

ST. FRANCOIS COUNTY, MISSOURI

FINANCIAL STATEMENTS

December 31, 2013

TABLE OF CONTENTS

Page

INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report..... 1- 3

Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 4 - 5

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position - Modified Accrual Basis6

Statement of Activities - Modified Accrual Basis.....7

Fund Financial Statements:

Combined Balance Sheet - Modified Cash Basis -
Governmental Funds.....8

Reconciliation of Total Governmental Fund Balance to Net
Position of Governmental Activities.....9

Statement of Revenues, Expenditures and Changes in Fund
Balances - Modified Cash Basis - Governmental Funds 10

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the
Statement of Activities 11

Statement of Fiduciary Net Assets - Modified Cash Basis -
Agency Funds 12

NOTES TO THE FINANCIAL STATEMENTS 13 - 40

SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule-(Modified Cash)
General Fund..... 41

Budgetary Comparison Schedule-(Modified Cash)
Special Revenue Funds 42 - 43

TABLE OF CONTENTS (Continued)

Page

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Modified Cash Basis - Non-Major Governmental Funds.....	44
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Modified Cash Basis - Non-Major Governmental Funds.....	44
Combining Balance Sheet - Modified Cash Basis - Non-Major Governmental Funds (Special Revenue Funds).....	45 - 49
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Modified Cash Basis - Non-Major Governmental Funds (Special Revenue Funds).....	45 - 49
Combining Statement of Fiduciary Net Assets - Modified Cash Basis - Agency Funds.....	50

FEDERAL COMPLIANCE SECTION

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	51 - 52
Schedule of Expenditures of Federal Awards	53
Notes to the Schedule of Expenditures of Federal Awards.....	54
Schedule of Findings and Questioned Costs.....	55 - 60
Summary Schedule of Prior Year Findings and Questioned Costs	61 - 67



INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of
St. Francois County, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditors' Responsibility

Our responsibility is to express opinions 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. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the primary government of St. Francois County, Missouri, as of December 31, 2013, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note C.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Basis of Accounting

We draw attention to Note C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The budgetary comparison information on pages 41-43, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of St. Francois County Joint Communications Center, as of and for the years ended December 31, 2013 and December 31, 2012, and our report thereon, dated February 24, 2014, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2014, on our consideration of St. Francois County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Francois County, Missouri's internal control over financial reporting and compliance.

Maloney, Wright & Robbins

Farmington, MO
September 2, 2014



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

To the County Commission and Officeholders of
St. Francois County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise St. Francois County, Missouri's basic financial statements and have issued our report thereon dated September 2, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies (2013-01 thru 2013-04).

Compliance and Other Matters

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

St. Francois County, Missouri's Response to Findings

St. Francois County, Missouri's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Maloney, Wright & Robbins

Farmington, MO
September 2, 2014

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF NET POSITION - MODIFIED ACCRUAL BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	December 31, 2013 Total Governmental Activities	Component Unit
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 4,172,328	\$ 60,507
Restricted Cash	5,369,354	-
Investments	24,112	-
	9,565,794	60,507
Total Current Assets		
Noncurrent Assets:		
Capital Assets (net)	25,039,939	145,533
Total Noncurrent Assets	25,039,939	145,533
	34,605,733	206,040
TOTAL ASSETS	\$ 34,605,733	\$ 206,040
LIABILITIES		
Current Liabilities:		
Accrued Liabilities	\$ -	2,235
Current Portion of Long Term Debt - Notes Payable	-	12,034
Current Portion of Long Term Debt - Capital Leases	56,186	-
Current Portion of Long Term Debt - Certificates of Participation	215,000	-
Total Current Liabilities	271,186	14,269
Noncurrent Liabilities:		
Notes Payable	-	37,298
Capital Lease Payable	85,454	-
Certificate of Participation - Series 2005	2,735,000	-
Certificate of Participation - Series 2010	375,000	-
Less Current Portion of Long Term Debt	(271,186)	(12,034)
	2,924,268	25,264
TOTAL LIABILITIES	\$ 3,195,454	\$ 39,533
NET POSITION		
Net Investment in Capital Assets	\$ 21,844,485	\$ 108,235
Restricted	5,369,354	-
Unrestricted	4,196,440	58,272
TOTAL NET POSITION	31,410,279	166,507
TOTAL LIABILITIES & NET POSITION	\$ 34,605,733	\$ 206,040

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit
FUNCTIONS/PROGRAMS						
PRIMARY GOVERNMENT:						
General & Administration	\$ 7,786,352	\$ 3,244,697	\$ 186,043	\$ -	\$ (4,355,612)	\$ -
Property Valuation and Recording	1,536,723	-	181,681	-	(1,355,042)	-
Health & Welfare	685,420	-	62,473	-	(622,947)	-
Administration of Justice and Law Enforcement	6,865,531	1,353,627	-	-	(5,511,904)	-
Roads & Bridges	3,840,758	-	652,821	1,230,253	(1,957,684)	-
Debt Service:						
Interest and Fiscal Charges	155,522	-	-	-	(155,522)	-
TOTAL PRIMARY GOVERNMENT	\$ 20,870,306	\$ 4,598,325	\$ 1,083,018	\$ 1,230,253	(13,958,711)	-
COMPONENT UNIT:						
General & Administration	\$ 1,455,365	\$ 814,081	\$ -	\$ -	-	(641,284)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	524,792	-
Property Taxes, Levied for Road & Bridge	1,667,303	-
Property Taxes, Levied for Senior Services	332,062	-
Property Taxes, Levied for Develop Disabled	612,848	-
Sales Tax Levied for General Purposes	3,245,183	-
Sales Tax Levied for Road & Bridge	1,630,089	-
Sales Tax Levied for Law Enforcement	2,966,077	-
Telephone Tax	-	546,830
Other Sales Tax	614,415	-
Other taxes	971,064	-
Investment Income	20,366	-
Transfers	-	-
Miscellaneous Revenue	1,475,701	-
Total General Revenues	14,059,900	546,830
Change in Net Assets	101,189	(94,454)
Net Assets, Beginning of Year	31,309,090	260,961
Net Assets, End of Year	\$ 31,410,279	\$ 166,507

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
COMBINED BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	Major Funds				Total Governmental Funds	Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Funds		
ASSETS						
Cash and Cash Equivalents	\$ 4,238,988	\$ -	\$ -	\$ 134,502	\$ 4,373,490	\$ 4,373,490
Restricted Cash	-	1,719,551	128,904	3,026,366	4,874,821	4,874,821
Investments	24,112	-	-	293,370	317,482	317,482
Due From Other Funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,263,100</u>	<u>\$ 1,719,551</u>	<u>\$ 128,904</u>	<u>\$ 3,454,239</u>	<u>\$ 9,565,794</u>	<u>\$ 9,565,794</u>
LIABILITIES AND FUND BALANCES						
Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:						
Restricted	201,164	1,719,551	128,904	3,319,737	5,369,356	5,369,356
Committed	1,776	-	-	134,452	136,228	136,228
Assigned	1,715,464	-	-	-	1,715,464	1,715,464
Unassigned	2,344,696	-	-	50	2,344,746	2,344,746
Total Fund Balances	<u>4,263,100</u>	<u>1,719,551</u>	<u>128,904</u>	<u>3,454,239</u>	<u>9,565,794</u>	<u>9,565,794</u>
TOTAL LIABILITIES	<u>\$ 4,263,100</u>	<u>\$ 1,719,551</u>	<u>\$ 128,904</u>	<u>\$ 3,454,239</u>	<u>\$ 9,565,794</u>	<u>\$ 9,565,794</u>

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2013

Total Governmental Fund Balances	\$	9,565,794
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,039,939
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,195,454)</u>
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Net Position of Governmental Activities	\$	<u><u>31,410,279</u></u>
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The accompanying notes are an integral part of the financial statements.

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Major Funds					Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds	
REVENUES:						
Property Tax	\$ 524,792	\$ 1,592,445	\$ -	\$ 1,019,768	\$ 3,137,005	\$ 3,137,005
Sales Tax	3,245,183	129,395	2,966,078	2,115,109	8,455,764	8,455,764
Telephone Tax	-	-	-	531,813	531,813	531,813
Intergovernmental Revenue	1,878,904	1,230,253	661,527	1,216,631	4,987,315	4,987,315
Charges for Services	192,643	-	-	787,539	980,182	980,182
Grants, Distributions and Reimbursements	186,043	652,821	-	62,473	901,337	901,337
Fees, Licenses and Permits	-	-	-	653,372	653,372	653,372
Interest	9,635	2,619	315	7,796	20,366	20,366
Other	269,913	31,540	14,176	988,715	1,304,344	1,304,344
Total Revenues	<u>6,307,112</u>	<u>3,639,073</u>	<u>3,642,096</u>	<u>7,383,215</u>	<u>20,971,496</u>	<u>20,971,496</u>
EXPENDITURES:						
Administration	4,288,802	-	-	1,041,368	5,330,170	5,330,170
Property Valuation and Recording	-	-	-	1,521,453	1,521,453	1,521,453
Administration of Justice and Law	164,288	-	4,304,912	1,460,154	5,929,354	5,929,354
Road & Bridge	-	2,075,130	-	1,209,376	3,284,506	3,284,506
Miscellaneous	-	-	-	1,495,080	1,495,080	1,495,080
Capital Outlay	32,749	1,398,523	-	644,167	2,075,439	2,075,439
Debt Service						
Principal Payments	-	-	-	268,358	268,358	268,358
Interest Payments	-	-	-	151,551	151,551	151,551
Fiscal Agent Fees	-	-	-	3,971	3,971	3,971
Total Expenditures	<u>4,485,838</u>	<u>3,473,653</u>	<u>4,304,912</u>	<u>7,795,477</u>	<u>20,059,881</u>	<u>20,059,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,821,274	165,420	(662,816)	(412,263)	911,616	911,616
OTHER FINANCING SOURCES (USES):						
Transfers in	75,000	-	750,000	679,338	1,504,338	1,504,338
Transfers out	(1,421,112)	(75,000)	-	(8,226)	(1,504,338)	(1,504,338)
Total Other Financing Sources (uses)	<u>(1,346,112)</u>	<u>(75,000)</u>	<u>750,000</u>	<u>671,112</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	475,162	90,420	87,184	258,849	911,616	911,616
FUND BALANCE - BEGINNING OF YEAR	<u>3,787,938</u>	<u>1,629,131</u>	<u>41,720</u>	<u>3,195,388</u>	<u>8,654,177</u>	<u>8,654,177</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,263,100</u>	<u>\$ 1,719,551</u>	<u>\$ 128,904</u>	<u>\$ 3,454,236</u>	<u>\$ 9,565,792</u>	<u>\$ 9,565,792</u>

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds	\$	911,616
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	2,077,144
Depreciation expense	<u>(2,619,213)</u>
	(542,069)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments.

<u>(268,358)</u>

Change in Net Assets of Governmental Activities	\$	<u><u>101,189</u></u>
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The accompanying notes are an integral part of the financial statements.

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
ACCURAL BASIS - AGENCY FUNDS**

DECEMBER 31, 2013

ASSETS	
Restricted Cash	\$ 28,682,300
Investments	-
Taxes Receivable	<u>4,287,582</u>
TOTAL ASSETS	<u>\$ 32,969,882</u>
LIABILITIES	
Accrued Liabilities	\$ 422
Due to Other Funds	<u>32,969,460</u>
TOTAL LIABILITIES	<u>\$ 32,969,882</u>

See accompanying notes to financial statements

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Francois County, Missouri became a first class county on January 1, 2013. It is a political subdivision, organized and existing under the laws of the State of Missouri. The County is approximately 451 square miles in area. St. Francois County is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are twelve (12) elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Auditor, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

A. Financial Reporting Entity

The County's operations include tax assessments and collections, state/county courts administration, county recorder, public safety and 911, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official.

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

Component units are organizations for which the County is financially accountable and all other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the County appoints a voting majority of the Component Unit's governing board and is either able to impose its will on that Component Unit or there is a potential for the Component Unit to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the County.

The decision to include a potential component unit in the County's reporting entity is based on the criteria set forth in governmental accounting standards. Criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability as

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Financial Reporting Entity (Continued)

the primary government, but not the only criteria for inclusion. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, St. Francois County Joint Communications Center has been determined to be a component unit of the County.

The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. Accounting principles generally accepted in the United States of America require the component unit information to be reported with the financial data of the County's primary government.

Discretely Presented Component Units

St. Francois County Joint Communications Center (The Center) provides centralized dispatch services for the County. The Center is financed through a surtax charge on telephone bills to all county residents. The County receives the surtax and remits the proceeds to the center. A separate board of governance is responsible for oversight. Complete financial statements of the Center may be obtained directly from their office at 102 Industrial Drive, Park Hills, Missouri 63601.

Related Organizations

The juvenile office and detention center, located in St. Francois County, is an entity separate and distinct from St. Francois County. It is an entity operating at the circuit level to provide services to four counties: St. Francois, Madison, Washington, and Ste. Genevieve. The budgeting process for the office includes all four county commissions and the circuit court judge. Based upon budget adoption, tax authority and funding, the juvenile office is not controlled by or dependent upon St. Francois County. Missouri Statutes do not provide for cash management by juvenile offices. Accordingly, St. Francois County acts in a fiduciary capacity to maintain a depository account and disburse funds for the office as directed and authorized by the circuit court judge. The County has established a separate agency fund, the juvenile fund, to account for these cash inflows and outflows. This fund is custodial in nature and does not purport to represent a measurement of the results of operations of the juvenile office. The County also acts in a fiduciary capacity with the Circuit Court.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting

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:

Governmental Funds

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

Fiduciary Funds

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 based on the economic resources measurement focus and the accrual basis of accounting. 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 County Collector and other agency operations.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about the County as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a)

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting (Continued)

Government-wide Financial Statements (Continued)

charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General, Road and Bridge, and Law Enforcement Sales Tax are major governmental funds. All other governmental funds are reported in two columns labeled "Non-major Governmental Funds" and "Non-major Governmental Funds (Special Revenue Funds)". If applicable, the total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. 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. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation - Fund Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The County defines *available* for purposes of revenue recognition in the fund financial statements when received, not earned.

The following are the County's governmental major funds:

General Fund - The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund - A Special Revenue Fund used to account for receipts of the County-wide \$.2447 property tax levy and related expenditures for road maintenance and improvement of the County's infrastructure.

Law Enforcement Sales Tax Fund - A Special Revenue Fund used to record the County-wide revenue of two, one-fourth (1/4) percent sales tax receipts and related expenditures to support law enforcement.

Other governmental funds of the county are considered non-major funds. They include the Road Improvement Tax Fund, Debt Service Fund, and various special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are reported on the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The fund financial statements are reported using the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. The County defines available for purposes of revenue recognition in the governmental fund financial statements as when revenue is received, not earned. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Measurable means the amount is known. Available means they have been collected. This availability period determines financial resources that are “current.”

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

D. Cash and Investments

For the purpose of financial reporting, deposits and investments are stated at cost, which approximates market. Cash balances for all of the County Treasurer funds are pooled and invested to the extent possible to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Cash and Investments (Continued)

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

E. Restricted Cash and Investments

The Certificates of Participation used to finance the construction of the annex to the courthouse, and the Certificates of Participation issued to fund energy efficiency retrofit to the Jail, Annex, Courthouse, and Bridge replacements require the County to establish and maintain prescribed amounts of reserves that can be used only to service the Certificates.

F. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial useful life of at least one year and a historical cost meeting the dollar threshold below. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets and capitalization dollar threshold are as follows:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Capital Assets and Depreciation (Continued)

<u>Asset</u>	<u>Years</u>	<u>Threshold</u>
Land	N/A	\$25,000
Land Improvements - Structure	20	12,500
Land Improvements - Ground	30	12,500
Land Improvements - Building Site	N/A	12,500
Easements	N/A	5,000
Buildings	40	50,000
HVAC	20	5,000
Roofing	20	5,000
Carpet Replacement	7	5,000
Electrical/Plumbing	30	5,000
Building Improvements	15	25,000
Office Furniture	7	2,500
Office Equipment	5	2,500
Equipment-Radio/Highway	10	5,000/15,000
Radio Towers	20	15,000
Grounds Equipment	15	10,000
Vehicles	5	5,000
Bridge Replacement	70	250,000
Bridge Slab	30	250,000
Bridge Prestress	40	250,000
Highways/Roads		
Concrete	40	250,000
Blacktop	40	500,000
Gravel	40	5,000
Tunnels/Drainage Systems	50	500,000
CIP	N/A	N/A

G. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of the net position.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Equity Classification (Continued)

- 2) Restricted Net Position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- 3) Unrestricted Net Position - All other net position asset that do not meet the definition of “restricted” or “net investment in capital assets.” It is the County’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

H. Post-Employment Benefits

The County does not provide post-employment benefits, except those 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.

I. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and mailed to residents in November, and are payable on or before December 31 of that year. All unpaid taxes then become delinquent as of January 1st of the following year. Property tax revenues are recognized when earned.

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

Real Estate	\$463,693,690
Personal Property	140,709,699
	<u>\$604,403,389</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

K. Revenues

The County includes in its program revenues the following income: Fines and Circuit Court Fees; Licenses, Permits, and Fees; County Vehicle Sticker Income; Gasoline Tax and Motor Vehicle Fees.

L. Accounts Receivable

The County records accounts receivable for property taxes due from the County Collector at December 31, 2013, which operates as an agency fund.

M. Budgets and Budgetary Accounting

In accordance with Missouri Statutes, the County adopts a formal budget at the beginning of the fiscal year. Budgets are prepared and adopted on the modified cash basis of accounting that is consistent with the basis of accounting used in the presentation of the fund financial statements. The level of budgetary responsibility for an individual fund is by total appropriations. 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. A budgetary amendment was approved by the County Commission in December 2013 in accordance with state statutes. The Road & Bridge Fund had expenditures in excess of appropriations.

N. Fund Equity – Governmental Funds

The County has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

N. **Fund Equity – Governmental Funds (Continued)**

- Nonspendable fund balance – Amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commission or County Executive.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commission and Elected Officials are the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by a court order or passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

As discussed in Note 1, restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

N. **Fund Equity – Governmental Funds (Continued)**

The County has adopted, per State Statute, an Emergency Fund to accumulate an amount equal to not less than three percent of the total estimated general fund revenues appropriated each year as an emergency fund.

O. **Internal and Interfund Balances and Activities**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due From Other Funds” or “Due To Other Funds” on the Balance Sheet of the Governmental Funds. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. In the process of aggregating the financial information for the government-wide Statement Net Assets and Statement of Activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

NOTE 2 **DEPOSITS AND INVESTMENTS**

Cash and Time Deposits include all funds held in checking accounts, money market accounts, cash on hand and certificates of deposit with original maturities of greater than three months. Deposits and investments are stated at cost, which approximates market. Restricted cash includes amounts held in trust as required by certain bond covenants.

Missouri Statutes require that all funds of the County on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. The County’s bank deposits were secured by letters of credit by FHLB in the amount of \$10,000,000 and securities pledged by First State Community Bank of \$17,613,813. At December 31, 2013 the deposits and investments of the County were fully insured or collateralized by securities held in the County’s name.

Deposits and investments were categorized as follows at December 31, 2013:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

Type	Cost
Deposits-Governmental Funds:	
Checking and Savings	\$ 9,248,260
Cash on Hand	50
Certificates of Deposit	24,112
Escrowed Funds	293,370
	<u>\$ 9,565,792</u>
Deposits-Fiduciary Funds:	
Checking and Savings	\$ 28,681,600
Cash on Hand	700
Certificates of Deposit	0
	<u>28,682,300</u>
	<u>\$ 38,248,092</u>

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2013, the County was exposed to custodial credit risk.

Custodial Credit Risk - Investments

Custodial Credit Risk is the risk that, in the event of a bank failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The amount invested in money market mutual funds are not subject to custodial credit risk.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

The County's investments earn interest based on variable interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed 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 Federal Depository Insurance Corporation insurance coverage is \$250,000 per depositor for demand deposits and time deposits at December 31, 2013. A line of credit has been secured for \$10,000,000, and securities are pledged toward the deposits.

NOTE 3 **RESTRICTED NET POSITION**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulation of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The following net position was reported as restricted:

Governmental Major Funds:

General Revenue	\$ 201,164
Road and Bridge	1,719,551
Law Enforcement Sales Tax	<u>128,904</u>
	<u>\$ 2,049,619</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 3 **RESTRICTED NET POSITION (Continued)**

Governmental Non-Major Funds:

Assessment Fund	\$ 619,467
Insurance Maintenance Fund	11,463
Circuit Court Overage Fund	1,004
Senior Citizens Service Fund	90,808
Road Improvement Tax Fund	750,246
Sheriff's Revolving Fund	118,801
County Law Enforcement Fund	87,830
Law Enforcement Training Fund	6,280
Recorder's User Fee Fund	61,689
Surplus Tax Sale Fund	75,013
Tax Maintenance Fund	139,892
Fines Fund	170,078
Prosecutor Training Fund	17,934
Prosecutor Bad Check Fund	69,356
Victims Violence Fund	6,746
PA Tax Rebate Fund	70
Inmate Security Fund	17,328
Sheriff's Civil Fees Fund	23,390
Tax Increment Financing Fund	491,214
Election Services Fund	34,250
Sheriff's DARE Fund	1,886
Sheriff Fund	14,432
Recorder Fund	36,885
County Clerk	952
PA Admin Handling Cost Fund	25
Debt Service Fund	422,578
Sheriff Inmate Commissary Fund	49,280
Juvenile Electronics	838
	<u>\$ 3,319,736</u>

Agency Funds:

Collector of Revenue Fund	\$ 28,192,434
Circuit Clerk Banner Fund	333,332
Juvenile Fund	156,534
	<u>\$ 28,682,300</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 4 GENERAL FIXED ASSETS

Changes in fixed assets are as follows for the year ended December 31, 2013:

Governmental Activities

Beginning Balance	\$ 66,700,992
Additions	2,104,194
Retirements	<u>(527,856)</u>
Ending Balance	68,277,328
Accumulated Depreciation	<u>(42,940,954)</u>
Net Book Value	<u>\$ 25,336,525</u>

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 1,030,218	\$ 190,001	\$ -	\$ 1,220,219
Building & Building Improvements	9,934,479	4,385	-	9,938,864
Land & Leasehold Improvements	236,083	-	-	236,083
Furniture & Fixtures	486,067	-	-	486,067
Office Equipment	1,097,674	12,835	-	1,110,509
Other Equipment	5,589,532	119,231	366,376	5,342,387
Motor Vehicles	2,725,581	578,580	161,480	3,142,681
Infrastructure	45,601,358	1,199,162	-	46,800,518
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total at Cost	66,700,992	2,104,194	527,856	68,277,328
Less: Accumulated Depreciation				
Land	-	-	-	-
Building & Building Improvements	5,045,905	833,155	-	5,879,060
Land & Leasehold Improvements	95,856	12,135	-	107,991
Furniture & Fixtures	209,809	267,890	-	477,700
Office Equipment	765,377	246,947	-	1,012,324
Other Equipment	4,113,527	456,785	340,822	4,229,490
Motor Vehicles	2,157,376	258,971	140,223	2,276,124
Infrastructure	28,090,215	867,900	-	28,958,115
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Depreciation	<u>40,478,065</u>	<u>2,943,783</u>	<u>481,045</u>	<u>42,940,803</u>
Capital Assets, Net	<u>\$ 26,222,927</u>	<u>\$ (839,589)</u>	<u>\$ 46,811</u>	<u>\$ 25,336,525</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 4 **GENERAL FIXED ASSETS (Continued)**

Depreciation expense is charged to functions as follows in the Statement of Activities:

Governmental Activities	
General and Administration	\$ 1,643,904
Property Valuation and Recording	1,929
Administration of Justice and Law Enforcement	741,698
Health and Welfare	-
Roads and Bridges	556,252
Parks and Recreation	-
Community and Economic Development	-
Debt Service	-
Depreciation Expense	<u>\$ 2,943,783</u>

Capitalized assets not being depreciated are Land of \$1,220,219.

NOTE 5 **RISK MANAGEMENT**

The County is exposed to a variety of risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to Missouri Statute Chapter 537.70. 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 Workmen's Compensation and Insurance Fund. The County purchases Workmen's Compensation Insurance through this fund, a nonprofit corporation established for the purpose of providing insurance coverage for Missouri counties. The fund is self-insured up to \$250,000 per occurrence and is re-insured up to the statutory limit through excess insurance.

The County has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool or the self-insurance fund. These policies include reasonable deductible amounts. The portion of uninsured loss is not expected to be significant with respect to the financial position of the County.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 6 **RETIREMENT PLAN**

A. **Plan Description**

St. Francois 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 St. Francois County contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 10.8% (General) and 11.3% (Police) 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.

C. **Annual Pension Cost**

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

Annual required contribution	\$ 684,355
Interest on net pension obligation	20,433
Adjustment to annual required contribution	<u>(16,518)</u>
Annual pension cost	688,270
Actual contributions	<u>(656,296)</u>
Increase (decrease) in NPO	31,974
NPO beginning of year	<u>281,830</u>
NPO end of year	<u>\$ 313,804</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 6 **RETIREMENT PLAN (Continued)**

C. Annual Pension Cost (Continued)

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 28, 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 30 years for the General division and 30 years for the Police division. The amortization period as of February 29, 2012 was 30 years for the General division and 23 years for the Police division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of AP Contributed	Net Pension Obligation
2011	\$ 670,919	81.4%	\$ 201,876
2012	\$ 686,129	88.3%	\$ 281,830
2013	\$ 688,270	95.4%	\$ 313,804

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial 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
02/28/11	11,041,549	14,172,644	3,131,095	78%	6,142,006	51
02/29/12	12,540,329	15,273,370	2,733,041	82%	6,082,632	45
02/29/13	13,626,787	15,932,088	2,305,301	86%	5,983,518	39

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 6 RETIREMENT PLAN (Continued)

C. Annual Pension Cost (Continued)

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.

NOTE 7 CAPITAL LEASE OBLIGATIONS

Note Payable (Capital Lease) - Ford Motor Credit

Note Payable dated October 20, 2010 in the amount of \$20,021 for the purchase of one (1) 2010 Ford Crown Victoria vehicle. Payable in annual installments of \$5,531 including principal and interest for four (4) years. At the end of the term, the vehicle becomes property of the County.

Balance at December 31, 2013	\$	-0-
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Note Payable (Capital Lease) - Ford Motor Credit (Continued)

Note Payable dated September 25, 2012 in the amount of \$168,302 for the purchase of six (6) 2011 Ford Crown Victoria vehicles. Payable in semi-annual installments of \$30,080 including principal and interest for 36 months. At the end of the term, the vehicles become property of the County. The note is secured by the vehicles.

Balance at December 31, 2013	\$	85,454
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ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 7 **CAPITAL LEASE OBLIGATIONS (Continued)**

The following is a schedule, by year, of future minimum lease payments under capital leases, together with the present value of net minimum lease payments at December 31, 2013:

<u>Year Ended Dec 31,</u>	<u>Future Minimum Lease Payment</u>
2014	\$ 60,160
2015	30,080
2016	-0-
2017	-0-
2018	-0-
2019-2023	<u>-0-</u>
	90,240
Less amount representing interest	<u>(4,786)</u>
Present value of future minimum payments	<u>\$ 85,454</u>

The total interest expense for December 31, 2013 was \$7,334. Amortization expense has been included in depreciation expense.

NOTE 8 **CONDUIT DEBT**

Certificates of Participation - 2005

On February 1, 2005, the County issued \$4,000,000 in Series 2005 Certificates of Participation with interest rates ranging from 2.2% to 5%. The certificates were issued to provide funds for the construction of an annex to the St. Francois County Courthouse. The building houses the administrative offices of the County. The certificates mature on February 1, 2017 with term certificates due on February 1, 2020 and February 1, 2025. Interest is payable semi-annually on each August 1 and February 1st. The following reserve accounts were established as required by the certificate issuance:

Rental Payment - Accrued interest on certificates and any remaining funds from the construction fund are deposited in this account. Funds will be disbursed solely for the payment of principal and interest of outstanding certificates. This account is restricted for debt payments.

Debt Service Reserve - Established pursuant to the Indenture and was required to be initially funded from other available moneys provided by the County in an amount equal to \$305,000. Funds held in this account are restricted for the payment of the principal portion and interest portion of the rental payments represented by the Certificates if sufficient moneys are not available in the rental payment fund.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 8 **CONDUIT DEBT (Continued)**

Certificates of Participation - 2010

On June 29, 2010, the County issued \$410,000 Series 2010 Recovery Zone Economic Development Lease Certificates of Participation with interest rates ranging from 4.0% to 5.5%. The County is entitled to receive a tax credit payable by the Secretary of the Treasury equal to forty-five percent (45%) of the interest payable on the Certificates. The certificates were issued to fund capital projects for repairs to the Jail, Annex, Courthouse, and for bridge replacements. The payments include an interest component, payable semiannually on October 1, and April 1 and a principal component with payments beginning on April 1, 2013. Payments are calculated based on the following:

\$105,000 Aggregate Principal Amount 4.00% Term Certificates due April 1, 2015
\$120,000 Aggregate Principal Amount 5.00% Term Certificates due April 1, 2018
\$185,000 Aggregate Principal Amount 5.50% Term Certificates due April 1, 2022

Certificates maturing on April 1, 2015 shall be subject to a sinking fund payment of \$35,000 and for each of the two subsequent years. Certificates maturing on April 1, 2018 require a \$40,000 payment on April 1, 2016 and the next two subsequent years. Certificates scheduled to mature on April 1, 2022 are subject to a payment schedule of \$45,000 from April 1, 2019 through April 1, 2022, which is the final maturity date.

The account established pursuant to the 2010 issuance were as follows:

Certificates of Participation – 2005 (Continued)

Certificate Fund Account - Account established to accumulate deposits of accrued interest and any premium received from the Original Purchasers upon initial sale and delivery of the Certificates; all Base Rentals payable by the County to the Trustee specified in the Lease; and interest and other income derived from investments of money in the Certificate Fund.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 8 CONDUIT DEBT (Continued)

Long-term liability activity for the year ended December 31, 2013 is as follows:

	Balance 12/31/2012	Issued	Retired	Balance 12/31/13	Due Within One Year
Certificates of Participation - 2005	\$ 2,910,000	\$ -0-	\$ (175,000)	\$ 2,735,000	\$ 180,000
Certificates of Participation - 2010	410,000	-0-	(35,000)	375,000	35,000
Capital Lease - Ford Motor Credit (1 vehicle)	5,165	-0-	(5,165)	-0-	-0-
Capital Lease - Ford Motor Credit (6 vehicles)	138,647	-0-	(53,193)	85,454	56,186
Total	<u>\$ 3,463,812</u>	<u>\$ -0-</u>	<u>\$ (268,358)</u>	<u>\$ 3,195,454</u>	<u>\$ 271,186</u>

The combined annual requirements to retire the above governmental long-term debt as of December 31, 2013 are as follows:

Fiscal Year Endings Dec 31,	Principal	Interest	Total
2014	\$ 215,000	\$ 136,515	\$ 351,515
2015	225,000	128,360	353,360
2016	235,000	119,440	354,440
2017	240,000	109,735	349,735
2018	250,000	99,430	349,430
2019 - 2023	1,380,000	323,468	1,703,468
2024 - 2025	565,000	28,625	593,625
Total	<u>\$ 3,110,000</u>	<u>\$ 945,573</u>	<u>\$ 4,055,573</u>

The total interest expense for the 2005 Certificates of Participation and 2010 Certificates of Participation were \$124,543 and \$19,675 respectively.

NOTE 9 COMPENSATED ABSENCES

St. Francois County has adopted the compensated leave policies of the Teamsters Local Union No. 600, an agreement between the County Commission of St. Francois County for its Road and Bridge employees. This contract is valid for periods January 1, 2012 through December 31, 2014. All elected official offices, departments, and the Commission of the County follow this contract.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 9 **COMPENSATED ABSENCES (Continued)**

Sick Leave

Employees earn sick leave at the rate of eighteen (18) days per year, cumulative to one hundred (100) days. Upon retirement, an employee with ten (10) or more years of seniority shall be entitled to a payout of 90% of his accumulated unused sick days. Upon separation of employment (voluntary quit) an employee with ten (10) or more years of seniority shall be entitled a payout of 55% of his accumulated unused sick days. If an employee with ten (10) or more years of service dies prior to retiring, the County shall issue pay equal to 85% of his accumulated unused sick days to his beneficiary.

Vacation

Employees shall earn annual vacation time and pay at their regular rate of pay from the date of employment, as follows:

- Employees shall not receive vacation pay until they have been employed for one (1) year
- After the completion of one (1) year of service, employees shall earn vacation pay from date of employment at the rate of eighty (80) hours per year (Employees after one year of service are entitled to 80 hours vacation).
- After the completion of five (5) years of service, employees shall earn vacation pay from their fourth (4th) anniversary date of employment at the rate of one hundred twenty (120) hours per year (Employees after five years of service are entitled to 120 hours of vacation).
- After the completion of ten (10) years of service, employees shall earn vacation from their ninth (9th) anniversary date of employment at the rate of one hundred sixty (160) hours per year (Employees after twelve years of service are entitled to 160 hours of vacation).
- After the completion of fifteen (15) years of service, employees shall earn vacation pay from their fourteenth (14th) anniversary date of employment at the rate of two hundred (200) hours per year (Employees after sixteen years of service are entitled to 200 hours of vacation).

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 9 **COMPENSATED ABSENCES (Continued)**

Vacation (Continued)

- After the completion of twenty-five (25) years of service, employees shall earn vacation pay from the twenty-fourth (24th) anniversary date of employment of an additional one (1) day, plus one (1) day more for each subsequent year of service, to a maximum of five (5) additional days.

In the event any employee terminates after one (1) year of service, he shall be paid his earned vacation pay. Such vacation pay shall be pro-rated to date of termination.

At December 31, 2013, the accrued leave liability totaled \$1,269,876. The liability consisted of \$707,082 for the Sheriff's Department and \$562,794 for all other offices and departments. This includes vacation leave, sick leave, holiday, and compensatory time. These amounts are not recorded in the financial statements.

NOTE 10 **INTER FUND BALANCES AND TRANSFERS**

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Transfers between funds for the year ended December 31, 2013 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds</u>		
General Fund	\$ 75,000	\$ 1,421,112
Road & Bridge Fund	-0-	75,000
Law Enforcement Sales Tax Fund	750,000	-0-
<u>Non-Major Funds (Special Revenue):</u>		
Assessment	317,511	-0-
Debt Service Fund	352,601	-0-
Election Cost Special Fund	-0-	8,226
Election Services Fund	8,226	-0-
Insurance Fund	1,000	-0-
	<u>\$1,504,338</u>	<u>\$1,504,338</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 11 **INTER FUND BALANCES AND TRANSFERS (Continued)**

The majority of the transfers, \$1,067,511, were budgeted monies designated from the General Fund to other funds. In addition, \$352,601 was transferred from General Fund to Debt Service fund to record the payments made from General Fund for the Debt liability, \$75,000 was transferred from Road & Bridge Fund to General Fund as an administration fee, \$8,226 was transferred from Election Cost Special Fund to Election Services Fund as election percentage turnover, and \$1,000 was transferred from General Fund to the Insurance Fund for flex spending.

NOTE 12 **FUND BALANCE**

The constraints on fund balance are listed in the aggregate in the Combined Balance Sheet, the Combining Balance Sheet (Non-major Governmental Funds), and the Combining Balance Sheet (Special Revenue Funds). The following table provides the detail on the fund balance constraints according to balance classification and fund:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 12 FUND BALANCE(Continued)

Fund Balances:	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Governmental Funds	Non-Major Special Revenue Funds	Total
Restricted For:						
Tax Increment Financing	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 491,214	\$ 491,214
SBRF	13,334	-0-	-0-	-0-	-0-	13,334
Roads & Bridges	-0-	1,719,551	-0-	-0-	750,246	2,469,797
Debt Service - COPS (2005 & 2010)	-0-	-0-	-0-	422,578	-0-	422,578
Assessment	-0-	-0-	-0-	-0-	619,467	619,467
Emergency	187,830	-0-	-0-	-0-	-0-	187,830
Circuit Court Overage	-0-	-0-	-0-	-0-	1,004	1,004
Senior Citizens	-0-	-0-	-0-	-0-	90,808	90,808
Sheriff Revolving	-0-	-0-	-0-	-0-	118,801	118,801
Co Law Enf. Restitution	-0-	-0-	-0-	-0-	87,830	87,830
Law Enforcement Sales Tax	-0-	-0-	128,904	-0-	-0-	128,904
Law Enforcement Training	-0-	-0-	-0-	-0-	6,280	6,280
Inmate Security	-0-	-0-	-0-	-0-	17,328	17,328
Sheriff Civil Fees	-0-	-0-	-0-	-0-	23,390	23,390
Recorder User Fee Fund	-0-	-0-	-0-	-0-	61,689	61,689
Surplus	-0-	-0-	-0-	-0-	75,013	75,013
Collector Tax Maintenance	-0-	-0-	-0-	-0-	139,892	139,892
Juvenile Electronics	-0-	-0-	-0-	-0-	838	838
Fines	-0-	-0-	-0-	-0-	170,078	170,078
Election Services	-0-	-0-	-0-	-0-	34,250	34,250
Prosecuting Attorney Delinquent Tax Fund	-0-	-0-	-0-	-0-	70	70
Prosecuting Attorney Bad Check Fund	-0-	-0-	-0-	-0-	69,356	69,356
Prosecuting Attorney Training	-0-	-0-	-0-	-0-	17,934	17,934
Prosecuting Attorney Handling	-0-	-0-	-0-	-0-	25	25
Victims of Violence	-0-	-0-	-0-	-0-	6,745	6,745
Insurance Maintenance	-0-	-0-	-0-	-0-	11,463	11,463
Recorder	-0-	-0-	-0-	-0-	36,884	36,884
Sheriff	-0-	-0-	-0-	-0-	14,432	14,432
Sheriff	-0-	-0-	-0-	-0-	49,280	49,280
Sheriff (D.A.R.E.)	-0-	-0-	-0-	-0-	1,886	1,886
County Clerk	-0-	-0-	-0-	-0-	952	952
Total Restricted	201,164	1,719,551	128,904	422,578	2,897,155	5,369,354
Committed For:						
Fees Due Others (Unclaimed Property)	-0-	-0-	-0-	-0-	751	751
Nine-One-One Fund	-0-	-0-	-0-	-0-	7	7
LUT/Gen/Bldg	-0-	-0-	-0-	-0-	133,354	133,354
Bullet Proof Vest Fund	-0-	-0-	-0-	-0-	340	340
Payroll	1,776	-0-	-0-	-0-	-0-	1,776
Total Committed	1,776	-0-	-0-	-0-	134,452	136,228
Assigned For:						
Circuit Court	160,516	-0-	-0-	-0-	-0-	160,516
Stabilization	1,554,948	-0-	-0-	-0-	-0-	1,554,948
Total Assigned	1,715,464	-0-	-0-	-0-	-0-	1,715,464
Unassigned for:						
General	2,344,696	-0-	-0-	-0-	50	2,344,696
Grand Total	\$ 4,263,100	\$ 1,719,551	\$ 128,904	\$ 422,578	\$ 3,031,657	\$ 9,565,790

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

NOTE 12 **FUND BALANCE(Continued)**

The Unassigned fund balance in the General Fund represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The County has not adopted a formal minimum fund balance policy. A stabilization amount has been established in the General Fund which is designated as Unassigned Fund Balance. The stabilization balance at December 31, 2013 was \$1,554,948. The Commission established the requirements for the stabilization amount, which is the accumulation of 25% of the County's annual operating expenses. This amount is not designated for any specific purpose, and is not restricted. The funds may be used for any purpose within the County.

NOTE 13 **COMMITMENTS & CONTINGENCIES**

A project to convert a 37 acre tract into a county park is in progress. An architectural landscaping firm has been contracted to provide a preliminary design for \$5,000, of which the Doe Run Company will pay half. A restoration plan is planned to be completed by U.S. Fish and Wildlife and the Missouri Department of Natural Resources.

NOTE 14 **PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment was made to the non-major funds to add the Juvenile Restraints of \$40, Juvenile Restitution funds of \$812, and to adjust liabilities from the books for the Assessment Fund. A prior period adjustment was made to net assets for \$104,202 which could not be reconciled from the records. However, this was immaterial to the financial statements.

NOTE 15 **RELATED PARTY TRANSACTIONS**

An employee of the county owns a company which was awarded the bid to resurface the parking lot of the Annex Building. This company did present the lowest bid. The amount of the bid was \$4,521.

NOTE 16 **SUBSEQUENT EVENTS**

The County refinanced the 2005 Certificates of Participation on the county annex building, whereas the new Series 2014 Refunding Certificate will prepay \$2,060,000 of the Series 2005 Lease Certificates. The refinancing was completed January 7, 2014.

SUPPLEMENTARY INFORMATION

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Taxes	\$ 475,000	\$ 475,000	\$ 524,792	\$ 49,792
Sales Tax	2,950,000	3,245,183	3,245,183	(0)
Telephone Tax	-	-	-	-
Intergovernmental Revenues	1,858,270	1,858,270	1,878,904	20,634
Charges for Services	110,000	110,000	192,643	82,643
Grants, Distributions and Reimbursements	181,694	181,694	186,043	4,349
Fees, Licenses and Permits	-	-	-	-
Interest	8,600	8,600	9,635	1,035
Other	104,850	104,850	269,913	165,063
Total Revenues	<u>5,688,414</u>	<u>5,983,597</u>	<u>6,307,112</u>	<u>323,515</u>
EXPENDITURES:				
Current:				
Financial Administration:	6,066,014	6,066,014	4,288,802	1,777,212
Property Valuation and Recording:	165,755	165,755	164,288	1,467
Administration of Justice and Law	-	-	-	-
Road & Bridge	-	-	-	-
Capital Outlay:	-	-	-	-
Property, Equipment and Buildings	39,500	39,500	32,749	6,751
Debt Service:	-	-	-	-
Total Expenditures	<u>6,271,269</u>	<u>6,271,269</u>	<u>4,485,838</u>	<u>1,785,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(582,855)	(287,672)	1,821,274	2,108,947
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	75,000	75,000
Transfers out	-	-	(1,421,112)	(1,421,112)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,346,112)</u>	<u>(1,346,112)</u>
NET CHANGE IN FUND BALANCE	(582,855)	(287,672)	475,162	762,835
FUND BALANCE - BEGINNING OF YEAR	<u>502,300</u>	<u>1,348,659</u>	<u>3,787,938</u>	<u>(2,439,279)</u>
FUND BALANCE - END OF YEAR	<u>\$ (80,555)</u>	<u>\$ 1,060,987</u>	<u>\$ 4,263,100</u>	<u>\$ (1,676,444)</u>

See accompanying independent auditors' report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
ROAD AND BRIDGE FUND (SPECIAL REVENUE FUNDS)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property tax	\$ 1,500,000	\$ 1,592,445	\$ 1,592,445	\$ -
Sales tax	100,000	204,438	129,395	(75,043)
Telephone Tax	-	-	-	-
Intergovernmental	1,100,000	1,230,253	1,230,253	(0)
Charges for Services	-	-	-	-
Grants, distributions and reimbursements	616,000	616,000	652,821	36,821
Fees, licenses and permits	-	-	-	-
Interest	3,500	3,500	2,619	(881)
Other	2,500	2,500	31,540	29,040
Total Revenues	<u>3,322,000</u>	<u>3,649,136</u>	<u>3,639,073</u>	<u>(10,063)</u>
EXPENDITURES:				
Current:				
Maintenance of Roads:				
Salaries	1,435,000	1,435,000	1,350,092	84,908
Employee Benefits	467,920	467,920	444,575	23,345
Office	23,000	23,000	25,640	(2,640)
Equipment Maintenance	-	-	-	-
Mileage / Training	-	-	-	-
Payments / Disbursements	-	-	-	-
Insurance	167,024	167,024	143,724	23,300
Operation / Maintenance	70,100	70,100	70,823	(723)
Bridge Replacement / Repair	-	-	-	-
Other Expenditures	1,276,500	1,276,500	40,275	1,236,225
Emergency Management	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	16,000	16,000	1,398,523	(1,382,523)
Total Expenditures	<u>3,455,544</u>	<u>3,455,544</u>	<u>3,473,653</u>	<u>(18,109)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(133,544)	193,592	165,420	(28,172)
OTHER FINANCING SOURCES(USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(75,000)	(75,000)
Debt Service				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
NET CHANGE IN FUND BALANCE	(133,544)	193,592	90,420	(103,172)
FUND BALANCE - BEGINNING OF YEAR	<u>1,017,548</u>	<u>370,468</u>	<u>1,629,131</u>	<u>1,258,663</u>
FUND BALANCE - END OF YEAR	<u>\$ 884,004</u>	<u>\$ 564,060</u>	<u>\$ 1,719,551</u>	<u>\$ 1,155,491</u>

See accompanying independent auditors' report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
LAW ENFORCEMENT SALES TAX FUND (SPECIAL REVENUE FUND)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Tax	\$ -	\$ -	\$ -	\$ -
Sales Tax	2,895,000	2,895,000	2,966,078	71,078
Telephone Tax	-	-	-	-
Intergovernmental	1,470,363	1,546,158	661,527	(884,631)
Charges for Services	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-
Fees, Licenses and Permits	-	-	-	-
Interest	200	200	315	115
Other	-	14,176	14,176	0
Total Revenues	<u>4,365,563</u>	<u>4,455,534</u>	<u>3,642,096</u>	<u>(813,438)</u>
EXPENDITURES:				
Current:				
Salaries	2,533,643	2,604,722	2,472,625	132,097
Employee Benefits	931,517	931,517	891,268	40,249
Office	5,600	5,600	4,809	791
Equipment Maintenance	188,000	203,454	203,570	(116)
Mileage / Training	20,000	20,000	22,111	(2,111)
Payments / Disbursements	-	-	-	-
Insurance	-	-	-	-
Operation / Maintenance	210,000	210,000	222,644	(12,644)
Other Expenditures	432,500	432,500	487,885	(55,385)
Emergency Management	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Expenditures	<u>4,351,260</u>	<u>4,437,793</u>	<u>4,304,912</u>	<u>132,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,303	17,741	(662,816)	(680,557)
OTHER FINANCING SOURCES(USES):				
Transfers in	-	-	750,000	750,000
Transfers out	-	-	-	-
Debt Service	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>
NET CHANGE IN FUND BALANCE	14,303	17,741	87,184	69,443
FUND BALANCE - BEGINNING OF YEAR	<u>77,905</u>	<u>75,046</u>	<u>41,720</u>	<u>(33,326)</u>
FUND BALANCE - END OF YEAR	<u>\$ 92,208</u>	<u>\$ 92,787</u>	<u>\$ 128,904</u>	<u>\$ 36,117</u>

See accompanying independent auditors' report

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2013

	Debt Service Fund	Total
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ -
Restricted Cash	129,208	129,208
Investments (Restricted)	293,370	293,370
Due From Other Funds	-	-
TOTAL ASSETS	422,578	422,578
LIABILITIES:		
Accrued Liabilities	-	-
TOTAL LIABILITIES	-	-
FUND BALANCES:		
Restricted	422,578	422,578
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	422,578	422,578
TOTAL LIABILITIES AND FUND BALANCES	\$ 422,578	\$ 422,578

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

December 31, 2013

	Debt Service Fund	Total
REVENUES:		
Property taxes	\$ -	\$ -
Sales tax	-	-
Telephone Tax	-	-
Intergovernmental Revenue	-	-
Charges for Services	-	-
Grants, Distributions and Reimbursements	-	-
Fees, Licenses and Permits	-	-
Interest	4,242	4,242
Other	13	13
Total Revenues	4,256	4,256
EXPENDITURES:		
Administration	-	-
Property Assessments	-	-
Public Safety and Judicial	-	-
Road & Bridge	-	-
Miscellaneous	736	736
Capital Outlay	-	-
Debt Service		
Principal Payments	210,000	210,000
Interest Payments	144,217	144,217
Fiscal Agent Fees	3,971	3,971
Total Expenditures	358,924	358,924
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(354,668)	(354,668)
OTHER FINANCING SOURCES (USES):		
Transfers in	352,601	352,601
Transfers out	-	-
Total Other Financing Sources (Uses)	352,601	352,601
NET CHANGE IN FUND BALANCES	(2,067)	(2,067)
FUND BALANCES - BEGINNING OF YEAR	424,645	424,645

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2013

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Road Improvement Tax Fund	Total
ASSETS:										
Cash and Cash Equivalents	-	-	7	-	751	-	-	-	-	758
Restricted Cash	11,463	619,467	-	-	-	1,004	-	90,808	750,246	1,472,989
Investments	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	11,463	619,467	7	-	751	1,004	-	90,808	750,246	1,473,747
LIABILITIES:										
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:										
Restricted	11,463	619,467	-	-	-	1,004	-	90,808	750,246	1,472,988
Committed	-	-	7	-	751	-	-	-	-	758
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	11,463	619,467	7	-	751	1,004	-	90,808	750,246	1,473,746
TOTAL LIABILITIES AND FUND BALANCES	11,463	619,467	7	-	751	1,004	-	90,808	750,246	1,473,746

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2013

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Road Improvement Tax Fund	Total
REVENUES:										
Property Taxes	-	-	-	74,858	-	-	-	332,062	-	406,920
Sales Tax	-	-	-	-	-	-	-	-	1,500,694	1,500,694
Telephone Tax	-	-	531,813	-	-	-	-	-	-	531,813
Intergovernmental Revenue	-	181,681	-	-	-	-	-	-	-	181,681
Charges for Services	-	439,251	-	-	-	-	-	-	-	439,251
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Interest	10	743	19	-	-	1	-	174	881	1,828
Other	10,382	6,868	-	4	88	141	1,556	843	131,062	150,944
Total Revenues	10,392	628,544	531,831	74,862	88	142	1,556	333,079	1,632,637	3,213,131
EXPENDITURES:										
Administration	-	-	-	-	-	-	-	327,640	-	327,640
Property Assessments	-	713,656	-	-	-	-	-	-	-	713,656
Public Safety and Judicial	-	-	531,824	-	-	-	-	-	-	531,824
Road & Bridge	-	-	-	74,862	-	-	-	-	1,134,514	1,209,376
Miscellaneous	9,991	-	-	-	-	2	1,556	-	-	11,549
Capital Outlay	-	-	-	-	-	-	-	-	591,907	591,907
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-
Total Expenditures	9,991	713,656	531,824	74,862	-	2	1,556	327,640	1,726,421	3,385,952
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	401	(85,112)	7	(0)	88	140	(0)	5,439	(93,784)	(172,821)
OTHER FINANCING SOURCES (USES):										
Transfers in	1,000	317,511	-	-	-	-	-	-	-	318,511
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,000	317,511	-	-	-	-	-	-	-	318,511
NET CHANGE IN FUND BALANCES	1,401	232,399	7	(0)	88	140	(0)	5,439	(93,784)	145,690
FUND BALANCES - BEGINNING OF YEAR	10,062	387,068	-	-	663	864	-	85,369	844,030	1,328,056
FUND BALANCES - END OF YEAR	11,463	619,467	7	(0)	751	1,004	(0)	90,808	750,246	1,473,746

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2013

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Resitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	133,354	-	-	-	133,354
Restricted Cash	-	-	-	118,801	87,830	6,280	-	61,689	75,013	139,892	489,505
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	118,801	87,830	6,280	133,354	61,689	75,013	139,892	622,859
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	-	-	118,801	87,830	6,280	-	61,689	75,013	139,892	489,505
Committed	-	-	-	-	-	-	133,354	-	-	-	133,354
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	118,801	87,830	6,280	133,354	61,689	75,013	139,892	622,859
TOTAL LIABILITIES AND FUND BALANCES	-	-	-	118,801	87,830	6,280	133,354	61,689	75,013	139,892	622,859

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2013

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Resitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
REVENUES:											
Property Taxes	-	612,848	-	-	-	-	-	-	-	-	612,848
Sales Tax	6,955	-	-	-	-	-	-	-	-	-	6,955
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	8,482	-	-	-	8,482
Charges for Services	-	-	-	-	-	8,603	-	14,085	-	-	22,688
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	40,465	-	-	-	-	104,295	144,760
Interest	-	-	-	89	80	11	138	60	57	154	588
Other	-	1,588	-	84,457	-	-	-	24,966	4,775	-	115,787
Total Revenues	6,955	614,436	-	84,546	40,545	8,614	8,620	39,110	4,832	104,449	912,107
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	-	4,254	62,029	66,283
Property Assessments	-	-	-	-	-	-	-	17,322	-	-	17,322
Public Safety and Judicial	-	-	-	-	-	18,694	-	-	-	-	18,694
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	6,955	614,436	-	11,144	-	-	-	13,342	-	-	645,877
Capital Outlay	-	-	-	-	16,000	-	935	10,572	-	9,963	37,470
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	26,233	-	-	-	-	-	26,233
Interest Payments	-	-	-	-	3,847	-	-	-	-	-	3,847
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	6,955	614,436	-	11,144	46,080	18,694	935	41,235	4,254	71,992	815,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	-	-	73,402	(5,535)	(10,080)	7,685	(2,125)	578	32,457	96,382
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	0	-	-	73,402	(5,535)	(10,080)	7,685	(2,125)	578	32,457	96,382
FUND BALANCES - BEGINNING OF YEAR	-	-	-	45,399	93,365	16,360	125,669	63,814	74,435	107,435	526,477
FUND BALANCES - END OF YEAR	0	-	-	118,801	87,830	6,280	133,354	61,689	75,013	139,892	622,859

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2013

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	-	340	-	-	340
Restricted Cash	-	170,078	-	-	17,934	69,356	-	-	6,746	70	264,184
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	170,078	-	-	17,934	69,356	-	340	6,746	70	264,524
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	170,078	-	-	17,934	69,356	-	-	6,746	70	264,184
Committed	-	-	-	-	-	-	-	340	-	-	340
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	170,078	-	-	17,934	69,356	-	340	6,746	70	264,524
TOTAL LIABILITIES AND FUND BALANCES	-	170,078	-	-	17,934	69,356	-	340	6,746	70	264,524

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2013

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
REVENUES:											
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	307,914	-	-	1,516	-	-	-	-	1,817	311,247
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	319,824	-	-	27,175	-	-	13,175	-	360,175
Interest	-	929	11	-	18	68	-	-	5	2	1,033
Other	76,851	14,608	-	133,757	-	-	7,899	340	-	-	233,455
Total Revenues	76,851	323,451	319,835	133,757	1,534	27,244	7,899	340	13,180	1,819	905,910
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	-	12,692	-	12,692
Property Assessments	-	314,450	-	-	-	-	-	-	-	-	314,450
Public Safety and Judicial	-	-	-	-	-	14,122	-	-	-	2,400	16,522
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	76,851	-	319,835	128,606	-	-	7,899	-	-	-	533,191
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service											
Principal Payments	-	-	-	-	-	5,165	-	-	-	-	5,165
Interest Payments	-	-	-	-	-	367	-	-	-	-	367
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	76,851	314,450	319,835	128,606	-	19,654	7,899	-	12,692	2,400	882,388
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	9,001	-	5,151	1,534	7,589	-	340	488	(581)	23,522
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(8,226)	-	-	-	-	-	-	(8,226)
Total Other Financing Sources (Uses)	-	-	-	(8,226)	-	-	-	-	-	-	(8,226)
NET CHANGE IN FUND BALANCES	-	9,001	-	(3,075)	1,534	7,589	-	340	488	(581)	15,296
FUND BALANCES - BEGINNING OF YEAR	-	161,077	-	3,075	16,400	61,767	-	-	6,258	651	249,228
FUND BALANCES - END OF YEAR	-	170,078	-	0	17,934	69,356	-	340	6,746	70	264,524

ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

DECEMBER 31, 2013

	Inmate Security Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
ASSETS:										
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Restricted Cash	17,328	-	23,390	-	491,214	34,250	-	1,886	14,432	582,501
Investments	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	17,328	-	23,390	-	491,214	34,250	-	1,886	14,432	582,501
LIABILITIES:										
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:										
Restricted	17,328	-	23,390	-	491,214	34,250	-	1,886	14,432	582,500
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	17,328	-	23,390	-	491,214	34,250	-	1,886	14,432	582,500
TOTAL LIABILITIES AND FUND BALANCES	17,328	-	23,390	-	491,214	34,250	-	1,886	14,432	582,500

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

December 31, 2013

	Inmate Security Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
REVENUES:										
Property Taxes	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	607,460	-	-	-	-	607,460
Telephone Tax	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	5,500	609,126	614,626
Charges for Services	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	62,473	-	-	-	-	-	62,473
Fees, Licenses and Permits	-	-	56,588	-	-	2,533	35,973	-	328	95,421
Interest	23	-	45	-	-	36	-	-	-	105
Other	16,814	-	-	-	-	4,115	-	-	185,699	206,628
Total Revenues	16,838	-	56,633	62,473	607,460	6,684	35,973	5,500	795,153	1,586,713
EXPENDITURES:										
Administration	-	-	-	-	585,655	8,307	-	-	-	593,962
Property Assessments	-	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	-	-	35,358	-	-	-	35,973	9,262	798,128	878,720
Road & Bridge	-	-	-	-	-	-	-	-	-	-
Miscellaneous	6,705	-	-	62,473	-	-	-	-	-	69,178
Capital Outlay	14,790	-	-	-	-	-	-	-	-	14,790
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	26,961	-	-	-	-	-	-	26,961
Interest Payments	-	-	3,120	-	-	-	-	-	-	3,120
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-
Total Expenditures	21,495	-	65,438	62,473	585,655	8,307	35,973	9,262	798,128	1,586,730
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,657)	-	(8,805)	-	21,805	(1,624)	0	(3,762)	(2,975)	(17)
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	-	8,226	-	-	-	8,226
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	8,226	-	-	-	8,226
NET CHANGE IN FUND BALANCES	(4,657)	-	(8,805)	-	21,805	6,602	0	(3,762)	(2,975)	8,209
FUND BALANCES - BEGINNING OF YEAR	21,985	-	32,195	-	469,409	27,648	-	5,648	17,407	574,292
FUND BALANCES - END OF YEAR	17,328	-	23,390	-	491,214	34,250	0	1,886	14,432	582,501

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2013

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Prosecutor	P.A. Admin Handling Cost Fund	Total	Grand Total All Non Major Funds
ASSETS:									
Cash and Cash Equivalents	-	50	-	-	-	-	-	50	134,502
Restricted Cash	36,885	952	49,280	838	-	-	25	87,980	3,026,366
Investments	-	-	-	-	-	-	-	-	293,370
Due From Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>36,885</u>	<u>1,002</u>	<u>49,280</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>88,030</u>	<u>3,454,239</u>
LIABILITIES:									
Accrued Liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:									
Restricted	36,885	952	49,280	838	-	-	25	87,980	3,319,736
Committed	-	-	-	-	-	-	-	-	134,452
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	50	-	-	-	-	-	50	50
TOTAL FUND BALANCES	<u>36,885</u>	<u>1,002</u>	<u>49,280</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>88,030</u>	<u>3,454,238</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>36,885</u>	<u>1,002</u>	<u>49,280</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>88,030</u>	<u>3,454,238</u>

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2013

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Prosecutor	P.A. Admin Handling Cost Fund	Total	Grand Total All Non Major Funds
REVENUES:									
Property Taxes	-	-	-	-	-	-	-	-	1,019,768
Sales Tax	-	-	-	-	-	-	-	-	2,115,109
Telephone Tax	-	-	-	-	-	-	-	-	531,813
Intergovernmental Revenue	312,655	40,675	-	-	-	58,511	-	411,841	1,216,631
Charges for Services	-	-	-	-	14,353	-	-	14,353	787,539
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	62,473
Fees, Licenses and Permits	51,938	1,053	-	-	-	-	25	53,016	653,372
Interest	-	-	-	-	-	-	-	-	7,796
Other	104,836	15	175,867	1,170	-	-	-	281,888	988,715
Total Revenues	<u>469,429</u>	<u>41,743</u>	<u>175,867</u>	<u>1,170</u>	<u>14,353</u>	<u>58,511</u>	<u>25</u>	<u>761,098</u>	<u>7,383,215</u>
EXPENDITURES:									
Administration	-	40,791	-	-	-	-	-	40,791	1,041,368
Property Assessments	476,025	-	-	-	-	-	-	476,025	1,521,453
Public Safety and Judicial	-	-	-	-	14,393	-	-	14,393	1,460,154
Road & Bridge	-	-	-	-	-	-	-	-	1,209,376
Miscellaneous	-	-	174,894	1,144	-	58,511	-	234,549	1,495,080
Capital Outlay	-	-	-	-	-	-	-	-	644,167
Debt Service:									
Principal Payments	-	-	-	-	-	-	-	-	268,358
Interest Payments	-	-	-	-	-	-	-	-	151,551
Fiscal Agent Fees	-	-	-	-	-	-	-	-	3,971
Total Expenditures	<u>476,025</u>	<u>40,791</u>	<u>174,894</u>	<u>1,144</u>	<u>14,393</u>	<u>58,511</u>	<u>-</u>	<u>765,758</u>	<u>7,795,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,596)</u>	<u>952</u>	<u>973</u>	<u>26</u>	<u>(40)</u>	<u>-</u>	<u>25</u>	<u>(4,660)</u>	<u>(412,263)</u>
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	679,338
Transfers out	-	-	-	-	-	-	-	-	(8,226)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>671,112</u>
NET CHANGE IN FUND BALANCES	<u>(6,596)</u>	<u>952</u>	<u>973</u>	<u>26</u>	<u>(40)</u>	<u>-</u>	<u>25</u>	<u>(4,660)</u>	<u>258,849</u>
FUND BALANCES - BEGINNING OF YEAR	<u>43,481</u>	<u>50</u>	<u>48,307</u>	<u>812</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>92,690</u>	<u>3,195,388</u>
FUND BALANCES - END OF YEAR	<u>36,885</u>	<u>1,002</u>	<u>49,280</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>88,030</u>	<u>3,454,236</u>

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - ACCRUAL BASIS -
AGENCY FUNDS

DECEMBER 31, 2013

	<u>Juvenile Fund</u>	<u>Collector of Revenue Fund</u>	<u>Division III CD Savings Fund</u>	<u>Circuit Clerk Banner Account Fund</u>	<u>Total</u>
ASSETS:					
Restricted Cash	\$ 156,534	\$ 28,192,434	\$ -	\$ 333,333	\$ 28,682,300
Investments	-	-	-	-	-
Taxes Receivable	-	4,287,582	-	-	4,287,582
TOTAL ASSETS	<u>156,534</u>	<u>32,480,015</u>	<u>-</u>	<u>333,333</u>	<u>32,969,882</u>
LIABILITIES AND FUND BALANCES:					
Accrued Liabilities	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>156,534</u>	<u>32,480,015</u>	<u>-</u>	<u>333,333</u>	<u>32,969,882</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 156,534</u>	<u>\$ 32,480,015</u>	<u>\$ -</u>	<u>\$ 333,333</u>	<u>\$ 32,969,882</u>

FEDERAL COMPLIANCE SECTION



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

To the County Commission and Officeholders of
St. Francois County, Missouri

Report on Compliance for Each Major Federal Program

We have audited St. Francois County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of St. Francois County, Missouri's major federal programs for the year ended December 31, 2013. St. Francois County, Missouri's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of St. Francois County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Francois County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 St. Francois County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Maloney, Wright & Robbins

Farmington, MO
September 2, 2014

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
<i>Passed through Missouri Department of Social Services</i>			
Child Support IV-D	93.563		171,453
Juvenile Care & Maintenance	93.667	AOC11380107	17,485
Total U.S. Department of Health and Human Services			188,938
US Department of Justice			
<i>Passed through Missouri Department of Public Safety</i>			
Public Safety	16.738		2,784
Title II Formula Grant - JDAI	16.540	2010-11-Title 2-17	16,875
Detention Counseling - At Risk, Residential Care Mentor	16.726	ERS172-377	32,294
Total U.S. Department of Justice			51,953
US Department of Agriculture			
<i>Passed through State of Missouri</i>			
National School Lunch Program	10.555		9,845
Schools and Roads - Grants to Counties	10.666		996
Total U.S. Department of Agriculture			10,841
US Department of Housing & Urban Development			
<i>Passed through Missouri Department of Economic Development</i>			
Community Development Block Grant	14.228	08-DI-29	62,473
Total U.S. Department of Housing & Urban Development			62,473
US Department of Transportation			
<i>Passed through Missouri Department of Transportation</i>			
Off-System Bridge Program	20.205		957,217
Total U.S. Department of Transportation			957,217
US Environmental Protection Agency			
Big River Watershed Master Plan	66.802	V-97722901-D	14,590
Total US Department of Environmental Protection			14,590
US Election Assistance Commission			
Help America Vote Act	90.401		6,618
Total US Election Assistance Commission			6,618
Total Expenditures of Federal Awards			1,292,630

The accompanying notes are an integral part of this schedule.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Francois County, Missouri under programs of the federal government for the year ended December 31, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of St. Francois County, Missouri, it is not intended to and does not present the financial position, changes in net position or cash flows of St. Francois County, Missouri.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- An unmodified report was issued on the financial statements of St. Francois County, Missouri.

Internal control over financial reporting:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes ___none
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___yes X none
- An unmodified report was issued on compliance for major programs. X yes ___no

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

Identification of major programs:

<u>CFDA#</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
20.205	Off System Bridge Program	\$957,217

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

Auditee qualified as low-risk auditee: ___yes X no

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2013-01

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Effect of Condition: While the preparation of the financial statements does not impair the auditor's independence, the assistance of the County's staff would possibly eliminate the number of year end and/or audit adjustments.

Recommendation: The County should consider alternatives available that would eliminate the current situation.

Management Response: Management recognizes the issue presented and will be considering putting in place financial statements and notes for the year ending 2014 possibly thru outsourcing.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2013-02

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: Management will direct the coordination and assistance in the development of written internal control policies. COSO Internal Control Guidelines/Module is being obtained as a guide for putting St. Francois County in compliance with department/office controls.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2013-03

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Internal control procedures were not operating effectively regarding the approval of travel expenses and reimbursements.

Cause of Condition: Internal control procedures established by the Commission were not implemented among some offices. Travel reimbursements were approved without the proper documentation.

Effect of Condition: The deficiency in the operating controls may increase the risk of fraud, abuse, and/or material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to ensure controls are operating effectively.

Management Response: Management will be corresponding with offices/departments to see that state statutes, county guidelines are upheld.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2013-04

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Log books for county vehicles use are not being used by all departments/offices.

Cause of Condition: Internal control procedures have not been established and approved regarding the use and tracking of county owned vehicles being used by various departments/offices.

Effect of Condition: The deficiency in the internal control procedures may increase the risk of fraud and/or abuse.

Recommendation: The County should draft and approve policies and procedures regarding the use and documentation of county owned vehicles.

Management Response: Management will be in touch with departments/offices in establishing and implementing policies to reduce risk of fraud and/or abuse concerning this issue.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

I. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2012-07

Federal Program: US Department of Housing & Urban Development passed through Missouri Department of Economic Development – *2013 Community Development Block Grant, CFDA number 14.228*

Criteria: St. Francois County passed these grant funds through to Mineral Area College. Pass through entities are required by the Single Audit Act Amendments of 1996 to conduct sub recipient monitoring.

Condition: Sub recipient monitoring was not conducted by St. Francois County.

Questioned Costs: None

Effect of Condition: No pass-through entity oversight of the sub recipients use of the grant funds

Cause of Condition: The County did not refer to the grant document or the A-133 Compliance Supplement to determine responsibility for sub recipient monitoring requirements.

Recommendation: The County should refer to the grant document, the A-133 Compliance Supplement, or both to determine sub recipient monitoring requirements to ensure compliance requirements are met.

Management Response: This office has since been in contact with grant recipient. Economic Development representative has recently reviewed the grant and findings are in compliance. These documents will be forwarded to the County when completed. Concerning all grants, existing and future grants, this office will make every effort to have all documents pertaining to such grants and will periodically be checking those offices/departments that have been awarded grants to make sure all is in compliance. Also this office will have in possession the A-133 Compliance Supplement. We will be in compliance by the next fiscal audit, 2013.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-01

Type: Internal Control

Criteria: A good internal control system should include written policies and procedures.

Condition: The County of St. Francois, Missouri does not have documentation of internal control policies.

Cause: The County has not communicated policies and procedures in writing to employees.

Effect: The internal control environment is weak.

Recommendation: The County should develop the required internal control documentation and study the COSO internal control guidance and tools as a means to begin the process.

Management Response: County does have an internal control policy that was adopted by the standing County Commission in year 1992. County does still refer to this manual for policies and procedures. This auditor will be recommending to our present County Commission that our policy/procedure manual be revised and brought up-to-date, and should be communicated to each department/office head that policy manual be placed in the hands of each county employee.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-02

Type: Internal Control

Criteria: A fraud risk policy ensures that management directives are carried out.

Condition: The County does not have a fraud risk assessment policy.

Cause: The County has not implemented a policy to deter fraud.

Effect: Lack of a fraud risk policy and procedures implemented to deter fraud could potentially result in the County not being able to generate reliable financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Recommendation: The County should address the risk of fraud by performing a fraud risk assessment to identify, analyze and manage the risk of asset misappropriation.

Management Response: The County is looking into establishing a fraud risk assessment policy. Our Prosecuting Attorney is reviewing a policy, which will be reviewed by our County Commission and will possibly be in place by the end of this fiscal year 2013.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-03

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Effect of Condition: While the preparation of the financial statements does not impair the auditor's independence, the assistance of the County's staff would possibly eliminate the number of year end and/or audit adjustments.

Recommendation: The County should consider alternatives available that would eliminate the current situation.

Management Response: The above reference has been in place in previous years audits, through an outsource, with the exception of this year 2013. County will be outsourcing this requirement for fiscal year audit 2013.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-04

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: The County will be looking at ways to tighten internal control on procedures with officeholders and staff in this fiscal year 2013.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-05

Type: Internal Control

Condition: Several cash accounts were not included on the trial balance report provided by the client, and several account balances were included on the report that are no longer in existence.

Criteria: Management is responsible for ensuring the financial information is reliable and properly recorded.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of materially misstating their financial statements.

Recommendation: The County should record all cash accounts maintained, and reconcile all bank accounts each month.

Management Response: These cash accounts have been put in place, the account balances no longer in existence have been removed, and bank statements are reconciled on a monthly basis.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

II. FINANCIAL STATEMENT FINDINGS

Finding: 2012-06

Type: Compliance

Criteria: Per Governmental Accounting Standards, debt service activities should be reported in debt service funds if financial resources are being accumulated for principal and interest payments maturing in future years.

Condition: The County does not record their reserve funds and debt payments through their debt service fund.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of noncompliance with their debt issuance.

Recommendation: The County should review the financial reports for compliance with provisions of laws, regulations, contracts, and grant agreements at interim periods.

Management Response: The County is at this time looking at the most feasible way to put this on the county books and will have it in place by the end of this fiscal year 2013.