u>\$ 564,049</u>	<u>\$ 241,957</u>	<u>\$ 450,528</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Training Fund				Prosecuting Attorney Delinquent Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,200	387	1,500	1,360
Charges for Services	900	1,056	1,050	981	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 1,056</u>	<u>\$ 1,050</u>	<u>\$ 981</u>	<u>\$ 1,200</u>	<u>\$ 387</u>	<u>\$ 1,500</u>	<u>\$ 1,360</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,000	1,478	1,000	580	500	-	1,000	-
Other Expenditures	-	-	-	-	1,700	1,139	800	592
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,478</u>	<u>\$ 1,000</u>	<u>\$ 580</u>	<u>\$ 2,200</u>	<u>\$ 1,139</u>	<u>\$ 1,800</u>	<u>\$ 592</u>
Receipts Over (Under)								
Disbursements	\$ (1,100)	\$ (422)	\$ 50	\$ 401	\$ (1,000)	\$ (752)	\$ (300)	\$ 768
Cash and Equivalents, Jan 1	<u>1,451</u>	<u>1,451</u>	<u>1,050</u>	<u>1,050</u>	<u>1,696</u>	<u>1,696</u>	<u>928</u>	<u>928</u>
Cash and Equivalents, Dec 31	<u>\$ 351</u>	<u>\$ 1,029</u>	<u>\$ 1,100</u>	<u>\$ 1,451</u>	<u>\$ 696</u>	<u>\$ 944</u>	<u>\$ 628</u>	<u>\$ 1,696</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Bad Check Fund				Prosecuting Attorney Administrative Handling Cost Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	40,175	60,000	49,645	10,000	7,177	-	4,880
Interest	1,000	886	1,000	1,032	-	111	-	2
Other Receipts	-	6	-	10	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 51,000	\$ 41,067	\$ 61,000	\$ 50,687	\$ 10,000	\$ 7,288	\$ -	\$ 4,882
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,000	23,590	43,500	34,376	-	-	-	-
Services	10,600	3,242	10,600	7,903	3,000	-	-	-
Other Expenditures	33,800	12,979	35,000	14,922	7,000	-	-	-
Capital Outlay	39,000	25,314	36,000	21,168	-	-	-	-
Transfers Out	-	-	30,000	-	-	-	-	-
Total Disbursements	\$ 123,400	\$ 65,125	\$ 155,100	\$ 78,369	\$ 10,000	\$ -	\$ -	\$ -
Receipts Over (Under)								
Disbursements	\$ (72,400)	\$ (24,058)	\$ (94,100)	\$ (27,682)	\$ -	\$ 7,288	\$ -	\$ 4,882
Cash and Equivalents, Jan 1	112,553	112,553	140,235	140,235	4,882	4,882	-	-
Cash and Equivalents, Dec 31	\$ 40,153	\$ 88,495	\$ 46,135	\$ 112,553	\$ 4,882	\$ 12,170	\$ -	\$ 4,882

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Eastern Capital Improvement Fund				Western Capital Improvement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	735,000	794,475	725,000	742,629	735,000	794,475	725,000	742,629
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000	4,640	3,000	5,482	3,000	4,352	3,000	5,292
Other Receipts	113,068	113,063	105,000	105,500	113,068	113,063	105,000	105,500
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 851,068	\$ 912,178	\$ 833,000	\$ 853,611	\$ 851,068	\$ 911,890	\$ 833,000	\$ 853,421
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	1,370,000	1,057,522	1,310,000	942,499	1,370,000	1,065,126	1,310,000	996,196
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,370,000	\$ 1,057,522	\$ 1,310,000	\$ 942,499	\$ 1,370,000	\$ 1,065,126	\$ 1,310,000	\$ 996,196
Receipts Over (Under)								
Disbursements	\$ (518,932)	\$ (145,344)	\$ (477,000)	\$ (88,888)	\$ (518,932)	\$ (153,236)	\$ (477,000)	\$ (142,775)
Cash and Equivalents, Jan 1	607,448	607,448	696,336	696,336	567,641	567,641	710,416	710,416
Cash and Equivalents, Dec 31	\$ 88,516	\$ 462,104	\$ 219,336	\$ 607,448	\$ 48,709	\$ 414,405	\$ 233,416	\$ 567,641

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Care of the Handicapped (SB40) Fund				Senior Citizens Service Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 455,500	\$ 547,572	\$ 500,000	\$ 502,059	\$ 230,000	\$ 270,408	\$ 259,500	\$ 234,668
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	600	2,132	1,100	729	5,200	1,064	200	12,452
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000	3,948	2,500	4,913	500	1,500	100	1,246
Other Receipts	-	-	-	-	-	-	200	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 459,100	\$ 553,652	\$ 503,600	\$ 507,701	\$ 235,700	\$ 272,972	\$ 260,000	\$ 248,366
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	706,464	706,464	688,627	687,152	260,420	242,665	254,620	233,210
Other Expenditures	3,000	1,403	3,000	1,403	18,000	1,260	18,000	981
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 709,464	\$ 707,867	\$ 691,627	\$ 688,555	\$ 278,420	\$ 243,925	\$ 272,620	\$ 234,191
Receipts Over (Under)								
Disbursements	\$ (250,364)	\$ (154,215)	\$ (188,027)	\$ (180,854)	\$ (42,720)	\$ 29,047	\$ (12,620)	\$ 14,175
Cash and Equivalents, Jan 1	436,560	436,560	617,414	617,414	108,255	108,255	94,080	94,080
Cash and Equivalents, Dec 31	<u>\$ 186,196</u>	<u>\$ 282,345</u>	<u>\$ 429,387</u>	<u>\$ 436,560</u>	<u>\$ 65,535</u>	<u>\$ 137,302</u>	<u>\$ 81,460</u>	<u>\$ 108,255</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Drainage District #12 Fund				Domestic Violence Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 2,000	\$ 2,832	\$ 2,000	\$ 2,490	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	9,400	9,081	9,400	9,440
Interest	150	252	100	225	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,150	\$ 3,084	\$ 2,100	\$ 2,715	\$ 9,400	\$ 9,081	\$ 9,400	\$ 9,440
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	9,440	4,393	14,600	14,841
Capital Outlay	30,340	420	24,840	840	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 30,340	\$ 420	\$ 24,840	\$ 840	\$ 9,440	\$ 4,393	\$ 14,600	\$ 14,841
Receipts Over (Under)								
Disbursements	\$ (28,190)	\$ 2,664	\$ (22,740)	\$ 1,875	\$ (40)	\$ 4,688	\$ (5,200)	\$ (5,401)
Cash and Equivalents, Jan 1	28,335	28,335	26,460	26,460	256	256	5,657	5,657
Cash and Equivalents, Dec 31	<u>\$ 145</u>	<u>\$ 30,999</u>	<u>\$ 3,720</u>	<u>\$ 28,335</u>	<u>\$ 216</u>	<u>\$ 4,944</u>	<u>\$ 457</u>	<u>\$ 256</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Sheriff Commissary Fund				Community Policing (Drug Abuse Resistance Education) Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	40,000	40,705	40,000	40,284	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	3,000	1,000	3,000	100
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40,000</u>	<u>\$ 40,705</u>	<u>\$ 40,000</u>	<u>\$ 40,284</u>	<u>\$ 3,000</u>	<u>\$ 1,000</u>	<u>\$ 3,000</u>	<u>\$ 100</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	33,500	33,742	32,500	35,453	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	3,000	631	3,000	927
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	6,000	5,000	6,000	5,000	-	-	-	-
Total Disbursements	<u>\$ 39,500</u>	<u>\$ 38,742</u>	<u>\$ 38,500</u>	<u>\$ 40,453</u>	<u>\$ 3,000</u>	<u>\$ 631</u>	<u>\$ 3,000</u>	<u>\$ 927</u>
Receipts Over (Under)								
Disbursements	\$ 500	\$ 1,963	\$ 1,500	\$ (169)	\$ -	\$ 369	\$ -	\$ (827)
Cash and Equivalents, Jan 1	<u>3,010</u>	<u>3,010</u>	<u>3,179</u>	<u>3,179</u>	<u>7</u>	<u>7</u>	<u>834</u>	<u>834</u>
Cash and Equivalents, Dec 31	<u>\$ 3,510</u>	<u>\$ 4,973</u>	<u>\$ 4,679</u>	<u>\$ 3,010</u>	<u>\$ 7</u>	<u>\$ 376</u>	<u>\$ 834</u>	<u>\$ 7</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Sheriff Drug Fund				911 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	135,000	136,574	120,000	142,593
Intergovernmental	40,000	1,350	50,000	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	500	617	500	773
Other Receipts	10,000	-	3,000	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,000</u>	<u>\$ 1,350</u>	<u>\$ 53,000</u>	<u>\$ -</u>	<u>\$ 135,500</u>	<u>\$ 137,191</u>	<u>\$ 120,500</u>	<u>\$ 143,366</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	5,000	2,210	-	-	50,000	51,115	55,000	43,736
Other Expenditures	5,000	-	5,000	-	15,000	7,110	15,000	5,264
Capital Outlay	40,000	-	45,000	1,007	-	-	-	-
Transfers Out	-	-	-	-	115,000	115,000	115,000	115,000
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 2,210</u>	<u>\$ 50,000</u>	<u>\$ 1,007</u>	<u>\$ 180,000</u>	<u>\$ 173,225</u>	<u>\$ 185,000</u>	<u>\$ 164,000</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (860)	\$ 3,000	\$ (1,007)	\$ (44,500)	\$ (36,034)	\$ (64,500)	\$ (20,634)
Cash and Equivalents, Jan 1	<u>1,289</u>	<u>1,289</u>	<u>2,296</u>	<u>2,296</u>	<u>45,908</u>	<u>45,908</u>	<u>66,542</u>	<u>66,542</u>
Cash and Equivalents, Dec 31	<u>\$ 1,289</u>	<u>\$ 429</u>	<u>\$ 5,296</u>	<u>\$ 1,289</u>	<u>\$ 1,408</u>	<u>\$ 9,874</u>	<u>\$ 2,042</u>	<u>\$ 45,908</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Election Fund				Recorder User Fee Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	226,369	188,181	199,422	159,708	-	-	-	-
Charges for Services	-	-	-	-	20,000	21,278	21,500	23,761
Interest	-	126	-	-	2,000	4,362	2,500	4,057
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 226,369	\$ 188,307	\$ 199,422	\$ 159,708	\$ 22,000	\$ 25,640	\$ 24,000	\$ 27,818
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	129,000	118,017	97,500	40,872	-	-	-	-
Services	65,500	49,609	55,000	32,190	-	-	-	-
Other Expenditures	81,369	14,721	35,000	31,142	96,000	15,990	130,000	22,990
Capital Outlay	-	-	-	-	27,000	500	50,000	6,650
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 275,869	\$ 182,347	\$ 187,500	\$ 104,204	\$ 123,000	\$ 16,490	\$ 180,000	\$ 29,640
Receipts Over (Under)								
Disbursements	\$ (49,500)	\$ 5,960	\$ 11,922	\$ 55,504	\$ (101,000)	\$ 9,150	\$ (156,000)	\$ (1,822)
Cash and Equivalents, Jan 1	54,284	54,284	(1,220)	(1,220)	282,045	282,045	283,867	283,867
Cash and Equivalents, Dec 31	<u>\$ 4,784</u>	<u>\$ 60,244</u>	<u>\$ 10,702</u>	<u>\$ 54,284</u>	<u>\$ 181,045</u>	<u>\$ 291,195</u>	<u>\$ 127,867</u>	<u>\$ 282,045</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Health and Dental Escrow Fund				Collector's Tax Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	70,000	69,333	70,000	67,226
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	3,000	4,384	2,000	4,053
Other Receipts	1,390,000	1,449,586	1,380,000	1,333,448	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,390,000	\$ 1,449,586	\$ 1,380,000	\$ 1,333,448	\$ 73,000	\$ 73,717	\$ 72,000	\$ 71,279
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	1,418,300	1,413,530	1,418,300	1,310,913	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	300,000	110,551	300,000	52,716
Transfers Out	-	-	-	-	15,000	-	-	-
Total Disbursements	\$ 1,418,300	\$ 1,413,530	\$ 1,418,300	\$ 1,310,913	\$ 315,000	\$ 110,551	\$ 300,000	\$ 52,716
Receipts Over (Under)								
Disbursements	\$ (28,300)	\$ 36,056	\$ (38,300)	\$ 22,535	\$ (242,000)	\$ (36,834)	\$ (228,000)	\$ 18,563
Cash and Equivalents, Jan 1	62,824	62,824	40,289	40,289	285,363	285,363	266,800	266,800
Cash and Equivalents, Dec 31	\$ 34,524	\$ 98,880	\$ 1,989	\$ 62,824	\$ 43,363	\$ 248,529	\$ 38,800	\$ 285,363

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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 Restitution Fund				Sheriff Civil Fees Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	20,000	12,699	30,000	8,282	43,500	35,495	48,000	35,221
Interest	-	-	-	-	-	141	150	180
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 12,699</u>	<u>\$ 30,000</u>	<u>\$ 8,282</u>	<u>\$ 43,500</u>	<u>\$ 35,636</u>	<u>\$ 48,150</u>	<u>\$ 35,401</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	-	8,000	-	500	-	500	317
Services	-	-	-	-	-	-	-	-
Other Expenditures	20,000	11,780	-	-	3,000	3,409	3,000	2,591
Capital Outlay	-	-	26,000	-	-	-	-	-
Transfers Out	-	-	-	-	40,000	30,000	55,000	50,000
Total Disbursements	<u>\$ 30,000</u>	<u>\$ 11,780</u>	<u>\$ 34,000</u>	<u>\$ -</u>	<u>\$ 43,500</u>	<u>\$ 33,409</u>	<u>\$ 58,500</u>	<u>\$ 52,908</u>
Receipts Over (Under)								
Disbursements	\$ (10,000)	\$ 919	\$ (4,000)	\$ 8,282	\$ -	\$ 2,227	\$ (10,350)	\$ (17,507)
Cash and Equivalents, Jan 1	<u>12,834</u>	<u>12,834</u>	<u>4,552</u>	<u>4,552</u>	<u>9,070</u>	<u>9,070</u>	<u>26,577</u>	<u>26,577</u>
Cash and Equivalents, Dec 31	<u>\$ 2,834</u>	<u>\$ 13,753</u>	<u>\$ 552</u>	<u>\$ 12,834</u>	<u>\$ 9,070</u>	<u>\$ 11,297</u>	<u>\$ 16,227</u>	<u>\$ 9,070</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Sheriff Revolving Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	50,000	35,641	40,000	51,251
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 50,000</u>	<u>\$ 35,641</u>	<u>\$ 40,000</u>	<u>\$ 51,251</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	500	384	500	1,056
Services	-	-	-	-
Other Expenditures	1,000	1,060	1,000	1,281
Capital Outlay	20,000	1,114	5,000	5,197
Transfers Out	40,000	40,000	42,500	42,500
Total Disbursements	<u>\$ 61,500</u>	<u>\$ 42,558</u>	<u>\$ 49,000</u>	<u>\$ 50,034</u>
Receipts Over (Under)				
Disbursements	\$ (11,500)	\$ (6,917)	\$ (9,000)	\$ 1,217
Cash and Equivalents, Jan 1	<u>12,732</u>	<u>12,732</u>	<u>11,515</u>	<u>11,515</u>
Cash and Equivalents, Dec 31	<u>\$ 1,232</u>	<u>\$ 5,815</u>	<u>\$ 2,515</u>	<u>\$ 12,732</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, 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

	Community Development Block Grant Fund				Delta Regional Authority Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500,000	157,847	800,000	144,014	150,000	29,609	150,000	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 500,000	\$ 157,847	\$ 800,000	\$ 144,014	\$ 150,000	\$ 29,609	\$ 150,000	\$ -
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	500,000	157,847	800,000	144,014	-	-	-	-
Capital Outlay	-	-	-	-	150,000	29,609	150,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 500,000	\$ 157,847	\$ 800,000	\$ 144,014	\$ 150,000	\$ 29,609	\$ 150,000	\$ -
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	121	121	121	121	80	80	80	80
Cash and Equivalents, Dec 31	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Organized in 1849, the county of Butler was named after Kentucky congressman, William O. Butler. It is a third-class county, and the county seat is Poplar Bluff. Butler 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 Butler County, Missouri, the Butler County Senior Citizens Service Board, and the Butler County Senate Bill 40 Board.

Butler 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 Butler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Butler County's legal entity. The Butler County Senior Citizens Service Board and the Senate Bill 40 Board is controlled by a separate board and is also included under the control of Butler 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 Butler 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 Butler
Poplar Bluff, 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 Butler 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, Butler 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 2013: Domestic Violence Fund, Sheriff Commissary Fund, and Sheriff Revolving Fund.

The County of Butler
Poplar Bluff, 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 Butler 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	\$ 391,215,686	\$ 381,299,594
Personal Property	113,572,188	127,056,206
Railroad and Utilities	24,538,885	24,780,434
	<u>\$ 529,326,759</u>	<u>\$ 533,136,234</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	\$ 0.9995	\$ 0.9995
Special Road and Bridge	0.0342	0.0342
Care of the Handicapped (SB40)	0.0998	0.1000
Senior Citizens Service Board	0.0496	0.5000

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

The County of Butler
Poplar Bluff, 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

Butler 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 Butler 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	\$ 4,749,221	\$ 4,618,110
Investments	6,233	6,233
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2014	<u>\$ 4,755,454</u>	<u>\$ 4,624,343</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	\$ 5,896,116	\$ 5,515,138
Investments	6,202	6,202
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 5,902,318</u>	<u>\$ 5,521,340</u>

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

The County of Butler
Poplar Bluff, 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. Butler County's investment policy does not include custodial credit risk requirements. Butler 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 Butler County or its agent but not in the government's name. Butler 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 Butler 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. Butler 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 Butler 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). Butler 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. Butler 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	\$ -	\$ 800,000	\$ -	\$ 990,000
Special Road and Bridge	200,000	-	200,000	-
Law Enforcement Complex	790,000	-	1,002,500	-
Sheriff Commissary	-	5,000	-	5,000
911	-	115,000	-	115,000
Sheriff Civil Fees	-	30,000	-	50,000
Sheriff Revolving	-	40,000	-	42,500
	<u>\$ 990,000</u>	<u>\$ 990,000</u>	<u>\$ 1,202,500</u>	<u>\$ 1,202,500</u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 4 - Long-Term Debt

Special Revenue Bonds

In 2010, Butler County issued the Leasehold Revenue Refunding Bonds Series 2010 for the Butler County Jail Project. The bonds matured in 2013; interest was payable in annual installments at variable rates of 2.00% - 2.35%.

<u>Balance at Dec. 31, 2012</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at Dec. 31, 2013</u>	<u>Interest Paid During Year</u>
<u>\$ 440,000</u>	<u>\$ -</u>	<u>\$ (440,000)</u>	<u>\$ -</u>	<u>\$ 10,340</u>

Capital Leases

In 2005, the County entered into a capital lease agreement with Willard and Janice Allison for housing the Butler County Juvenile Center, including a detention center and Edgewood Home for a principal balance of \$144,000. The lease is payable in monthly payments of \$1,000 for a 144 month term with interest payable at 0%; the County has the option to purchase the property for \$1 at the end of the lease term.

<u>Balance at Dec. 31, 2012</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at Dec. 31, 2013</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at Dec. 31, 2014</u>
<u>\$ 56,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 44,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 32,000</u>

2014 Future Minimum Payments
Butler County Juvenile Center Capital Lease

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 12,000	\$ -	\$ 12,000
2016	12,000	-	12,000
2017	8,000	-	8,000
	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 32,000</u>

2013 Future Minimum Payments
Butler County Juvenile Center Capital Lease

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 12,000	\$ -	\$ 12,000
2015	12,000	-	12,000
2016	12,000	-	12,000
2017	8,000	-	8,000
	<u>\$ 44,000</u>	<u>\$ -</u>	<u>\$ 44,000</u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

Butler County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statutes section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling (800) 447-4334.

Funding Status

Full-time employees of Butler County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 19.1% (General), 16.0% (Police), and 17.6% (Roads) of annual covered payroll for the year ended December 31, 2014. The June 30th statutorily required contribution rates are 20.8% (General), 16.3% (Police), and 18.8% (Roads) of annual covered payroll for the year ended December 31, 2013. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2014 was as follows:

	2014
Annual required contribution	\$ 775,988
Interest on net pension obligation	2,154
Adjustment to required contribution	(2,168)
Annual pension cost	775,974
Actual contributions	775,988
Increase (decrease) in NPO	(14)
NPO beginning of year	29,706
NPO end of year	\$ 29,692

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

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

The annual required contribution (ARC) was determined as part of the February 28, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 19 years for the General division, 22 years for the Police division, and 20 years for the Roads division. The amortization period of February 28, 2013 was 19 years for the General division, 19 years for the Police division, and 20 years for the Roads division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 786,532	99.1%	\$ 26,488
2013	800,870	99.6%	29,706
2014	775,974	100.0%	29,692

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 7,164,239	\$ 10,523,799	\$ 3,359,560	68%	\$ 3,961,895	85%
2/28/2013	8,887,045	11,690,820	2,803,775	76%	4,155,043	67%
2/28/2014	9,795,703	12,257,751	2,462,048	80%	4,202,675	59%

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2013 was as follows:

	2013
Annual required contribution	\$ 800,855
Interest on net pension obligation	1,920
Adjustment to required contribution	(1,905)
Annual pension cost	800,870
Actual contributions	797,652
Increase (decrease) in NPO	3,218
NPO beginning of year	26,488
NPO end of year	\$ 29,706

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

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

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 19 years for the General division, 30 years for the Police division, and 21 years for the Roads division. The amortization period of February 29, 2012 was 19 years for the General division, 22 years for the Police division, and 20 years for the Roads division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 746,925	98.4%	\$ 19,365
2012	786,532	99.1%	26,488
2013	800,870	99.6%	29,706

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 5,979,469	\$ 9,563,465	\$ 3,583,996	63%	\$ 3,813,900	94%
2/29/2012	7,164,239	10,523,799	3,359,560	68%	3,961,895	85%
2/28/2013	8,887,045	11,690,820	2,803,775	76%	4,155,043	67%

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

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 6 - 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.

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 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$95,240 and \$95,477, respectively, for the years then ended.

Note 7 - Prosecuting Attorney Retirement Fund

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

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 8 - Post-Employment Benefits

Butler 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 Butler 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 four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward to the next year 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 six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

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.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

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

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

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 13, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 12 - Prior Period Adjustments

Beginning cash balances of the County have been restated to include the Sheriff Commissary 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	\$ 6,407,483
Prior Period Adjustment 1	<u>3,179</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 6,410,662</u></u>



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 Butler 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 Butler 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 Butler County, Missouri's basic financial statements and have issued our report thereon dated July 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Butler 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 Butler County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Butler 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, 14/13-003 and 14/13-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Butler 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 14/13-001.

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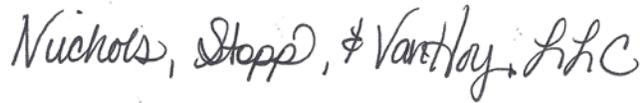
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Butler County, Missouri's Response to Findings

Butler County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butler 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 13, 2015

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



Nichols
Stopp &
VanHoy
LLC

Certified Public
Accountants

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To the County Commission and
Officeholders of Butler County, Missouri

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Butler 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 14/13-005. Our opinion on each major federal program is not modified with respect to these matters.

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

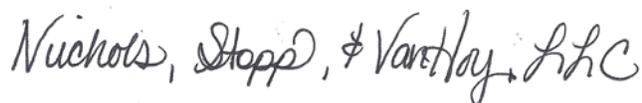
Management of Butler County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Butler County, Missouri's internal control over 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 Butler 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 14/13-005 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.

Butler County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butler County, 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.

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 13, 2015

The County of Butler
Poplar Bluff, 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	144,369	176,622
Total Department of Agriculture			144,369	176,622
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	2010-PF-46	157,847	113,693
Community Development Block Grant	14.228	2010-PF-02	-	1,840
Community Development Block Grant	14.228	2008-PF-54	-	28,481
Total Community Development Block Grant			157,847	144,014
Total U.S. Department of Housing and Urban Development			157,847	144,014
U.S. Department of the Interior				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	77,253	70,028
Total U.S. Department of the Interior			77,253	70,028
U.S. Department of Justice				
Direct Programs -				
Equitable Sharing Program	16.922	MO012000	2,210	1,007
Passed through state:				
Department of Public Safety Public Safety Partnership and Community Policing Grants	16.710	12063528	5,101	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-LLEBG-002	9,000	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-BUBX-12063528	5,094	4,803
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-LLEBG-092	-	9,000
Total Edward Byrne Memorial Justice Assistance Grant			14,094	13,803
Total U.S. Department of Justice			21,405	14,810

See Notes to the Schedule of Expenditures of Federal Awards

The County of Butler
Poplar Bluff, 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 Transportation				
Passed through state:				
Missouri Safety Center				
State and Community Highway Safety	20.600	14-PT-02-017	3,673	-
State and Community Highway Safety	20.600	13-PT-02-029	-	4,908
Alcohol Open Container Requirements	20.607	15-154-AL-071	7,308	-
Alcohol Open Container Requirements	20.607	14-154-AL-016	-	6,001
MODot Equipment Grant	20.XXX	N/A	-	4,750
Highway and Transportation Commission -				
Highway Planning and Construction	20.205	BRO-B012(028)	390,204	59,470
Highway Planning and Construction	20.205	STP-5800(012)	5,714	24,879
Highway Planning and Construction	20.205	STP-DRTDP-5100(007)	8,823	19,210
Total Highway Planning and Construction			<u>404,741</u>	<u>103,559</u>
Total U.S. Department of Transportation			415,722	119,218
Delta Regional Authority				
Direct Program:				
Delta Area Economic Development	90.201	DRA-MO-5349	7,176	-
Delta Area Economic Development	90.201	DRA-MO-10110	22,434	-
Total Delta Area Economic Development			<u>29,610</u>	-
Total Delta Regional Authority			29,610	-
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	ER10214A003	81,141	-
Child Support Enforcement	93.563	ER102120012	-	305,273
Total U.S. Department of Health and Human Services			81,141	305,273
U.S. Department of Homeland Security				
Passed through state:				
Emergency Management Agency -				
Emergency Management Performance Grants	97.042	EMW-2014-EP-00005-016	37,502	-
Emergency Management Performance Grants	97.042	EMW-2013-EP-00028-015-5597	-	40,692
Total U.S. Department of Homeland Security			<u>37,502</u>	<u>40,692</u>
Total Expenditures of Federal Awards			<u>\$ 964,849</u>	<u>\$ 870,657</u>

See Notes to the Schedule of Expenditures of Federal Awards

The County of Butler
Poplar Bluff, Missouri
Notes to the 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 Butler 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 \$108,277 and \$132,467 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 passed through \$157,847 and \$144,014 of federal funds related to the Community Development Block Grants Program (CFDA #14.228) to other organizations for the years ended December 31, 2014 and 2013, respectively.

**The County of Butler
Poplar Bluff, 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 X No

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

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

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
20.205	Highway Planning and Construction
93.563	Child Support Enforcement

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

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

The County of Butler
Poplar Bluff, 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 2013: Domestic Violence Fund, Sheriff Commissary Fund, and Sheriff Revolving Fund.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight by management.

Recommendation: We recommend that the County 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, Tonyi Deffendall, 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 573-686-8050.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

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.

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's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

The County of Butler
Poplar Bluff, 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.

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.

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's (Tonyi Deffendall) office is in the process of preparing and documenting the necessary processes to address the County's various risks and to monitor those risks on a routine basis. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

14/13 - 004 **Condition:** During our audit, we noted that the three signatures required on checks are being placed on all checks with a stamp and being mailed prior to the Treasurer's review.

Criteria: Strong internal control over financial statements require that there be a process in place to ensure those individuals whose names are being stamped on checks have the opportunity to review the disbursement prior to the check being stamped and mailed.

Effect: Signed cash disbursement checks could be issued without the knowledge of all those authorized to sign checks due to either error or fraud.

Cause: The County Clerk's office is stamping checks with all three signatures and mailing before the Treasurer is able to review the disbursement and ensure the cash within each respective fund is available.

Recommendation: We recommend that the County develop a process in which all signatures cannot be placed on checks without the knowledge of those who are authorized to sign checks.

Management's Response: The County Clerk's (Tonyi Deffendall) office and the Treasurer's (Joe Humphrey) office are currently working on a solution to resolve the issue. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

The County of Butler
Poplar Bluff, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013

Section 3 - Federal Award Findings and Questioned Costs

14/13-005 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.

Criteria: 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.

Effect: Federal expenditures reported in the SEFA were incorrect.

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: The County Clerk's (Tonyi Deffendall) office will obtain proper training in order to prepare an accurate SEFA. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

The County of Butler
Poplar Bluff, 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 Butler 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, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, 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 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

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

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

Views of responsible officials and planned corrective actions: The County Clerk's Office (Tonyi Deffendall) has taken steps to complete the audited financial statements for the next audit period. The Clerk's phone number is 573-686-8050.

Status: This is no longer considered a significant deficiency.

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

Cause: The County did not prepare the required documentation.

**The County of Butler
Poplar Bluff, 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. 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's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-686-8050.

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

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

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

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's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-686-8050.

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

12/11-04 **Criteria:** SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*, an amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the Recorder's, Collector's, and Treasurer's Office.

Context: During our audit, we noted that the Recorder, Collector, Treasurer, and Deputy Treasurer are allowed to write, approve, sign and reconcile expenditures to the bank statement.

The County of Butler
Poplar Bluff, 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)

12/11-04 **Effect:** The design of the internal control over financial reporting could adversely affect the ability to record,
(Cont.) process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: We will periodically review the size and budget constraints limiting the number of personnel within each of the departments. We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

Status: This is no longer considered a significant deficiency.

12/11-05 **Criteria:** All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County was under pledged with a financial institution.

Context: The County holds several bank accounts with a financial institution that was under collateralized for the years ended December 31, 2012 and 2011, respectively.

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

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

Recommendation: The County Treasurer should periodically review the cash and investment securities pledged with the bank to ensure the County's deposits are fully collateralized.

Views of responsible officials and planned corrective actions: The County Treasurer repeatedly reviews the collateral for both operating and investment accounts. This under collateralization was the result of the financial institution's misinterpretation of the County investment policy. The Treasurer's Office can be reached at 573-686-8083.

Status: Management has corrected this issue.

The County of Butler
Poplar Bluff, 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)

12/11-06 **Criteria:** Reconciliations must be prepared monthly on a timely basis by the Treasurer's Office.

Condition: During our testing, certain revenue items were not recorded by the Treasurer's office for the reimbursement of costs associated with housing County inmates.

Context: This deficiency became apparent through our revenue testing of the Treasurer's office.

Effect: Errors may go undetected if proper controls are not in place to review reimbursements and expenditures for housing County inmates.

Cause: Management does not place adequate emphasis upon tracking the transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Treasurer's Office enter these transactions into the accounting software to reconcile it monthly.

Views of responsible officials and planned corrective actions: The Treasurer's Office will consider the auditor's recommendation and enter the transactions into the accounting software. The Treasurer's office can be reached at 573-686-8083.

Status: Management has corrected this issue.

Federal Award Findings and Questioned Costs

There were no single audit findings noted for the years ended December 31, 2012 and 2011.