



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Osage County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Osage County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2013, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

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

Thomas A. Schweich
State Auditor

August 2014
Report No. 2014-063

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

**THE COUNTY OF OSAGE
LINN, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2013.....	4
Year Ended December 31, 2012.....	5
Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2013 and 2012.....	6-19

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2013.....	20
As of December 31, 2012.....	21
Notes to the Financial Statements.....	22-33

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings.....	34
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FEDERAL COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	35-36
Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance.....	37-39
Schedule of Expenditures of Federal Awards.....	40
Notes to the Schedule of Expenditures of Federal Awards.....	41
Schedule of Findings and Questioned Costs Years Ended December 31, 2013 and 2012.....	42-47
Summary Schedule of Prior Year Findings and Questioned Costs.....	48

FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Osage, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Osage ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2013, and 2012, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2013, and 2012, or changes in financial position or cash flows thereof for the 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 and unencumbered cash of each fund of the County as of December 31, 2013, and 2012, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

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

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2014, on our consideration of the County of Osage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Osage's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 12, 2014

FINANCIAL STATEMENTS

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

FUND	CASH AND INVESTMENT BALANCES		RECEIPTS 2013	DISBURSEMENTS 2013	CASH AND INVESTMENT BALANCES	
	JANUARY 1, 2013				DECEMBER 31, 2013	
General Revenue Fund	\$ 87,078.46	\$	1,834,326.21	\$	1,807,803.15	\$ 113,601.52
Special Road and Bridge Fund	241,412.59		951,176.18		826,236.11	366,352.66
Assessment Fund	61,358.19		189,764.91		179,534.24	71,588.86
911 Fund	102,355.31		587,120.21		557,111.02	132,364.50
Emergency Management Fund	12,422.60		113,879.22		99,964.98	26,336.84
Law Enforcement Training Fund	7,866.10		1,854.75		4,330.54	5,390.31
Conceal and Carry Fund	6,121.10		6,180.00		9,106.21	3,194.89
Civil Fees Fund	6,081.90		9,262.39		13,342.35	2,001.94
Recorder Technology Fund	16,247.57		9,003.75		15,719.71	9,531.61
Tax Maintenance Fund	12,802.77		12,059.75		16,652.15	8,210.37
Bad Check Fund	26,568.06		9,081.98		9,019.05	26,630.99
Prosecuting Attorney Training Fund	569.87		463.10		-	1,032.97
Domestic Violence Fund	2,745.00		2,758.00		2,500.00	3,003.00
Annex Building Fund	173,296.50		269,636.91		230,400.00	212,533.41
Courthouse Rehabilitation Fund	159,126.09		538,525.79		524,680.09	172,971.79
Roll Back Reserve Fund	350,957.43		12,064.80		-	363,022.23
Election Services Fund	3,992.38		905.22		-	4,897.60
B.R.O. Fund	-		40,406.55		40,406.55	-
Lease Purchase Fund	44,909.75		72.61		10,691.07	34,291.29
Use Tax Fund	14,266.35		224,478.25		120,000.00	118,744.60
Inmate Security Fund	-		1,293.10		-	1,293.10
Extension Services Fund	-		40,680.00		40,680.00	-
Special Services Fund	-		186,715.03		186,715.03	-
H.A.V.A. Fund	-		-		-	-
C.D.B.G. Housing Rehab Fund	-		853,447.35		853,447.35	-
Total	<u>\$ 1,330,178.02</u>	<u>\$</u>	<u>5,895,156.06</u>	<u>\$</u>	<u>5,548,339.60</u>	<u>\$ 1,676,994.48</u>

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

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

FUND	CASH AND INVESTMENT BALANCES		DISBURSEMENTS		CASH AND INVESTMENT BALANCES	
	January 1, 2012	RECEIPTS 2012	2012	2012	December 31, 2012	
General Revenue Fund	\$ 29,176.74	\$ 1,810,767.42	\$ 1,752,865.70	\$ 87,078.46		
Special Road and Bridge Fund	255,849.35	1,026,963.70	1,041,400.46	241,412.59		
Assessment Fund	44,452.80	188,516.43	171,611.04	61,358.19		
911 Fund	171,858.30	588,460.22	657,963.21	102,355.31		
Emergency Management Fund	33,104.30	155,607.92	176,289.62	12,422.60		
Law Enforcement Training Fund	7,026.43	1,729.50	889.83	7,866.10		
Conceal and Carry Fund	4,761.10	1,360.00	-	6,121.10		
Civil Fees Fund	729.00	8,279.36	2,926.46	6,081.90		
Recorder Technology Fund	24,379.29	9,445.00	17,576.72	16,247.57		
Tax Maintenance Fund	12,972.72	10,575.09	10,745.04	12,802.77		
Bad Check Fund	29,733.98	8,883.10	12,049.02	26,568.06		
Prosecuting Attorney Training Fund	136.20	433.67	-	569.87		
Domestic Violence Fund	5,297.00	2,448.00	5,000.00	2,745.00		
Annex Building Fund	161,707.56	261,188.94	249,600.00	173,296.50		
Courthouse Rehabilitation Fund	276,775.22	521,506.42	639,155.55	159,126.09		
Roll Back Reserve Fund	337,837.65	13,119.78	-	350,957.43		
Election Services Fund	13,564.93	2,627.45	12,200.00	3,992.38		
B.R.O. Fund	-	-	-	-		
Lease Purchase Fund	51,716.05	114.64	6,920.94	44,909.75		
Use Tax Fund	1,083.87	14,182.48	1,000.00	14,266.35		
Inmate Security Fund	-	-	-	-		
Extension Services Fund	-	41,216.00	41,216.00	-		
Special Services Fund	-	179,906.41	179,906.41	-		
H.A.V.A. Fund	-	5,875.83	5,875.83	-		
C.D.B.G. Housing Rehab Fund	-	3,848.00	3,848.00	-		
Total	\$ 1,462,162.49	\$ 4,857,055.36	\$ 4,989,039.83	\$ 1,330,178.02		

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

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

	GENERAL REVENUE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 115,000.00	\$ 85,428.55	\$ 271,972.36	\$ 115,753.96
Sales Taxes	463,000.00	467,586.39	475,000.00	462,003.82
Intergovernmental	46,560.00	61,170.33	123,371.47	86,008.16
Charges for Services	471,708.91	447,690.65	297,745.24	445,110.92
Interest Income	1,700.00	1,295.34	2,000.00	1,788.95
Other	196,644.20	210,354.95	158,600.00	58,101.61
Transfers In	562,400.00	560,800.00	460,000.00	642,000.00
TOTAL RECEIPTS	1,857,013.11	1,834,326.21	1,788,689.07	1,810,767.42
DISBURSEMENTS				
County Commission	82,060.00	76,493.77	101,512.00	103,260.19
County Clerk	96,582.00	99,517.22	105,591.60	100,279.02
Elections	46,400.00	28,842.23	89,274.65	118,171.98
Buildings and Grounds	68,300.00	76,568.49	84,185.00	72,390.08
Employee Fringe Benefits	151,200.00	150,513.24	40,500.00	114,704.00
County Treasurer	40,015.00	39,214.13	47,458.00	41,531.21
Collector	86,732.00	84,391.33	94,203.00	85,281.86
Recorder of Deeds	46,075.00	46,104.14	53,020.26	47,018.24
Circuit Clerk	8,450.00	10,260.19	16,400.00	15,305.66
Public Administrator	23,520.00	23,733.59	24,836.05	24,351.08
Sheriff	527,837.28	516,483.65	392,084.00	367,766.10
Jail	175,424.00	158,227.81	188,792.00	211,005.36
Prosecuting Attorney	105,691.00	104,617.30	121,433.40	105,150.19
Juvenile Officer	22,900.00	25,754.08	25,000.00	22,841.77
Coroner	18,650.00	16,682.31	21,560.38	18,599.20
Other	114,965.00	128,865.25	108,530.00	118,710.83
Health and Welfare	159,475.00	169,144.42	153,802.96	138,682.93
Transfers Out	47,280.00	43,890.00	47,816.00	47,816.00
Emergency Fund	50,000.00	8,500.00	53,000.00	-
TOTAL DISBURSEMENTS	1,871,556.28	1,807,803.15	1,768,999.30	1,752,865.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,543.17)	26,523.06	19,689.77	57,901.72
CASH AND INVESTMENT BALANCES, JANUARY 1	87,078.46	87,078.46	29,176.74	29,176.74
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 72,535.29	\$ 113,601.52	\$ 48,866.51	\$ 87,078.46

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

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

	SPECIAL ROAD AND BRIDGE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 362,200.00	\$ 361,744.33	\$ 358,000.00	\$ 347,448.16
Sales Taxes	-	-	-	-
Intergovernmental	544,000.00	554,213.47	1,073,000.00	543,707.38
Charges for Services	2,720.00	2,720.00	2,720.00	2,720.00
Interest Income	2,000.00	996.81	1,500.00	1,248.43
Other	506,830.00	31,501.57	119,283.95	131,839.73
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>1,417,750.00</u>	<u>951,176.18</u>	<u>1,554,503.95</u>	<u>1,026,963.70</u>
DISBURSEMENTS				
Salaries	380,203.92	354,423.23	389,059.20	366,059.58
Employee Fringe Benefits	62,185.60	62,361.44	97,629.83	69,302.57
Materials and Supplies	291,750.00	229,473.97	305,200.00	272,166.73
Insurance	6,900.00	6,754.09	6,100.00	6,528.33
Road and Bridge Materials	99,000.00	87,476.23	180,000.00	97,213.61
Equipment Purchases	225,000.00	13,269.40	250,000.00	217,438.40
Services and Other	5,050.00	62,477.75	10,650.00	2,691.24
Debt Service	-	-	-	-
Construction	500,000.00	-	533,000.00	-
Transfers Out	10,000.00	10,000.00	10,000.00	10,000.00
TOTAL DISBURSEMENTS	<u>1,580,089.52</u>	<u>826,236.11</u>	<u>1,781,639.03</u>	<u>1,041,400.46</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(162,339.52)	124,940.07	(227,135.08)	(14,436.76)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>241,412.59</u>	<u>241,412.59</u>	<u>255,849.35</u>	<u>255,849.35</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 79,073.07</u>	<u>\$ 366,352.66</u>	<u>\$ 28,714.27</u>	<u>\$ 241,412.59</u>

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

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

	ASSESSMENT FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	175,200.00	181,584.54	180,000.00	177,414.62
Charges for Services	2,500.00	1,091.00	2,800.00	2,429.00
Interest Income	200.00	239.00	175.00	240.35
Other	6,600.00	250.37	7,400.00	1,832.46
Transfers In	-	6,600.00	-	6,600.00
TOTAL RECEIPTS	<u>184,500.00</u>	<u>189,764.91</u>	<u>190,375.00</u>	<u>188,516.43</u>
DISBURSEMENTS				
Assessor	171,960.00	149,342.24	164,760.00	166,611.04
Transfers Out	-	30,192.00	-	5,000.00
TOTAL DISBURSEMENTS	<u>171,960.00</u>	<u>179,534.24</u>	<u>164,760.00</u>	<u>171,611.04</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	12,540.00	10,230.67	25,615.00	16,905.39
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>61,358.19</u>	<u>61,358.19</u>	<u>44,452.80</u>	<u>44,452.80</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 73,898.19</u>	<u>\$ 71,588.86</u>	<u>\$ 70,067.80</u>	<u>\$ 61,358.19</u>

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

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

	911 FUND				EMERGENCY MANAGEMENT FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	520,000.00	538,495.17	500,000.00	521,524.55	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	38,192.00	2,927.89	8,000.00	1,472.35	-	-	-	-
Other Income	-	31,991.24	-	65,261.27	106,665.00	83,625.00	95,500.00	150,551.67
Interest Income	-	233.00	-	202.05	50.00	62.22	125.00	56.25
Transfers In	-	13,472.91	-	-	-	30,192.00	30,192.00	5,000.00
TOTAL RECEIPTS	558,192.00	587,120.21	508,000.00	588,460.22	106,715.00	113,879.22	125,817.00	155,607.92
DISBURSEMENTS								
Salaries	400,892.00	356,942.96	301,108.00	348,666.34	-	30,357.45	60,384.00	88,502.98
Supplies	27,960.00	27,062.19	30,620.00	35,239.59	30,188.11	29,457.51	32,302.00	25,692.76
Equipment	63,968.00	81,476.76	65,317.00	112,241.52	16,339.00	18,365.43	47,280.00	49,935.54
Training	5,837.00	6,977.05	8,937.00	5,543.13	5,200.00	3,321.03	4,600.00	6,773.34
Office - Other	4,200.00	3,852.06	184,692.00	6,272.63	4,745.00	4,990.65	590.00	5,385.00
Transfers Out	80,800.00	80,800.00	-	150,000.00	30,192.00	13,472.91	-	-
TOTAL DISBURSEMENTS	583,657.00	557,111.02	590,674.00	657,963.21	86,664.11	99,964.98	145,156.00	176,289.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,465.00)	30,009.19	(82,674.00)	(69,502.99)	20,050.89	13,914.24	(19,339.00)	(20,681.70)
CASH AND INVESTMENT BALANCES, JANUARY 1	102,355.31	102,355.31	171,858.30	171,858.30	12,422.60	12,422.60	33,104.30	33,104.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 76,890.31	\$ 132,364.50	\$ 89,184.30	\$ 102,355.31	\$ 32,473.49	\$ 26,336.84	\$ 13,765.30	\$ 12,422.60

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

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

	LAW ENFORCEMENT TRAINING FUND				CONCEAL AND CARRY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1,500.00	-	1,500.00	1,360.00
Charges for Services	1,250.00	1,854.75	1,250.00	1,729.50	-	6,180.00	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>1,250.00</u>	<u>1,854.75</u>	<u>1,250.00</u>	<u>1,729.50</u>	<u>1,500.00</u>	<u>6,180.00</u>	<u>1,500.00</u>	<u>1,360.00</u>
DISBURSEMENTS								
Law Enforcement	1,250.00	4,330.54	1,700.00	889.83	6,600.00	9,106.21	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,250.00</u>	<u>4,330.54</u>	<u>1,700.00</u>	<u>889.83</u>	<u>6,600.00</u>	<u>9,106.21</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(2,475.79)	(450.00)	839.67	(5,100.00)	(2,926.21)	1,500.00	1,360.00
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>7,866.10</u>	<u>7,866.10</u>	<u>7,026.43</u>	<u>7,026.43</u>	<u>6,121.10</u>	<u>6,121.10</u>	<u>4,761.10</u>	<u>4,761.10</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 7,866.10</u>	<u>\$ 5,390.31</u>	<u>\$ 6,576.43</u>	<u>\$ 7,866.10</u>	<u>\$ 1,021.10</u>	<u>\$ 3,194.89</u>	<u>\$ 6,261.10</u>	<u>\$ 6,121.10</u>

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

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

	CIVIL FEES FUND				RECORDER TECHNOLOGY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	8,000.00	9,262.39	8,000.00	8,279.36	9,445.00	9,003.75	8,000.00	9,445.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>8,000.00</u>	<u>9,262.39</u>	<u>8,000.00</u>	<u>8,279.36</u>	<u>9,445.00</u>	<u>9,003.75</u>	<u>8,000.00</u>	<u>9,445.00</u>
DISBURSEMENTS								
Civil Fees	8,000.00	13,342.35	8,500.00	2,926.46	-	-	-	-
Recorder	-	-	-	-	16,400.00	15,719.71	15,400.00	17,576.72
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,000.00</u>	<u>13,342.35</u>	<u>8,500.00</u>	<u>2,926.46</u>	<u>16,400.00</u>	<u>15,719.71</u>	<u>15,400.00</u>	<u>17,576.72</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(4,079.96)	(500.00)	5,352.90	(6,955.00)	(6,715.96)	(7,400.00)	(8,131.72)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>6,081.90</u>	<u>6,081.90</u>	<u>729.00</u>	<u>729.00</u>	<u>16,247.57</u>	<u>16,247.57</u>	<u>24,379.29</u>	<u>24,379.29</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 6,081.90</u>	<u>\$ 2,001.94</u>	<u>\$ 229.00</u>	<u>\$ 6,081.90</u>	<u>\$ 9,292.57</u>	<u>\$ 9,531.61</u>	<u>\$ 16,979.29</u>	<u>\$ 16,247.57</u>

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

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

	TAX MAINTENANCE FUND				BAD CHECK FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,535.00	10,918.94	8,030.00	10,575.09	12,000.00	9,081.98	12,000.00	8,883.10
Intergovernmental	-	1,110.78	-	-	-	-	-	-
Interest Income	-	30.03	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>10,535.00</u>	<u>12,059.75</u>	<u>8,030.00</u>	<u>10,575.09</u>	<u>12,000.00</u>	<u>9,081.98</u>	<u>12,000.00</u>	<u>8,883.10</u>
DISBURSEMENTS								
Tax Maintenance	7,325.00	16,652.15	8,660.00	10,745.04	-	-	-	-
Bad Check	-	-	-	-	17,600.00	9,019.05	17,800.00	12,049.02
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,325.00</u>	<u>16,652.15</u>	<u>8,660.00</u>	<u>10,745.04</u>	<u>17,600.00</u>	<u>9,019.05</u>	<u>17,800.00</u>	<u>12,049.02</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,210.00	(4,592.40)	(630.00)	(169.95)	(5,600.00)	62.93	(5,800.00)	(3,165.92)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>12,802.77</u>	<u>12,802.77</u>	<u>12,972.72</u>	<u>12,972.72</u>	<u>26,568.06</u>	<u>26,568.06</u>	<u>29,733.98</u>	<u>29,733.98</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 16,012.77</u>	<u>\$ 8,210.37</u>	<u>\$ 12,342.72</u>	<u>\$ 12,802.77</u>	<u>\$ 20,968.06</u>	<u>\$ 26,630.99</u>	<u>\$ 23,933.98</u>	<u>\$ 26,568.06</u>

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

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

	PROSECUTING ATTORNEY TRAINING FUND				DOMESTIC VIOLENCE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	500.00	463.10	750.00	433.67	2,448.00	2,758.00	1,670.00	2,448.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>500.00</u>	<u>463.10</u>	<u>750.00</u>	<u>433.67</u>	<u>2,448.00</u>	<u>2,758.00</u>	<u>1,670.00</u>	<u>2,448.00</u>
DISBURSEMENTS								
Training	500.00	-	750.00	-	-	-	-	-
Domestic Violence	-	-	-	-	2,500.00	2,500.00	920.00	5,000.00
TOTAL DISBURSEMENTS	<u>500.00</u>	<u>-</u>	<u>750.00</u>	<u>-</u>	<u>2,500.00</u>	<u>2,500.00</u>	<u>920.00</u>	<u>5,000.00</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	463.10	-	433.67	(52.00)	258.00	750.00	(2,552.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>569.87</u>	<u>569.87</u>	<u>136.20</u>	<u>136.20</u>	<u>2,745.00</u>	<u>2,745.00</u>	<u>5,297.00</u>	<u>5,297.00</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 569.87</u>	<u>\$ 1,032.97</u>	<u>\$ 136.20</u>	<u>\$ 569.87</u>	<u>\$ 2,693.00</u>	<u>\$ 3,003.00</u>	<u>\$ 6,047.00</u>	<u>\$ 2,745.00</u>

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

	ANNEX BUILDING FUND				COURTHOUSE REHABILITATION FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	261,000.00	269,262.62	263,000.00	260,752.11	522,000.00	538,525.79	528,000.00	521,506.42
Interest Income	475.00	374.29	350.00	436.83	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>261,475.00</u>	<u>269,636.91</u>	<u>263,350.00</u>	<u>261,188.94</u>	<u>522,000.00</u>	<u>538,525.79</u>	<u>528,000.00</u>	<u>521,506.42</u>
DISBURSEMENTS								
Courthouse Rehabilitation	-	-	-	-	10,000.00	10,000.00	10,000.00	10,000.00
Debt Payments	230,400.00	230,400.00	230,400.00	249,600.00	162,000.00	164,680.09	162,000.00	159,155.55
Transfers Out	-	-	-	-	350,000.00	350,000.00	300,000.00	470,000.00
TOTAL DISBURSEMENTS	<u>230,400.00</u>	<u>230,400.00</u>	<u>230,400.00</u>	<u>249,600.00</u>	<u>522,000.00</u>	<u>524,680.09</u>	<u>472,000.00</u>	<u>639,155.55</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	31,075.00	39,236.91	32,950.00	11,588.94	-	13,845.70	56,000.00	(117,649.13)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>173,296.50</u>	<u>173,296.50</u>	<u>161,707.56</u>	<u>161,707.56</u>	<u>159,126.09</u>	<u>159,126.09</u>	<u>276,775.22</u>	<u>276,775.22</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 204,371.50</u>	<u>\$ 212,533.41</u>	<u>\$ 194,657.56</u>	<u>\$ 173,296.50</u>	<u>\$ 159,126.09</u>	<u>\$ 172,971.79</u>	<u>\$ 332,775.22</u>	<u>\$ 159,126.09</u>

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

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

	ROLL BACK RESERVE FUND				ELECTION SERVICES FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000.00	10,000.00	10,000.00	10,000.00	-	-	-	-
Interest Income	1,500.00	2,064.80	250.00	3,119.78	-	-	-	-
Transfers In	-	-	-	-	750.00	905.22	4,500.00	2,627.45
TOTAL RECEIPTS	<u>11,500.00</u>	<u>12,064.80</u>	<u>10,250.00</u>	<u>13,119.78</u>	<u>750.00</u>	<u>905.22</u>	<u>4,500.00</u>	<u>2,627.45</u>
DISBURSEMENTS								
Election Expenses	-	-	-	-	2,700.00	-	12,200.00	1,200.00
Transfers Out	-	-	-	-	-	-	-	11,000.00
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,700.00</u>	<u>-</u>	<u>12,200.00</u>	<u>12,200.00</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,500.00	12,064.80	10,250.00	13,119.78	(1,950.00)	905.22	(7,700.00)	(9,572.55)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>350,957.43</u>	<u>350,957.43</u>	<u>337,837.65</u>	<u>337,837.65</u>	<u>3,992.38</u>	<u>3,992.38</u>	<u>13,564.93</u>	<u>13,564.93</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 362,457.43</u>	<u>\$ 363,022.23</u>	<u>\$ 348,087.65</u>	<u>\$ 350,957.43</u>	<u>\$ 2,042.38</u>	<u>\$ 4,897.60</u>	<u>\$ 5,864.93</u>	<u>\$ 3,992.38</u>

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

	B.R.O. FUND				LEASE PURCHASE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	40,406.55	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	100.00	72.61	140.00	114.64
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	40,406.55	-	-	100.00	72.61	140.00	114.64
DISBURSEMENTS								
Highways and Roads	-	40,406.55	-	-	-	-	-	-
Capital Projects	-	-	-	-	20,000.00	10,691.07	5,000.00	6,920.94
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	40,406.55	-	-	20,000.00	10,691.07	5,000.00	6,920.94
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(19,900.00)	(10,618.46)	(4,860.00)	(6,806.30)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	44,909.75	44,909.75	51,716.05	51,716.05
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 25,009.75	\$ 34,291.29	\$ 46,856.05	\$ 44,909.75

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

	USE TAX FUND				INMATE SECURITY FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	125,000.00	224,392.96	-	14,182.48	-	-	-	-
Intergovernmental	-	-	-	-	-	1,293.10	-	-
Interest Income	-	85.29	2.50	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>125,000.00</u>	<u>224,478.25</u>	<u>2.50</u>	<u>14,182.48</u>	<u>-</u>	<u>1,293.10</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS								
Transfers Out	120,000.00	120,000.00	-	1,000.00	-	-	-	-
TOTAL DISBURSEMENTS	<u>120,000.00</u>	<u>120,000.00</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,000.00	104,478.25	2.50	13,182.48	-	1,293.10	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>14,266.35</u>	<u>14,266.35</u>	<u>1,083.87</u>	<u>1,083.87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 19,266.35</u>	<u>\$ 118,744.60</u>	<u>\$ 1,086.37</u>	<u>\$ 14,266.35</u>	<u>\$ -</u>	<u>\$ 1,293.10</u>	<u>\$ -</u>	<u>\$ -</u>

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

	EXTENSION SERVICES FUND				SPECIAL SERVICES FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 188,636.00	\$ 186,715.03	\$ 184,282.00	\$ 179,906.41
Other	-	3,390.00	-	-	-	-	-	-
Transfers In	40,680.00	37,290.00	41,216.00	41,216.00	-	-	-	-
TOTAL RECEIPTS	40,680.00	40,680.00	41,216.00	41,216.00	188,636.00	186,715.03	184,282.00	179,906.41
DISBURSEMENTS								
Salaries	31,092.00	29,000.00	29,600.00	29,600.00	-	-	-	-
Office Expenses	4,206.00	4,690.00	4,434.00	4,434.00	-	-	-	-
Mileage and Training	3,082.00	3,890.00	3,082.00	3,082.00	-	-	-	-
Equipment Expense	1,700.00	2,500.00	3,500.00	3,500.00	-	-	-	-
Other Expense	600.00	600.00	600.00	600.00	-	-	-	-
Tax Distribution	-	-	-	-	188,636.00	185,809.81	184,282.00	177,278.96
Transfers Out	-	-	-	-	-	905.22	-	2,627.45
TOTAL DISBURSEMENTS	40,680.00	40,680.00	41,216.00	41,216.00	188,636.00	186,715.03	184,282.00	179,906.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	H.A.V.A. FUND				C.D.B.G. HOUSING REHAB FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,263.70	-	1,500.00	5,875.83	951,544.00	853,447.35	-	3,848.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>9,263.70</u>	<u>-</u>	<u>1,500.00</u>	<u>5,875.83</u>	<u>951,544.00</u>	<u>853,447.35</u>	<u>-</u>	<u>3,848.00</u>
DISBURSEMENTS								
Equipment	9,263.70	-	1,500.00	5,875.83	-	-	-	-
Meremec Community Enhancement	-	-	-	-	951,544.00	853,447.35	-	3,848.00
TOTAL DISBURSEMENTS	<u>9,263.70</u>	<u>-</u>	<u>1,500.00</u>	<u>5,875.83</u>	<u>951,544.00</u>	<u>853,447.35</u>	<u>-</u>	<u>3,848.00</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	M-6 ROADS	OZARK AMBULANCE	SPECIAL ELECTIONS	RETIREMENT	PROSECUTOR TAX COLLECT	FINANCIAL INSTITUTION
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 0.03	\$ 5.00	\$ 78.33	\$ -	\$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	0.03	5.00	78.33	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	0.03	5.00	78.33	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 0.03	\$ 5.00	\$ 78.33	\$ -	\$ -
ASSETS						
	LAKE DRAINAGE	FAMILY ACCESS	LEVEE FUND	BLAND FIRE DISTRICT	DRUG COURT	COLE COUNTY FIRE
Cash and Cash Equivalents	\$ 104.16	\$ 121.00	\$ 1,168.70	\$ -	\$ -	\$ 0.35
Investments	-	-	-	-	-	-
TOTAL ASSETS	104.16	121.00	1,168.70	-	-	0.35
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	104.16	121.00	1,168.70	-	-	0.35
TOTAL LIABILITIES AND FUND BALANCES	\$ 104.16	\$ 121.00	\$ 1,168.70	\$ -	\$ -	\$ 0.35
ASSETS						
	REVOLVING FUND	COMMON SCHOOL	UNCLAIMED FEES	SURPLUS MONIES	COLLECTOR'S FUNDS	RECORDER'S FUNDS
Cash and Cash Equivalents	\$ 792.00	\$ 6,446.94	\$ 4,885.46	\$ 4,886.83	\$ 4,624,889.51	\$ 7,470.81
Investments	-	-	-	-	-	-
TOTAL ASSETS	792.00	6,446.94	4,885.46	4,886.83	4,624,889.51	7,470.81
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	792.00	6,446.94	4,885.46	4,886.83	4,624,889.51	7,470.81
TOTAL LIABILITIES AND FUND BALANCES	\$ 792.00	\$ 6,446.94	\$ 4,885.46	\$ 4,886.83	\$ 4,624,889.51	\$ 7,470.81
ASSETS						
	SHERIFFS FUNDS	PROSECUTING ATTORNEY'S FUNDS	TOTAL AGENCY FUNDS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,650,849.12			
Investments	-	-	-			
TOTAL ASSETS	-	-	4,650,849.12			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-			
UNRESERVED FUND BALANCES	-	-	4,650,849.12			
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 4,650,849.12			

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

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

	M-6 ROADS	OZARK AMBULANCE	SPECIAL ELECTIONS	RETIREMENT	PROSECUTOR TAX COLLECT	FINANCIAL INSTITUTION
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 5.00	\$ 78.33	\$ 1,604.70	\$ 1.29
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	-	5.00	78.33	1,604.70	1.29
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	5.00	78.33	1,604.70	1.29
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 5.00	\$ 78.33	\$ 1,604.70	\$ 1.29
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 121.00	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	121.00	-	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	121.00	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 121.00	\$ -	\$ -	\$ -	\$ -
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 5,456.59	\$ 4,876.00	\$ 4,877.37	\$ 4,423,639.31	\$ 11,858.36
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	5,456.59	4,876.00	4,877.37	4,423,639.31	11,858.36
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	5,456.59	4,876.00	4,877.37	4,423,639.31	11,858.36
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 5,456.59	\$ 4,876.00	\$ 4,877.37	\$ 4,423,639.31	\$ 11,858.36
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,452,517.95			
Investments	-	-	-			
TOTAL ASSETS	-	-	4,452,517.95			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-			
UNRESERVED FUND BALANCES	-	-	4,452,517.95			
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 4,452,517.95			

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

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Osage, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Treasurer, Collector, Sheriff, Coroner, Surveyor, Public Administrator, Recorder and Prosecuting Attorney.

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

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present the County’s financial accountability.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Osage, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

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

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

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

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

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

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
7. Budgets are prepared and adopted on the cash basis of accounting.

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2013 and 2012, for purposes of taxation, was:

	2013	2012
Real Estate	\$ 121,841,620	\$ 121,409,400
Personal Property	42,880,737	39,252,687
Railroad and Utilities	29,061,761	27,973,667
	\$ 193,784,118	\$ 188,635,754

During 2013 and 2012, the County Commission approved a \$0.2863 and \$0.2604, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2013 and 2012, for purposes of County taxation, as follows:

	2013	2012
General Revenue Fund	\$ 0.0713	\$ 0.0454
Special Road and Bridge Fund	0.2150	0.2150
	\$ 0.2863	\$ 0.2604

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

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

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2013, and 2012, the carrying amount of the County's deposits was \$1,676,994.48 and \$1,330,178.02, and the bank balance was \$1,823,852.68 and \$1,461,657.87, respectively. The total bank balances as of December 31, 2013, and 2012 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

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

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 1,120,532.56
Investments	556,461.92
	<hr/>
Total Deposits and Investments as of December 31, 2013	\$ <u>1,676,994.48</u>

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

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 785,716.10
Investments	544,461.92
	<hr/>
Total Deposits and Investments as of December 31, 2012	\$ <u>1,330,178.02</u>

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2013, and 2012.

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

III. LONG-TERM DEBT

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

	Balance as of	
	12/31/2013	12/31/2012
Certificate of Participation Series 2009		
On October 1, 2009, Osage County entered into a Certificate of Participation with First Bank of Missouri. The County issued Certificate of Participation Series 2009 in the amount of \$1,910,000 with a maturity date of October 1, 2027. The Certificate of Participation agreement calls for 18 payments. The proceeds of the Certificates were used for the renovation of the County Courthouse. Principal is payable on October 1, while interest is payable on October 1 and April 1. Interest rates are variable from 3.5% to 5.125%.	\$ <u>1,590,000.00</u>	\$ <u>1,675,000.00</u>
Total Certificates of Participation	\$ <u><u>1,590,000.00</u></u>	\$ <u><u>1,675,000.00</u></u>
Capital Leases		
On June 6, 2013, Osage County entered into an annually renewable lease purchase agreement with Legends Bank. The lease purchase is for \$134,332.29 with a maturity date of June 2017. The lease purchase agreement calls for 48 monthly payments of \$2,990.00. The proceeds of the lease purchase were used to purchase 6 police vehicles. Interest rate is 3.25%.	\$ 115,537.55	\$ -
On January 25, 2012, Osage County entered into an annually renewable lease purchase agreement with Legends Bank. The lease purchase is for \$44,425.00 with a maturity date of January 2014. The lease purchase agreement calls for 24 monthly payments of \$1,911.31. The proceeds of the lease purchase were used for network wiring at the county courthouse. Interest rate is 3.25%. This was paid in full in 2013.	-	24,372.03
On February 25, 2009, Osage County entered into an annually renewable lease purchase agreement with Legends Bank. The lease purchase is for \$1,665,000.00 with a maturity date of January 2018. The lease purchase agreement calls for 107 monthly payments of \$19,200.00. The proceeds of the lease purchase were used to renovate the county courthouse. Interest rate is 5%.	<u>845,580.47</u>	<u>1,029,292.33</u>
Total Capital Leases	\$ <u><u>961,118.02</u></u>	\$ <u><u>1,053,664.36</u></u>

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

III. LONG-TERM DEBT (continued)

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

Description	Account Balance 12/31/2012	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2013	Interest paid Fiscal Year 2013
Certificate of Participation	\$ 1,675,000.00	\$ -	\$ 85,000.00	\$ 1,590,000.00	\$ 75,161.26
2013 Lease Purchase	-	134,332.29	18,794.74	115,537.55	2,135.26
2012 Lease Purchase	24,372.03	-	24,372.03	-	465.31
2009 Lease Purchase	1,029,292.33	-	183,711.86	845,580.47	46,688.14
Total	\$ 2,728,664.36	\$ 134,332.29	\$ 311,878.63	\$ 2,551,118.02	\$ 124,449.97

The future payments for the Certificate of Participation agreement are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 85,000.00	\$ 72,186.26	\$ 157,186.26
2015	90,000.00	69,211.26	159,211.26
2016	90,000.00	66,106.26	156,106.26
2017	95,000.00	62,776.26	157,776.26
2018	100,000.00	59,023.76	159,023.76
2019-2023	570,000.00	226,358.80	796,358.80
2024-2027	560,000.00	73,543.76	633,543.76
	\$ 1,590,000.00	\$ 629,206.36	\$ 2,219,206.36

The future payments for the capital lease agreements are as follows:

Year Ended December 31,	Principal	Interest	Total
2014	\$ 225,100.43	\$ 41,179.57	\$ 266,280.00
2015	236,024.40	30,255.60	266,280.00
2016	247,487.71	18,792.29	266,280.00
2017	238,026.01	6,940.84	244,966.85
2018	14,479.47	60.33	14,539.80
	\$ 961,118.02	\$ 97,233.95	\$ 1,058,346.65

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

III. LONG-TERM DEBT (concluded)

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

Description	Account Balance 12/31/2011	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2012	Interest paid Fiscal Year 2012
Certificate of Participation	\$ 1,755,000.00	\$ -	\$ 80,000.00	\$ 1,675,000.00	\$ 77,961.26
2012 Lease Purchase	-	44,424.97	20,052.94	24,372.03	971.47
2009 Lease Purchase	1,219,951.88	-	190,659.55	1,029,292.33	58,940.45
Total	\$ 2,974,951.88	\$ 44,424.97	\$ 290,712.49	\$ 2,728,664.36	\$ 137,873.18

The future payments for the Certificate of Participation agreement are as follows:

Year Ending December 31,	Principal	Interest	Total
2013	\$ 85,000.00	\$ 75,161.26	\$ 160,161.26
2014	85,000.00	72,186.26	157,186.26
2015	90,000.00	69,211.26	159,211.26
2016	90,000.00	66,106.26	156,106.26
2017	95,000.00	62,776.26	157,776.26
2018-2022	545,000.00	250,276.30	795,276.30
2023-2027	685,000.00	108,650.02	793,650.02
	\$ 1,675,000.00	\$ 704,367.62	\$ 2,379,367.62

The future payments for the capital lease agreements are as follows:

Year Ended December 31,	Principal	Interest	Total
2013	\$ 206,182.27	\$ 47,153.45	\$ 253,335.72
2014	194,394.14	37,912.80	232,306.94
2015	202,340.81	28,059.19	230,400.00
2016	212,692.95	17,707.05	230,400.00
2017	223,574.72	6,825.28	230,400.00
2018	14,479.47	60.33	14,539.80
	\$ 1,053,664.36	\$ 137,718.10	\$ 1,191,382.46

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

IV. INTERFUND TRANSFERS

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

	2013		2012	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 560,800.00	\$ 43,890.00	\$ 642,000.00	\$ 47,816.00
Special Road and Bridge Fund	-	10,000.00	-	10,000.00
Assessment Fund	6,600.00	30,192.00	6,600.00	5,000.00
911 Fund	13,472.91	80,800.00	-	150,000.00
Emergency Management Fund	30,192.00	13,472.91	5,000.00	-
Courthouse Rehabilitation Fund	-	350,000.00	-	470,000.00
Election Services Fund	905.22	-	2,627.45	11,000.00
Use Tax Fund	-	120,000.00	-	1,000.00
Extension Services Fund	37,290.00	-	41,216.00	-
Special Services Fund	-	905.22	-	2,627.45
TOTAL	<u>\$ 649,260.13</u>	<u>\$ 649,260.13</u>	<u>\$ 697,443.45</u>	<u>\$ 697,443.45</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of 11 members, 9 of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any City not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

A. Plan Description (Concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2013, and 2012, were \$190,809.12 and \$205,920.32, respectively.

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2013 and one participant at December 31, 2012, and those participants paid \$3,037.21 and \$552.22, respectively.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,431, respectively, for the years ended December 31, 2013, and 2012.

THE COUNTY OF OSAGE
LINN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Compensated Absences

The County provides employees with up to 24 days of paid vacation based upon the number of years of continuous service. Vacation days do carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue eight hours of sick leave per month for a total of twelve days for the year. The County allows employees to carry forward any and all unused sick leave up to 720 hours. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

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

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

X. SUBSEQUENT EVENTS

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

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF OSAGE
LINN, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2013 AND 2012

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2013, expenditures exceeded those budgeted for the following: Assessment Fund, Emergency Management Fund, Law Enforcement Training Fund, Conceal and Carry Fund, Civil Fees Fund, Tax Maintenance Fund, and the Courthouse Rehabilitation Fund.
- B. For the year ended December 31, 2012, expenditures exceeded those budgeted for the following: Assessment Fund, 911 Fund, Emergency Management Fund, Recorder Technology Fund, Tax Maintenance Fund, Domestic Violence Fund, Annex Building Fund, Courthouse Rehabilitation Fund, Lease Purchase Fund, Use Tax Fund, and the H.A.V.A. Fund.
- C. For the year ended December 31, 2013, a budget was not prepared for the B.R.O. Fund and Inmate Security Fund.
- D. For the year ended December 31, 2012, a budget was not prepared for the C.D.B.G. Housing Rehab Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the County Commission
The County of Osage, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Osage ("County") as of and for the years ended December 31, 2013, and 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 12, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 13/12-01, FS 13/12-02 and FS 13/12-03]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Daniel Jones & Associates

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

June 12, 2014



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To The County Commission
The County of Osage, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Osage's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2013, and 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2013, and 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items SA 13/12-01 and SA 13/12-02. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items SA 13/12-01 and SA 13/12-02 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Daniel Jones & Associates

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

June 12, 2014

THE COUNTY OF OSAGE
LINN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA Number	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2012
US DEPARTMENT OF AGRICULTURE				
PASSED THROUGH THE STATE				
Department of Health and Senior Services:				
Special Supplemental Nutrition Program for				
Women, Infants and Children	10.557	ERS04512300	\$ -	\$ 17,061.71
		ERS04513300	24,657.64	5,694.48
		ERS04514300	5,248.37	-
Child and Adult Care Food Program	10.558	N/A	-	1,200.00
Summer Food Service Program for Children	10.559	ERS219-12076	-	90.00
		ERS219-13751	90.00	-
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
PASSED THROUGH THE STATE				
Department of Economic Development:				
Community Development Block Grant	14.228	2008-DI-42	853,447.35	3,848.00
DEPARTMENT OF INTERIOR				
DIRECT PROGRAM				
PILT - Payment in Lieu of Taxes	15.226	N/A	701.00	718.00
DEPARTMENT OF TRANSPORTATION				
PASSED THROUGH STATE				
Highway and Transportation Commission:				
Highway Planning and	20.205	BRO-076(12)	21,344.94	-
Construction		BRO-076(13)	19,061.61	-
Office of Homeland Security Grants and Training:				
Mapping System	20.615	N/A	-	3,500.00
DEPARTMENT OF HEALTH & HUMAN SERVICES				
PASSED THROUGH THE STATE				
Child Care Health Consultation	93.xxx	DH120007083	-	2,215.50
	93.xxx	DH130002094	3,213.00	351.75
	93.xxx	DH140004009	493.50	-
Public Health Emergency Preparedness	93.069	N/A	21,016.56	12,588.53
Child Care and Development Block Grant	93.575	ERS220-14067	1,060.00	-
		ERS220-11076	1,630.00	3,340.00
Maternal and Child Health Serviced Block Grant	93.994	N/A	17,296.73	17,305.23
US DEPARTMENT OF HOMELAND SECURITY				
PASSED THROUGH STATE				
State Department of Public Safety:				
Presidentially Declared Disasters	97.036	FEMA-4130-DR-MO	56,428.66	-
Emergency Management Performance Grant	97.042	EMW-2013-EP-00028-081-5591	38,795.89	-
		EMW-2012-EP-00018-S01	-	38,114.54
		EMW-2011-EP-00004	1,800.00	-
EMPG 2012 Supplemental	97.042	N/A	15,000.00	-
Total Expenditures of Federal Awards			\$ 1,081,285.25	\$ 106,027.74

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Osage County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and, if applicable, noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUB-RECIPIENTS

The County provided federal awards to sub-recipients during the years ended December 31, 2013, and 2012. The sub-recipients are as follows:

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal CFDA Number</u>		<u>Amount Provided to Subrecipient</u>
Community Development	Meramec Community		2012	\$ 3,848.00
Block Grant	Enhancement Corporation	14.228	2013	853,447.35
	Total Provided to Subrecipients			<u>\$ 857,295.35</u>

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

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified?

	2013	___ Yes	___ No	
	2012	___ Yes	___ No	
 - b. Significant deficiencies identified?

	2013	___ Yes	___ None Reported	
	2012	___ Yes	___ None Reported	
3. Noncompliance material to financial statements noted?

	2013	___ Yes	___ No	
	2012	___ Yes	___ No	

B. Federal Awards

1. Internal control over major programs:
 - a. Material weakness(es) identified?

	2013	___ Yes	___ No	
	2012	___ Yes	___ No	
 - b. Significant deficiencies identified?

	2013	___ Yes	___ None Reported	
	2012	___ Yes	___ None Reported	
2. Type of auditor's report issued on compliance for major programs:

	2013	- Unmodified
	2012	- Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

	2013	___ Yes	___ No	
	2012	___ Yes	___ No	

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

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 13/12-02 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 County's walkthroughs, 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 will begin the process of fraud risk assessment documentation in 2014 with the direction from the County Commission. The County Clerk's (Patrick Steele) office phone number is (573) 897-2139.

FS 13/12-03 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 office of the Collector and Treasurer.

Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, 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.

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

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 13/12-03 Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County Collector's (Doris Keilholz) office and the County Treasurer's (Tim Neuner) has informed us that the County will look into making proper segregation of duties within their offices. The Collector's office phone number is 573-897-3706 and the Treasurer's office phone number is 573-897-3095.

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

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

A. Category of Internal Control Weakness

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

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

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

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

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

B. Category of Noncompliance Findings (concluded)

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

C. Federal Award Findings and Questioned Costs

SA 13/12-01	Federal Grantor:	U.S. Department of Housing and Urban Development
Other Information	Pass-Through Grantor:	Missouri Department of Economic Development
Significant Deficiency	Federal CFDA Number:	14.228
	Program Title:	Community Development Block Grant

Information on the federal program: The County was non-compliant with the sub-recipient monitoring requirement set forth by OMB Circular A-133.

Criteria: OMB Circular A-133 requires that pass-through entities monitor the activities of sub-recipients to ensure compliance with laws, regulations and the provisions of contracts or grant agreements.

Condition: During our testing of CDBG funds, we noted that the County did not monitor the sub-recipient's activities performed for the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

Questioned Costs: Not applicable

Context: During our testing of compliance, we noted that the County did not monitor the sub-recipient's activities relating to the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

Effect: The County was non-compliant with the sub-recipient monitoring requirement.

Cause: County personnel were not aware of monitoring responsibilities beyond obtaining and approving invoices.

Recommendation: The County should review the activities of the sub-recipient to ensure that the Davis-Bacon Act is being followed and that entities being used are not on the suspension and debarment list.

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

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

SA 13/12-01 Views of responsible officials and planned corrective actions: Going forward the County Clerk's (Patrick Steele) office will require clarification of monitoring processes, procedures and reimbursement. His phone number is (573) 897-2139.

SA 13/12-02 Federal Grantor: U.S. Department of Agriculture, U.S. Department of Interior, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Other Information Pass-Through Grantor: Department of Health and Senior Services, Office of Homeland Security Grants and Training, Missouri Department of Public Safety, and Highway and Transportation Commission

Significant Deficiency Federal CFDA
Number: All programs except 14.228
Program Title: All programs except CDBG

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

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

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

Questioned Costs: Not applicable

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

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

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

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements.

Views of responsible officials and planned corrective actions: The County Clerk's (Patrick Steele) office will focus more attention on defining sources of funds going forward. His phone number is (573) 897-2139.

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

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year since the County's last audit was for the 2009/2008 year end.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal awarding findings or questions costs in the prior year since the County's last audit was for the 2009/2008 year end.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2014

To the Board of Commissioners
County of Osage

In planning and performing our audit of the regulatory based financial statements of the County of Osage (the "County") as of and for the years ended December 31, 2013, and December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I:

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

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 13/12-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

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

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

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 will begin the process of internal control documentation in 2014 with the direction from the County Commission. The County Clerk's (Patrick Steele) office phone number is (573) 897-2139.

FS 13/12-02 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 County walkthroughs, 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.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

FS 13/12-02 Views of Responsible Officials and Planned Corrective Actions: The County will begin the process of fraud risk assessment documentation in 2014 with the direction from the County Commission. The County Clerk's (Patrick Steele) office phone number is (573) 897-2139.

FS 13/12-03 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 office of the Collector and Treasurer.

Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, 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 should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County Collector's (Doris Keilholz) office and the County Treasurer's (Tim Neuner) has informed us that the County will look into making proper segregation of duties within their offices. The Collector's office phone number is 573-897-3706 and the Treasurer's office phone number is 573-897-3095.

SA 13/12-01	Federal Grantor:	U.S. Department of Housing and Urban Development
Other Information	Pass-Through Grantor:	Missouri Department of Economic Development
Significant Deficiency	Federal CFDA Number:	14.228
	Program Title:	Community Development Block Grant

Information on the federal program: The County was non-compliant with the sub-recipient monitoring requirement set forth by OMB Circular A-133.

Criteria: OMB Circular A-133 requires that pass-through entities monitor the activities of sub-recipients to ensure compliance with laws, regulations and the provisions of contracts or grant agreements.

Condition: During our testing of CDBG funds, we noted that the County did not monitor the sub-recipient's activities performed for the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

SA 13/12-01 Questioned Costs: Not applicable

Context: During our testing of compliance, we noted that the County did not monitor the sub-recipient's activities relating to the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

Effect: The County was non-compliant with the sub-recipient monitoring requirement.

Cause: County personnel were not aware of monitoring responsibilities beyond obtaining and approving invoices.

Recommendation: The County should review the activities of the sub-recipient to ensure that the Davis-Bacon Act is being followed and that entities being used are not on the suspension and debarment list.

Views of responsible officials and planned corrective actions: Going forward the County Clerk's (Patrick Steele) office will require clarification of monitoring processes, procedures and reimbursement. His phone number is (573) 897-2139.

SA 13/12-02	Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Interior, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security
Other Information	Pass-Through Grantor:	Department of Health and Senior Services, Office of Homeland Security Grants and Training, Missouri Department of Public Safety, and Highway and Transportation Commission
Significant Deficiency	Federal CFDA Number:	All programs except 14.228
	Program Title:	All programs except CDBG

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

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

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

Questioned Costs: Not applicable

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

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

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

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

SA 13/12-02 Views of responsible officials and planned corrective actions: The County Clerk's (Patrick Steele) office will focus more attention on defining sources of funds going forward. His phone number is (573) 897-2139.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 31, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2013-2012 fiscal years. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 12, 2014.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditures of federal awards which accompany the financial statements but are not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.