



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Gasconade County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Gasconade 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, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

September 2014  
Report No. 2014-071

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

**THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
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## **FINANCIAL SECTION**



# Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

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## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Gasconade, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Gasconade ("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 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014, on our consideration of the County of Gasconade’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 Gasconade’s internal control over financial reporting and compliance.

*Daniel Jones & Associates*

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

June 16, 2014

## **FINANCIAL STATEMENTS**

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

FUND	CASH BALANCES JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH BALANCES DECEMBER 31, 2013
General Revenue Fund	\$ 261,574.54	\$ 2,041,127.73	\$ 1,962,759.40	\$ 339,942.87
Special Road and Bridge Fund	314,424.09	1,889,811.18	1,868,949.23	335,286.04
Assessment Fund	434,128.21	232,336.84	182,026.92	484,438.13
Union Electric SOP Fund	125,920.90	76,513.05	31,196.12	171,237.83
Law Enforcement Training Fund	354.97	2,016.74	1,834.24	537.47
Prosecuting Attorney Training Fund	284.35	318.83	230.00	373.18
Prosecuting Attorney Bad Check Fund	4,971.09	7,871.19	1,886.94	10,955.34
Election Services Fund	2,681.34	10,112.63	11,106.62	1,687.35
Election Technology Fund	471.08	654.23	1,089.04	36.27
Recorder's Retention of Records Fund	14,747.02	15,709.69	14,481.94	15,974.77
Recorder's Technology Fund	6,462.35	4,654.92	4,200.00	6,917.27
Family Service and Justice Fund	44,495.03	5,094.57	17,170.00	32,419.60
Victims of Domestic Violence Fund	495.56	523.60	500.00	519.16
Sheriff's Law Enforcement Civil Fee Fund	22,599.24	29,829.20	30,616.91	21,811.53
Sheriff's Revolving CCW Fees Fund	12,622.63	12,611.37	19,457.85	5,776.15
Sheriff Deputy Salary Supplement Fund	70.00	6,708.44	6,678.44	100.00
Collector's Tax Maintenance Fund	103,313.55	27,532.00	35,762.63	95,082.92
TOTAL	\$ 1,349,615.95	\$ 4,363,426.21	\$ 4,189,946.28	\$ 1,523,095.88

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



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

FUND	CASH BALANCES JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH BALANCES DECEMBER 31, 2012
General Revenue Fund	\$ 188,316.61	\$ 2,245,338.34	\$ 2,172,080.41	\$ 261,574.54
Special Road and Bridge Fund	381,217.27	1,905,676.41	1,972,469.59	314,424.09
Assessment Fund	361,327.02	226,922.86	154,121.67	434,128.21
Union Electric SOP Fund	113,649.68	59,330.55	47,059.33	125,920.90
Law Enforcement Training Fund	124.16	2,132.06	1,901.25	354.97
Prosecuting Attorney Training Fund	312.44	355.81	383.90	284.35
Prosecuting Attorney Bad Check Fund	1,706.71	8,124.62	4,860.24	4,971.09
Election Services Fund	967.66	24,535.00	22,821.32	2,681.34
Election Technology Fund	1,075.93	868.99	1,473.84	471.08
Recorder's Retention of Records Fund	12,095.50	13,733.07	11,081.55	14,747.02
Recorder's Technology Fund	7,628.27	4,477.00	5,642.92	6,462.35
Family Service and Justice Fund	50,168.63	5,246.40	10,920.00	44,495.03
Victims of Domestic Violence Fund	836.38	659.18	1,000.00	495.56
Sheriff's Law Enforcement Civil Fee Fund	11,567.68	36,220.57	25,189.01	22,599.24
Sheriff's Revolving CCW Fees Fund	15,795.12	10,164.90	13,337.39	12,622.63
Sheriff Deputy Salary Supplement Fund	260.00	8,624.20	8,814.20	70.00
Collector's Tax Maintenance Fund	109,339.59	26,107.00	32,133.04	103,313.55
TOTAL	<u>\$ 1,256,388.65</u>	<u>\$ 4,578,516.96</u>	<u>\$ 4,485,289.66</u>	<u>\$ 1,349,615.95</u>

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

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH 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				
Sales Taxes	\$ 1,591,700.00	\$ 1,567,247.63	\$ 1,593,900.00	\$ 1,625,362.45
Intergovernmental	223,090.00	245,242.27	402,719.84	333,222.41
Charges for Services	163,620.00	92,583.67	167,347.00	174,987.82
Interest	8,600.00	8,444.28	7,500.00	9,013.48
Other	12,500.00	37,180.34	12,000.00	6,583.28
Transfers In	102,500.00	90,429.54	108,500.00	96,168.90
TOTAL RECEIPTS	2,102,010.00	2,041,127.73	2,291,966.84	2,245,338.34
DISBURSEMENTS				
County Commission	127,765.00	122,166.79	137,081.00	122,955.37
County Clerk	83,882.00	75,745.90	80,066.00	74,955.41
Elections	60,310.00	57,608.66	147,588.00	144,653.08
Buildings and Grounds	121,803.00	73,900.95	102,280.00	77,701.71
County Treasurer	53,829.00	52,520.94	54,225.00	52,837.99
Collector	148,497.00	141,527.59	150,827.00	144,682.84
Circuit Clerk/Recorder	96,391.00	82,405.14	100,332.00	85,551.37
Associate Circuit Court	10,000.00	4,477.46	7,250.00	2,331.20
Court Administration	34,750.00	28,196.77	32,700.00	31,998.78
Public Administrator	53,635.00	46,070.11	47,305.00	41,191.82
Sheriff	608,148.00	608,296.07	641,688.00	618,660.69
Jail	212,330.00	234,418.68	211,719.00	206,974.15
Prosecuting Attorney	172,993.00	167,632.04	170,045.00	166,238.90
Coroner	26,551.00	21,662.79	26,551.00	26,392.27
Surveyor	18,950.00	17,747.32	8,300.00	7,910.50
Transfers Out	63,060.00	-	-	-
Emergency Fund	-	-	64,236.00	-
Other	300,851.00	228,382.19	465,704.84	367,044.33
TOTAL DISBURSEMENTS	2,193,745.00	1,962,759.40	2,447,897.84	2,172,080.41
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(91,735.00)	78,368.33	(155,931.00)	73,257.93
CASH BALANCES, JANUARY 1	261,574.54	261,574.54	188,316.61	188,316.61
CASH BALANCES, DECEMBER 31	\$ 169,839.54	\$ 339,942.87	\$ 32,385.61	\$ 261,574.54

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

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH 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	\$ 1,144,500.00	\$ 550,266.63	\$ 558,500.00	\$ 564,555.43
Sales Taxes	538,000.00	1,183,270.46	1,167,000.00	1,185,347.73
Intergovernmental	6,300.00	8,818.20	900.00	1,733.94
Charges for Services	-	-	-	-
Interest	3,200.00	3,095.37	3,500.00	2,964.29
Other	136,500.00	144,360.52	146,000.00	151,075.02
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,828,500.00	1,889,811.18	1,875,900.00	1,905,676.41
DISBURSEMENTS				
Payroll	574,160.00	568,444.98	600,000.00	569,379.10
Office	15,250.00	9,501.06	18,425.00	10,579.25
Improvements & Repairs	1,387,550.00	1,199,161.35	1,481,750.00	1,297,616.91
Other	3,000.00	2,898.87	-	966.35
Transfers Out	100,000.00	88,942.97	105,000.00	93,927.98
TOTAL DISBURSEMENTS	2,079,960.00	1,868,949.23	2,205,175.00	1,972,469.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	(251,460.00)	20,861.95	(329,275.00)	(66,793.18)
CASH BALANCES, JANUARY 1	314,424.09	314,424.09	381,217.27	381,217.27
CASH BALANCES, DECEMBER 31	\$ 62,964.09	\$ 335,286.04	\$ 51,942.27	\$ 314,424.09

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

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

	ASSESSMENT FUND				UNION ELECTRIC SOP FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 221,461.00	\$ 225,102.73	\$ 224,680.00	\$ 222,195.66	\$ 78,500.00	\$ 75,475.60	\$ 75,000.00	\$ 58,617.19
Charges for Services	3,700.00	4,674.14	1,500.00	2,430.75	-	-	-	-
Interest	2,000.00	2,557.97	2,000.00	2,296.45	700.00	887.45	700.00	713.36
Other	-	2.00	-	-	-	150.00	200.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	227,161.00	232,336.84	228,180.00	226,922.86	79,200.00	76,513.05	75,900.00	59,330.55
DISBURSEMENTS								
Payroll	167,652.00	135,898.44	155,974.00	126,633.97	16,748.00	14,695.96	24,628.00	21,538.99
Office	78,200.00	44,808.51	56,100.00	26,766.12	80,600.00	14,706.59	49,600.00	19,152.53
Other	3,000.00	1,319.97	-	721.58	1,500.00	307.00	-	4,126.89
Transfers Out	-	-	-	-	-	1,486.57	3,500.00	2,240.92
TOTAL DISBURSEMENTS	248,852.00	182,026.92	212,074.00	154,121.67	98,848.00	31,196.12	77,728.00	47,059.33
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(21,691.00)	50,309.92	16,106.00	72,801.19	(19,648.00)	45,316.93	(1,828.00)	12,271.22
CASH BALANCES, JANUARY 1	434,128.21	434,128.21	361,327.02	361,327.02	125,920.90	125,920.90	113,649.68	113,649.68
CASH BALANCES, DECEMBER 31	<u>\$ 412,437.21</u>	<u>\$ 484,438.13</u>	<u>\$ 377,433.02</u>	<u>\$ 434,128.21</u>	<u>\$ 106,272.90</u>	<u>\$ 171,237.83</u>	<u>\$ 111,821.68</u>	<u>\$ 125,920.90</u>

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

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

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,350.00	\$ 1,226.50	\$ 1,400.00	\$ 1,370.00	\$ 250.00	\$ 312.83	\$ 200.00	\$ 350.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	6.00	5.00	5.81	-	6.00	-	5.81
Other	750.00	784.24	750.00	756.25	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,150.00	2,016.74	2,155.00	2,132.06	250.00	318.83	200.00	355.81
DISBURSEMENTS								
Office	1,900.00	1,834.24	2,100.00	1,901.25	500.00	230.00	500.00	383.90
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,900.00	1,834.24	2,100.00	1,901.25	500.00	230.00	500.00	383.90
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	250.00	182.50	55.00	230.81	(250.00)	88.83	(300.00)	(28.09)
CASH BALANCES, JANUARY 1	354.97	354.97	124.16	124.16	284.35	284.35	312.44	312.44
CASH BALANCES, DECEMBER 31	\$ 604.97	\$ 537.47	\$ 179.16	\$ 354.97	\$ 34.35	\$ 373.18	\$ 12.44	\$ 284.35

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

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

	PROSECUTING ATTORNEY BAD CHECK FUND				ELECTION SERVICES FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 13,217.00	\$ 10,078.55	\$ 25,368.00	\$ 24,496.60
Charges for Services	6,500.00	7,829.51	8,000.00	8,102.35	-	-	-	-
Interest	10.00	41.68	45.00	22.27	20.00	34.08	20.00	38.40
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,510.00	7,871.19	8,045.00	8,124.62	13,237.00	10,112.63	25,388.00	24,535.00
DISBURSEMENTS								
Office	2,750.00	1,886.94	2,750.00	1,894.80	15,910.00	9,585.65	25,078.00	21,427.57
Other	2,200.00	-	5,000.00	2,965.44	-	1,520.97	-	1,393.75
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,950.00	1,886.94	7,750.00	4,860.24	15,910.00	11,106.62	25,078.00	22,821.32
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	1,560.00	5,984.25	295.00	3,264.38	(2,673.00)	(993.99)	310.00	1,713.68
CASH BALANCES, JANUARY 1	4,971.09	4,971.09	1,706.71	1,706.71	2,681.34	2,681.34	967.66	967.66
CASH BALANCES, DECEMBER 31	<u>\$ 6,531.09</u>	<u>\$ 10,955.34</u>	<u>\$ 2,001.71</u>	<u>\$ 4,971.09</u>	<u>\$ 8.34</u>	<u>\$ 1,687.35</u>	<u>\$ 1,277.66</u>	<u>\$ 2,681.34</u>

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

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

	ELECTION TECHNOLOGY FUND				RECORDER'S RETENTION OF RECORDS FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,592.00	\$ 647.73	\$ 5,160.00	\$ 862.75	\$ 13,900.00	\$ 15,623.93	\$ 12,000.00	\$ 13,666.26
Charges for Services	-	-	-	-	-	-	-	-
Interest	6.00	6.50	5.00	6.24	70.00	85.76	50.00	66.81
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,598.00	654.23	5,165.00	868.99	13,970.00	15,709.69	12,050.00	13,733.07
DISBURSEMENTS								
Office	2,595.00	1,089.04	5,520.00	1,473.84	14,650.00	14,481.94	12,550.00	11,081.55
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,595.00	1,089.04	5,520.00	1,473.84	14,650.00	14,481.94	12,550.00	11,081.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	3.00	(434.81)	(355.00)	(604.85)	(680.00)	1,227.75	(500.00)	2,651.52
CASH BALANCES, JANUARY 1	471.08	471.08	1,075.93	1,075.93	14,747.02	14,747.02	12,095.50	12,095.50
CASH BALANCES, DECEMBER 31	\$ 474.08	\$ 36.27	\$ 720.93	\$ 471.08	\$ 14,067.02	\$ 15,974.77	\$ 11,595.50	\$ 14,747.02

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

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

	RECORDER'S TECHNOLOGY FUND				FAMILY SERVICE AND JUSTICE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,545.00	\$ 4,617.50	\$ 4,000.00	\$ 4,477.00	\$ 5,000.00	\$ 4,892.00	\$ 4,515.00	\$ 5,017.77
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	37.42	55.00	-	250.00	202.57	285.00	228.63
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,545.00	4,654.92	4,055.00	4,477.00	5,250.00	5,094.57	4,800.00	5,246.40
DISBURSEMENTS								
Office	4,200.00	4,200.00	6,300.00	5,642.92	26,500.00	17,170.00	23,500.00	10,920.00
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,200.00	4,200.00	6,300.00	5,642.92	26,500.00	17,170.00	23,500.00	10,920.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	345.00	454.92	(2,245.00)	(1,165.92)	(21,250.00)	(12,075.43)	(18,700.00)	(5,673.60)
CASH BALANCES, JANUARY 1	6,462.35	6,462.35	7,628.27	7,628.27	44,495.03	44,495.03	50,168.63	50,168.63
CASH BALANCES, DECEMBER 31	<u>\$ 6,807.35</u>	<u>\$ 6,917.27</u>	<u>\$ 5,383.27</u>	<u>\$ 6,462.35</u>	<u>\$ 23,245.03</u>	<u>\$ 32,419.60</u>	<u>\$ 31,468.63</u>	<u>\$ 44,495.03</u>

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



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

	VICTIMS OF DOMESTIC VIOLENCE FUND				SHERIFFS LAW ENFORCEMENT CIVIL FEE FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 500.00	\$ 515.00	\$ 500.00	\$ 650.00	\$ 25,000.00	\$ 29,711.20	\$ 20,000.00	\$ 23,832.62
Interest	-	8.60	-	9.18	100.00	118.00	80.00	99.10
Charges for Services	-	-	-	-	12,000.00	-	11,000.00	12,288.85
Other	-	-	-	-	-	-	2,000.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	500.00	523.60	500.00	659.18	37,100.00	29,829.20	33,080.00	36,220.57
DISBURSEMENTS								
Office	500.00	500.00	1,000.00	1,000.00	34,500.00	28,481.21	38,500.00	23,502.49
Other	-	-	-	-	2,500.00	2,135.70	2,500.00	1,686.52
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	500.00	1,000.00	1,000.00	37,000.00	30,616.91	41,000.00	25,189.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	23.60	(500.00)	(340.82)	100.00	(787.71)	(7,920.00)	11,031.56
CASH BALANCES, JANUARY 1	495.56	495.56	836.38	836.38	22,599.24	22,599.24	11,567.68	11,567.68
CASH BALANCES, DECEMBER 31	\$ 495.56	\$ 519.16	\$ 336.38	\$ 495.56	\$ 22,699.24	\$ 21,811.53	\$ 3,647.68	\$ 22,599.24

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

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

	SHERIFF'S REVOLVING CCW FEES FUND				SHERIFF DEPUTY SALARY SUPPLEMENT FUND			
	2013		2012		2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 4,158.44	\$ 6,550.00	\$ 5,864.20
Charges for Services	10,000.00	12,552.00	10,000.00	10,063.50	3,500.00	2,550.00	3,450.00	2,760.00
Interest	100.00	59.37	100.00	101.40	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,100.00	12,611.37	10,100.00	10,164.90	9,500.00	6,708.44	10,000.00	8,624.20
DISBURSEMENTS								
Office	19,500.00	19,054.36	16,000.00	12,560.89	9,500.00	6,678.44	10,260.00	8,814.20
Other	1,000.00	403.49	1,000.00	776.50	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,500.00	19,457.85	17,000.00	13,337.39	9,500.00	6,678.44	10,260.00	8,814.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,400.00)	(6,846.48)	(6,900.00)	(3,172.49)	-	30.00	(260.00)	(190.00)
CASH BALANCES, JANUARY 1	12,622.63	12,622.63	15,795.12	15,795.12	70.00	70.00	260.00	260.00
CASH BALANCES, DECEMBER 31	<u>\$ 2,222.63</u>	<u>\$ 5,776.15</u>	<u>\$ 8,895.12</u>	<u>\$ 12,622.63</u>	<u>\$ 70.00</u>	<u>\$ 100.00</u>	<u>\$ -</u>	<u>\$ 70.00</u>

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

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

	COLLECTOR'S TAX MAINTENANCE FUND			
	2013		2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 24,699.00	\$ 26,970.00	\$ 25,226.00	\$ 25,522.00
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	175.00	562.00	225.00	585.00
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	24,874.00	27,532.00	25,451.00	26,107.00
DISBURSEMENTS				
Tax Maintenance	93,460.00	35,762.63	109,700.00	32,133.04
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	93,460.00	35,762.63	109,700.00	32,133.04
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(68,586.00)	(8,230.63)	(84,249.00)	(6,026.04)
CASH BALANCES, JANUARY 1	103,313.55	103,313.55	109,339.59	109,339.59
CASH BALANCES, DECEMBER 31	<u>\$ 34,727.55</u>	<u>\$ 95,082.92</u>	<u>\$ 25,090.59</u>	<u>\$ 103,313.55</u>

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

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

	<u>Surplus Tax</u>	<u>Unclaimed Fees</u>	<u>School Fine</u>	<u>School Building</u>	<u>City Intangible</u>	<u>School Districts</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,607.11	\$ 719.56	\$ 21,534.64	\$ 500.00	\$ 688.02	\$ 7,771.98
Total Assets	4,607.11	719.56	21,534.64	500.00	688.02	7,771.98
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,607.11	719.56	21,534.64	500.00	688.02	7,771.98
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,607.11</u>	<u>\$ 719.56</u>	<u>\$ 21,534.64</u>	<u>\$ 500.00</u>	<u>\$ 688.02</u>	<u>\$ 7,771.98</u>

	<u>Ambulances</u>	<u>Fire District</u>	<u>Morrison Levee</u>	<u>Herman Area Hospital</u>	<u>Gasconade County Health Dept</u>	<u>Senate Bill 40</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 287.62	\$ -	\$ 0.78	\$ 1,438.32	\$ 197.96	\$ 197.96
Total Assets	287.62	-	0.78	1,438.32	197.96	197.96
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	287.62	-	0.78	1,438.32	197.96	197.96
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 287.62</u>	<u>\$ -</u>	<u>\$ 0.78</u>	<u>\$ 1,438.32</u>	<u>\$ 197.96</u>	<u>\$ 197.96</u>

	<u>Gasconade County Mental</u>	<u>Library</u>	<u>CERF</u>	<u>Collector</u>	<u>Sheriff's</u>	<u>Prosecuting Attorney Restitution</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 163.77	\$ 197.96	\$ -	\$ -	\$ 523.77	\$ 330.95
Total Assets	163.77	197.96	-	-	523.77	330.95
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	163.77	197.96	-	-	523.77	330.95
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 163.77</u>	<u>\$ 197.96</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523.77</u>	<u>\$ 330.95</u>

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 39,160.40
Total Assets	39,160.40
<b>LIABILITIES AND FUND BALANCES</b>	
TOTAL LIABILITIES	-
UNRESERVED FUND BALANCES	39,160.40
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,160.40</u>

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

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

	<u>Surplus Tax</u>	<u>Unclaimed Fees</u>	<u>School Fine</u>	<u>School Building</u>	<u>City Intangible</u>	<u>School Districts</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 6,969.40	\$ 1,097.66	\$ 19,697.40	\$ 1,269.50	\$ 2,730.63	\$ 15,191.39
Total Assets	6,969.40	1,097.66	19,697.40	1,269.50	2,730.63	15,191.39
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	6,969.40	1,097.66	19,697.40	1,269.50	2,730.63	15,191.39
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,969.40</u>	<u>\$ 1,097.66</u>	<u>\$ 19,697.40</u>	<u>\$ 1,269.50</u>	<u>\$ 2,730.63</u>	<u>\$ 15,191.39</u>

	<u>Ambulances</u>	<u>Fire District</u>	<u>Morrison Levee</u>	<u>Herman Area Hospital</u>	<u>Gasconade County Health Dept</u>	<u>Senate Bill 40</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 498.37	\$ 2.02	\$ -	\$ 1,380.74	\$ 385.65	\$ 385.65
Total Assets	498.37	2.02	-	1,380.74	385.65	385.65
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	498.37	2.02	-	1,380.74	385.65	385.65
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 498.37</u>	<u>\$ 2.02</u>	<u>\$ -</u>	<u>\$ 1,380.74</u>	<u>\$ 385.65</u>	<u>\$ 385.65</u>

	<u>Gasconade County Mental</u>	<u>Library</u>	<u>CERF</u>	<u>Collector</u>	<u>Sheriff's</u>	<u>Prosecuting Attorney Restitution</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 319.65	\$ 385.65	\$ 1,898.96	\$ -	\$ 561.67	\$ 2,050.40
Total Assets	319.65	385.65	1,898.96	-	561.67	2,050.40
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	319.65	385.65	1,898.96	-	561.67	2,050.40
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 319.65</u>	<u>\$ 385.65</u>	<u>\$ 1,898.96</u>	<u>\$ -</u>	<u>\$ 561.67</u>	<u>\$ 2,050.40</u>

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 54,824.74
Total Assets	54,824.74
<b>LIABILITIES AND FUND BALANCES</b>	
TOTAL LIABILITIES	-
UNRESERVED FUND BALANCES	54,824.74
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 54,824.74</u>

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

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Gasconade, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, County Surveyor, Circuit Clerk/Recorder of Deeds, Sheriff, Public Administrator 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 financial accountability of the County.

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 Gasconade County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

The County is also responsible for appointing a majority of the members of the board of the Community Mental Health Services Board but the County's accountability for this organization does not extend beyond making appointments.

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 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 GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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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 GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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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 included 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 GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

	<u>2013</u>	<u>2012</u>
Real Estate	\$ 151,028,930	\$ 151,444,890
Personal Property	40,731,984	40,220,414
Railroad and Utilities	<u>22,933,720</u>	<u>21,831,664</u>
	<u>\$ 214,694,634</u>	<u>\$ 213,496,968</u>

The County Commission approved a \$0.4274 and \$0.4180, 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:

	<u>2013</u>	<u>2012</u>
General Revenue Fund	\$ 0.1602	\$ 0.1516
Special Road and Bridge Fund	<u>0.2672</u>	<u>0.2664</u>
	<u>\$ 0.4274</u>	<u>\$ 0.4180</u>

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.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions (concluded)

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

II. CASH AND INVESTMENTS

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

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 amounts of the County's deposits were \$1,523,095.88 and \$1,349,615.95, and the bank balances were \$1,498,789.59 and \$1,242,943.16, 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 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 – Governmental Funds	
Deposits	\$ 1,523,095.88
Total Deposits as of December 31, 2013	<u>1,523,095.88</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 – Governmental Funds	
Deposits	\$ 1,349,615.95
Total Deposits as of December 31, 2012	<u>1,349,615.95</u>

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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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.

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.

III. CAPITAL LEASES

On June 9, 2010, the County entered into a lease purchase agreement with Ford Motor Credit for a 2010 Chevrolet Tahoe 4x4. The total cost was \$29,435 with 12 consecutive quarterly payments of \$2,700.66 and an interest rate of 7.20%. The maturity date is March 9, 2013. These payments are made out of the Sheriff's Law Enforcement Civil Fee Fund.

On December 30, 2010, the County entered into a lease purchase agreement with Ford Motor Credit for three 2011 Chevrolet Impalas. The total cost was \$58,994 with 12 consecutive quarterly payments of \$5,307.69, and an interest rate of 5.70%. The maturity date is September 30, 2013. These payments are made out of General Revenue Fund.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

III. CAPITAL LEASES (continued)

On October 19, 2011, the County entered into a lease purchase agreement with the Ford Motor Credit for two 2012 Chevrolet Impalas and one 2012 Chevrolet Silverado 1500 4x4. The total cost was \$71,077 with 12 consecutive quarterly payments of \$6,436.88 and interest rate of 6.20%. The maturity date is July 19, 2014. These payments are made out of the General Revenue Fund.

On May 16, 2013, the County entered into a lease purchase agreement with Ford Motor Credit for one 2013 Ford Police Interceptor Utility and one 2013 Ford Escape. The total cost was \$50,893 with 12 consecutive quarterly payments of \$4,644.10 and an interest rate of 5.70%. The maturity date is May 16, 2016. These payments are made out of the Sheriff's Law Enforcement Civil Fee Fund.

The change in capital lease obligations for the year ended December 31, 2013 is as follows:

Capital Leases	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Interest Paid
1- 2010 Chevrolet Tahoe	\$ 2,653.11	\$ -	\$ 2,653.11	\$ -	\$ 47.55
3- 2011 Chevrolet Impalas	15,479.92	-	15,479.92	-	443.15
2- 2012 Chevrolet Impalas & 1 - 2012 Silverado	42,389.59	-	23,662.47	18,727.12	2,085.05
1- 2013 Ford Police Interceptor & 1 - 2013 Escape	-	50,893.00	7,893.59	42,999.41	1,394.61
	<u>\$ 60,522.62</u>	<u>\$ 50,893.00</u>	<u>\$49,689.09</u>	<u>\$61,726.53</u>	<u>\$ 3,970.36</u>

As of December 31, 2013, the schedule of future payments for the capital leases of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2014	\$ 2,686.51	\$ 35,200.53	\$ 37,887.04
2015	1,143.76	17,432.64	18,576.40
2016	194.83	9,093.36	9,288.19
	<u>\$ 4,025.10</u>	<u>\$ 61,726.53</u>	<u>\$ 65,751.63</u>

The change in capital lease obligations for the year ended December 31, 2012 is as follows:

Capital Leases	Balance 12/31/11	Additions	Payments	Balance 12/31/12	Interest Paid
1- 2010 Chevrolet Tahoe	\$ 12,803.87	\$ -	\$ 10,150.76	\$ 2,653.11	\$ 651.88
3- 2011 Chevrolet Impalas	39,863.21	-	24,383.29	15,479.92	2,155.16
2- 2012 Chevrolet Impalas & 1 - 2012 Silverado	64,640.12	-	22,250.53	42,389.59	3,496.99
	<u>\$ 117,307.20</u>	<u>\$ -</u>	<u>\$ 56,784.58</u>	<u>\$ 60,522.62</u>	<u>\$ 6,304.03</u>

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

III. CAPITAL LEASES (concluded)

As of December 31, 2012, the schedule of future payments for the capital leases of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2013	\$ 2,575.75	\$ 41,795.50	\$ 44,371.25
2014	583.52	18,727.12	19,310.64
	<u>\$ 3,159.27</u>	<u>\$ 60,522.62</u>	<u>\$ 63,681.89</u>

IV. LONG-TERM DEBT

On November 14, 2012, the County entered into a promissory note with Missouri Department of Natural Resources in the amount of \$17,298.27 with 0% interest and a maturity date of August 1, 2020. The funds are to be used to implement Energy Conservation Measures. These payments are made out of the General Revenue Fund.

The change in long-term debt obligations for the year ended December 31, 2013 is as follows:

Promissory Note	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Interest Paid
MO DNR Loan	\$ 17,298.27	\$ -	\$ 2,272.00	\$ 15,026.27	\$ -
	<u>\$ 17,298.27</u>	<u>\$ -</u>	<u>\$ 2,272.00</u>	<u>\$ 15,026.27</u>	<u>\$ -</u>

As of December 31, 2013, the schedule of future payments for the promissory note of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2014	\$ -	\$ 2,272.00	\$ 2,272.00
2015	-	2,272.00	2,272.00
2016	-	2,272.00	2,272.00
2017	-	2,272.00	2,272.00
2018	-	2,272.00	2,272.00
2019-2020	-	3,666.27	3,666.27
	<u>\$ -</u>	<u>\$ 15,026.27</u>	<u>\$ 15,026.27</u>

The change in long-term debt obligations for the year ended December 31, 2012 is as follows:

Promissory Note	Balance 12/31/11	Additions	Payments	Balance 12/31/12	Interest Paid
MO DNR Loan	\$ -	\$ 17,298.27	\$ -	\$ 17,298.27	\$ -
	<u>\$ -</u>	<u>\$ 17,298.27</u>	<u>\$ -</u>	<u>\$ 17,298.27</u>	<u>\$ -</u>

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

IV. LONG-TERM DEBT (concluded)

As of December 31, 2012, the schedule of future payments for the promissory note of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2013	\$ -	\$ 2,272.00	\$ 2,272.00
2014	-	2,272.00	2,272.00
2015	-	2,272.00	2,272.00
2016	-	2,272.00	2,272.00
2017	-	2,272.00	2,272.00
2018-2020	-	5,938.27	5,938.27
	\$ -	\$ 17,298.27	\$ 17,298.27

V. OPERATING LEASES

During 2012, the Sheriff had a storage locker which cost \$95 per month. The total fee paid in 2012 was \$1,140. The lease did not exist in 2013.

During 2013 and 2012, the County paid \$200 per year to store stock piles at various locations: during 2013, Scott Ruffner and St. John's UCC – Bem received \$200 each and John and David VanBooven received \$400 (\$200 for 2013 and \$200 for 2012); during 2012, Scott Ruffner and St. John's UCC – Bem received \$200 each.

VI. 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	\$ 90,429.54	\$ -	\$ 96,168.90	\$ -
Special Road and Bridge Fund	-	88,942.97	-	93,927.98
Union Electric SOP Fund	-	1,486.57	-	2,240.92
TOTAL	\$ 90,429.54	\$ 90,429.54	\$ 96,168.90	\$ 96,168.90

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.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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VII. 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 eleven members, nine 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.

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.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

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 \$24,963.68 and \$23,554.88, respectively.

VIII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

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

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

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Gasconade County do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 9.0% (General) and 10.7% (Police) for 2013 and 10.3% (General) and 11.5% (Police) for 2012, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.



THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

VIII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

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

The subdivision's annual pension cost and net pension obligation for the current years 2013 and 2012 were as follows:

**2013**

Annual required contribution	\$ 130,365
Interest on net pension obligation	749
Adjustment to annual required contribution	(890)
Annual pension cost	130,224
Actual contributions	130,365
Increase (decrease) in NPO	(141)
NPO beginning of year	10,331
NPO end of year	<u>\$ 10,190</u>

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 15 years for the General division and 15 years for the Police division. The amortization period as of February 29, 2012 was 15 years for the General division and 16 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 140,617	96.3%	\$ 10,480
2012	142,367	100.1	10,331
2013	130,224	100.1	10,190

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

VIII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2011	\$2,762,537	\$3,085,150	\$ 322,613	90%	\$1,401,604	23%
2/29/2012	3,083,168	3,230,381	147,213	95	1,367,129	11
2/28/2013	3,486,974	3,395,543	(91,431)	103	1,204,964	

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

**2012**

Annual required contribution	\$ 142,516
Interest on net pension obligation	760
Adjustment to annual required contribution	(909)
Annual pension cost	142,367
Actual contributions	142,516
Increase (decrease) in NPO	(149)
NPO beginning of year	10,480
NPO end of year	\$ 10,331

The annual required contribution (ARC) was determined as part of the February 28, 2010, and February 28, 2011, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010, was 19 years for the General division and 15 years for the Police division. The amortization period as of February 28, 2011, was 15 years for the General division and 15 years for the Police division.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

VIII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 122,847	95.7%	\$ 5,282
2011	140,617	96.3	10,480
2012	142,367	100.1	10,331

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2010	\$2,423,848	\$2,746,445	\$ 322,597	88%	\$1,362,009	24%
2/28/2011	2,762,537	3,085,150	322,613	90	1,401,604	23
2/29/2012	3,083,168	3,230,381	147,213	95	1,367,129	11

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

IX. 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 COBRA participant at December 31, 2012, with respective employee premiums of \$5,361.36 and \$135.90.

X. 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 \$2,244, respectively, for the years ended December 31, 2013 and 2012.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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XI. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. This ranges from getting two weeks after the first year of service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. All regular full-time employees, working 30 hours a week or more, in the County earn four hours of sick leave for each calendar month of employment. Sick leave for new and terminated full time employees is prorated based on when the employee starts or terminates employment during the month. The employee receives one hour of sick leave for each week worked the first and last month of employment. Upon termination from county employment, an employee is reimbursed for unused sick leave, if applicable.

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.

XII. 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.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

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XIII. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
SCHEDULE OF STATE FINDINGS  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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SCHEDULE OF STATE FINDINGS

There were no state findings noted for the year ended December 31, 2013, and 2012.



## **INTERNAL CONTROL AND COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE 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 Gasconade, 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 Gasconade ("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 16, 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 responses that we consider to be significant deficiencies. [FS 13/12-01, FS 13/12-02, 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 responses. 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 16, 2014

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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I. FINANCIAL STATEMENT FINDINGS

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 discussions with management, we noted that internal control documentation has 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 Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

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 our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 13/12-02     Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

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's and Treasurer's offices.

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 Collector's and Treasurer's offices will continue to be monitored and additional personnel will be added when possible. The County Collector is Shawn Schlottach and her office phone number is (573) 486-2711 and the County Treasurer is Joey Gross and his office phone number is (573) 486-2411.

THE COUNTY OF GASCONADE  
HERMANN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2013 AND 2012

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no prior year financial statement findings to report. The State Auditor's office completed an audit of the County for the year ended December 31, 2009.



# Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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June 16, 2014

To the Board of Commissioners  
County of Gasconade

In planning and performing our audit of the regulatory based financial statements of the County of Gasconade (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 discussions with management, we noted that internal control documentation has 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 Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

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 our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.



## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 13/12-02 Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

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.

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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 Collector's and Treasurer's offices will continue to be monitored and additional personnel will be added when possible. The County Collector is Shawn Schlottach and her office phone number is (573) 486-2711 and the County Treasurer is Joey Gross and his office phone number is (573) 486-2411.

## 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 May 5, 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.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)**

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 16, 2014.

### 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.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Other Matters

We were engaged to report on the schedule of state findings, schedule of findings and responses and the summary of prior year findings and responses, 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

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.