



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stoddard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stoddard County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2016, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2017
Report No. 2017-086

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016 & 2015

**THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Stoddard, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Stoddard, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2016, and 2015, and the related statements of cash receipts and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory 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.

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2016, and 2015, or changes in net financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2016, and 2015, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Stoddard’s basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017, on our consideration of the County of Stoddard's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Stoddard's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 20, 2017

FINANCIAL STATEMENTS

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

| FUND | CASH AND INVESTMENTS JANUARY 1, 2016 | RECEIPTS 2016 | DISBURSEMENTS 2016 | CASH AND INVESTMENTS DECEMBER 31, 2016 |
|--|--|------------------------|------------------------|--|
| General Revenue Fund | \$ 2,370,465.28 | \$ 4,587,129.75 | \$ 4,712,095.63 | \$ 2,245,499.40 |
| Special Road and Bridge Fund | 1,077,155.33 | 2,119,905.02 | 2,102,208.22 | 1,094,852.13 |
| Capital Improvements Fund | 2,497,678.99 | 143,245.03 | 913,819.98 | 1,727,104.04 |
| Assessment Fund | 379,522.66 | 365,690.04 | 351,043.46 | 394,169.24 |
| Drainage Districts Fund | 306,595.99 | 54,283.92 | 5,562.50 | 355,317.41 |
| County Farm Fund | 23,294.98 | 1,503.49 | - | 24,798.47 |
| Law Enforcement Training Fund | 5,323.34 | 2,118.52 | 3,581.69 | 3,860.17 |
| Archives Fund | 32,521.06 | 15,370.49 | 18,482.64 | 29,408.91 |
| Prosecuting Attorney Training Fund | (220.66) | 3,006.58 | 2,197.36 | 588.56 |
| Prosecuting Attorney Administration Fund | 2,799.67 | 15,975.64 | 18,045.38 | 729.93 |
| Sheriff's Commissary Fund | 98,217.73 | 131,489.54 | 164,089.39 | 65,617.88 |
| Sheriff Civil Process Fund | 44,519.65 | 24,470.47 | 40,088.39 | 28,901.73 |
| Essex Special Paving Project Fund | 18,809.15 | - | - | 18,809.15 |
| Collector Maintenance Fund | 107,288.57 | 49,097.06 | 15,000.00 | 141,385.63 |
| Recorder Maintenance Fund | 38,119.56 | 20,295.54 | 12,252.93 | 46,162.17 |
| Domestic Violence Fund | 3,114.09 | 3,372.91 | - | 6,487.00 |
| Sheriff Donations Canine Technology Fund | 3,243.11 | 11,778.64 | 9,999.90 | 5,021.85 |
| Law Enforcement Restitution Fund | 45,866.48 | 33,523.36 | 34,499.09 | 44,890.75 |
| Prosecuting Attorney Delinquent Tax Fund | 11,743.23 | 1,595.00 | 13,291.45 | 46.78 |
| Election Services Fund | 1,796.52 | 11,412.48 | 8,069.05 | 5,139.95 |
| Sheriff Revolving Fund | 75,591.86 | 54,693.42 | 30,685.32 | 99,599.96 |
| POST Fund | 720.17 | 1,011.94 | 1,004.34 | 727.77 |
| 911 Services Fund | 305,957.81 | 253,526.17 | 294,674.72 | 264,809.26 |
| Inmate Security Fund | 10,764.22 | 4,283.39 | 9,937.07 | 5,110.54 |
| Mental Health Board Fund | 792.25 | - | 200.00 | 592.25 |
| Total | <u>\$ 7,461,681.04</u> | <u>\$ 7,908,778.40</u> | <u>\$ 8,760,828.51</u> | <u>\$ 6,609,630.93</u> |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| FUND | CASH AND INVESTMENTS | RECEIPTS | DISBURSEMENTS | CASH AND INVESTMENTS |
|--|-------------------------|------------------------|------------------------|-------------------------|
| | JANUARY 1, 2015 | 2015 | 2015 | DECEMBER 31, 2015 |
| General Revenue Fund | \$ 2,952,347.58 | \$ 4,585,592.17 | \$ 5,167,474.47 | \$ 2,370,465.28 |
| Special Road and Bridge Fund | 1,078,395.27 | 1,452,372.33 | 1,453,612.27 | 1,077,155.33 |
| Capital Improvements Fund | 1,702,236.94 | 935,375.70 | 139,933.65 | 2,497,678.99 |
| Assessment Fund | 365,886.62 | 361,938.68 | 348,302.64 | 379,522.66 |
| Drainage Districts Fund | 263,723.98 | 47,532.01 | 4,660.00 | 306,595.99 |
| County Farm Fund | 22,921.77 | 587.71 | 214.50 | 23,294.98 |
| Law Enforcement Training Fund | 4,945.29 | 1,793.62 | 1,415.57 | 5,323.34 |
| Archives Fund | 30,565.43 | 20,237.69 | 18,282.06 | 32,521.06 |
| Prosecuting Attorney Training Fund | 1,330.60 | 713.24 | 2,264.50 | (220.66) |
| Prosecuting Attorney Administration Fund | 29,687.20 | 16,966.38 | 43,853.91 | 2,799.67 |
| Sheriff's Commissary Fund | 70,161.89 | 136,999.31 | 108,943.47 | 98,217.73 |
| Sheriff Civil Process Fund | 56,594.75 | 24,166.35 | 36,241.45 | 44,519.65 |
| Essex Special Paving Project Fund | 18,809.15 | - | - | 18,809.15 |
| Collector Maintenance Fund | 129,669.50 | 47,470.07 | 69,851.00 | 107,288.57 |
| Recorder Maintenance Fund | 26,342.56 | 19,948.16 | 8,171.16 | 38,119.56 |
| Domestic Violence Fund | 3,360.09 | 3,354.00 | 3,600.00 | 3,114.09 |
| Sheriff Donations Canine Technology Fund | 3,869.99 | 844.54 | 1,471.42 | 3,243.11 |
| Law Enforcement Restitution Fund | 47,421.40 | 20,211.67 | 21,766.59 | 45,866.48 |
| Prosecuting Attorney Delinquent Tax Fund | 11,671.03 | 72.20 | - | 11,743.23 |
| Election Services Fund | 1,250.78 | 4,327.69 | 3,781.95 | 1,796.52 |
| Sheriff Revolving Fund | 59,073.81 | 30,227.81 | 13,709.76 | 75,591.86 |
| POST Fund | 715.74 | 810.13 | 805.70 | 720.17 |
| 911 Services Fund | 290,264.35 | 255,664.73 | 239,971.27 | 305,957.81 |
| Inmate Security Fund | 7,093.15 | 3,671.07 | - | 10,764.22 |
| Mental Health Board Fund | 392.25 | 1,656.71 | 1,256.71 | 792.25 |
| Total | <u>\$ 7,178,731.12</u> | <u>\$ 7,972,533.97</u> | <u>\$ 7,689,584.05</u> | <u>\$ 7,461,681.04</u> |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | GENERAL REVENUE FUND | | | |
|--|----------------------|-----------------|-----------------|-----------------|
| | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | 2,800,000.00 | 2,839,883.12 | 2,785,000.00 | 2,852,818.01 |
| Intergovernmental | 681,520.00 | 789,620.53 | 836,517.44 | 770,076.05 |
| Charges For Services | 804,800.00 | 812,248.92 | 809,800.00 | 787,703.11 |
| Interest | 18,000.00 | 29,350.48 | 25,000.00 | 26,149.32 |
| Other | 46,200.00 | 61,826.70 | 45,800.00 | 44,645.68 |
| Transfers In | 54,200.00 | 54,200.00 | 54,200.00 | 104,200.00 |
| TOTAL RECEIPTS | 4,404,720.00 | 4,587,129.75 | 4,556,317.44 | 4,585,592.17 |
| DISBURSEMENTS | | | | |
| County Commission | 117,944.03 | 118,521.15 | 114,924.87 | 114,204.67 |
| County Clerk | 91,841.05 | 96,530.83 | 137,284.16 | 133,600.73 |
| Elections | 202,977.37 | 204,797.37 | 81,000.00 | 55,044.30 |
| Buildings and grounds | 331,174.94 | 340,637.02 | 269,781.84 | 297,999.31 |
| Employee fringe benefits | 754,149.36 | 754,549.36 | 719,500.00 | 713,661.83 |
| County Treasurer | 229,739.18 | 229,784.39 | 216,909.36 | 221,827.12 |
| Collector | - | - | - | - |
| Recorder of Deeds | 143,861.29 | 145,585.57 | 140,433.31 | 139,148.19 |
| Circuit Clerk | 53,300.00 | 49,240.29 | 59,075.00 | 49,563.05 |
| Associate Circuit Court | - | - | - | - |
| Court Administration | 13,400.00 | 25,072.77 | 11,400.00 | 18,523.22 |
| Public Administrator | 123,196.30 | 126,587.78 | 119,409.51 | 120,620.80 |
| Sheriff | 858,317.44 | 895,992.73 | 899,121.06 | 889,527.76 |
| Jail | 394,789.64 | 424,985.09 | 376,048.36 | 331,529.96 |
| Prosecuting Attorney | 291,271.94 | 312,443.33 | 276,251.19 | 276,352.92 |
| Juvenile Officer | 248,144.95 | 244,082.17 | 217,598.60 | 224,197.34 |
| Coroner | 41,890.20 | 33,899.76 | 41,239.52 | 43,963.36 |
| Building Construction and Improvement | 3,500.00 | 2,891.02 | 845,000.00 | 25,741.15 |
| Emergency Management | 31,843.83 | 30,593.38 | 33,161.00 | 30,306.88 |
| Juvenile Detention Services | 203,500.00 | 201,406.93 | 207,443.00 | 204,029.10 |
| Other | 442,915.21 | 337,124.20 | 449,763.29 | 449,895.09 |
| Health and Welfare | 7,500.00 | 7,000.00 | 7,500.00 | 7,500.00 |
| Transfers Out | - | 130,370.49 | - | 820,237.69 |
| Emergency fund | 125,000.00 | - | 125,000.00 | - |
| TOTAL DISBURSEMENTS | 4,710,256.73 | 4,712,095.63 | 5,347,844.07 | 5,167,474.47 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (305,536.73) | (124,965.88) | (791,526.63) | (581,882.30) |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 2,370,465.28 | 2,370,465.28 | 2,952,347.58 | 2,952,347.58 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | \$ 2,064,928.55 | \$ 2,245,499.40 | \$ 2,160,820.95 | \$ 2,370,465.28 |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | SPECIAL ROAD AND BRIDGE FUND | | | |
|--|------------------------------|-----------------|-----------------|-----------------|
| | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | 3,314,300.00 | 2,110,203.69 | 2,003,500.00 | 1,442,996.51 |
| Charges For Services | - | - | - | - |
| Interest | 6,000.00 | 9,701.33 | 8,000.00 | 9,375.82 |
| Other | - | - | - | - |
| Transfers In | - | - | - | - |
| TOTAL RECEIPTS | 3,320,300.00 | 2,119,905.02 | 2,011,500.00 | 1,452,372.33 |
| DISBURSEMENTS | | | | |
| Materials and Supplies | 1,000.00 | 87.40 | 1,250.00 | 854.41 |
| Construction | 3,314,300.00 | 2,047,920.82 | 2,003,500.00 | 1,398,557.86 |
| Transfers Out | 54,200.00 | 54,200.00 | 54,200.00 | 54,200.00 |
| TOTAL DISBURSEMENTS | 3,369,500.00 | 2,102,208.22 | 2,058,950.00 | 1,453,612.27 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (49,200.00) | 17,696.80 | (47,450.00) | (1,239.94) |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 1,077,155.33 | 1,077,155.33 | 1,078,395.27 | 1,078,395.27 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | \$ 1,027,955.33 | \$ 1,094,852.13 | \$ 1,030,945.27 | \$ 1,077,155.33 |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | CAPITAL IMPROVEMENTS FUND | | | |
|--|---------------------------|------------------------|----------------------|------------------------|
| | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | |
| Interest | \$ 9,000.00 | \$ 28,245.03 | \$ 15,000.00 | \$ 20,375.70 |
| Other | - | - | 115,000.00 | 115,000.00 |
| Transfers In | 115,000.00 | 115,000.00 | 800,000.00 | 800,000.00 |
| TOTAL RECEIPTS | 124,000.00 | 143,245.03 | 930,000.00 | 935,375.70 |
| DISBURSEMENTS | | | | |
| Capital Improvements Miscellaneous | 1,000,000.00 | 913,819.98 | 2,500,000.00 | 139,933.65 |
| TOTAL DISBURSEMENTS | 1,000,000.00 | 913,819.98 | 2,500,000.00 | 139,933.65 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (876,000.00) | (770,574.95) | (1,570,000.00) | 795,442.05 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 2,497,678.99 | 2,497,678.99 | 1,702,236.94 | 1,702,236.94 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 1,621,678.99</u> | <u>\$ 1,727,104.04</u> | <u>\$ 132,236.94</u> | <u>\$ 2,497,678.99</u> |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | ASSESSMENT FUND | | | | DRAINAGE DISTRICTS FUND | | | |
|--|-----------------|---------------|---------------|---------------|-------------------------|---------------|---------------|---------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ 45,200.00 | \$ 54,242.18 | \$ 40,200.00 | \$ 41,924.02 |
| Sales Taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | 344,000.00 | 348,693.96 | 344,000.00 | 336,669.47 | 3,000.00 | - | 3,000.00 | 3,000.00 |
| Charges For Services | 8,500.00 | 9,292.70 | 8,000.00 | 8,963.20 | - | - | 2,050.00 | - |
| Interest | 2,000.00 | 7,703.38 | 2,000.00 | 4,106.01 | 2,100.00 | 41.74 | - | 2,607.99 |
| Other | 12,200.00 | - | 12,200.00 | 12,200.00 | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 366,700.00 | 365,690.04 | 366,200.00 | 361,938.68 | 50,300.00 | 54,283.92 | 45,250.00 | 47,532.01 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 218,652.39 | 218,511.84 | 212,283.88 | 210,341.98 | - | - | - | - |
| Fringe Benefits | 97,912.00 | 81,967.12 | 95,418.98 | 85,614.10 | - | - | - | - |
| Office Supplies | 23,200.00 | 22,921.05 | 23,200.00 | 22,011.16 | - | - | - | - |
| Equipment | 5,000.00 | 4,006.24 | 10,000.00 | 1,008.48 | - | - | - | - |
| Mileage and Training | 5,000.00 | 6,136.96 | 7,000.00 | 2,581.42 | - | - | - | - |
| Computer Software and Hardware | 26,000.00 | 17,500.25 | 33,500.00 | 26,745.50 | - | - | - | - |
| Drainage Districts | - | - | - | - | 54,000.00 | 5,562.50 | 40,000.00 | 4,660.00 |
| Other | - | - | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | 375,764.39 | 351,043.46 | 381,402.86 | 348,302.64 | 54,000.00 | 5,562.50 | 40,000.00 | 4,660.00 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (9,064.39) | 14,646.58 | (15,202.86) | 13,636.04 | (3,700.00) | 48,721.42 | 5,250.00 | 42,872.01 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 379,522.66 | 379,522.66 | 365,886.62 | 365,886.62 | 306,595.99 | 306,595.99 | 263,723.98 | 263,723.98 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | \$ 370,458.27 | \$ 394,169.24 | \$ 350,683.76 | \$ 379,522.66 | \$ 302,895.99 | \$ 355,317.41 | \$ 268,973.98 | \$ 306,595.99 |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | COUNTY FARM FUND | | | | LAW ENFORCEMENT TRAINING FUND | | | |
|--|---------------------|---------------------|---------------------|---------------------|-------------------------------|--------------------|--------------------|--------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ - | \$ - | \$ - | \$ - | \$ 1,750.00 | \$ 2,069.50 | \$ 2,500.00 | \$ 1,764.00 |
| Interest | - | 3.49 | - | 137.71 | 30.00 | 49.02 | 25.00 | 29.62 |
| Other | 500.00 | 1,500.00 | 600.00 | 450.00 | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 500.00 | 1,503.49 | 600.00 | 587.71 | 1,780.00 | 2,118.52 | 2,525.00 | 1,793.62 |
| DISBURSEMENTS | | | | | | | | |
| Miscellaneous Expenses | 300.00 | - | 500.00 | 214.50 | - | - | - | - |
| Training Expenses | - | - | - | - | 3,581.69 | 3,581.69 | 1,500.00 | 1,415.57 |
| TOTAL DISBURSEMENTS | 300.00 | - | 500.00 | 214.50 | 3,581.69 | 3,581.69 | 1,500.00 | 1,415.57 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 200.00 | 1,503.49 | 100.00 | 373.21 | (1,801.69) | (1,463.17) | 1,025.00 | 378.05 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 23,294.98 | 23,294.98 | 22,921.77 | 22,921.77 | 5,323.34 | 5,323.34 | 4,945.29 | 4,945.29 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 23,494.98</u> | <u>\$ 24,798.47</u> | <u>\$ 23,021.77</u> | <u>\$ 23,294.98</u> | <u>\$ 3,521.65</u> | <u>\$ 3,860.17</u> | <u>\$ 5,970.29</u> | <u>\$ 5,323.34</u> |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | ARCHIVES FUND | | | | PROSECUTING ATTORNEY TRAINING FUND | | | |
|--|---------------------|---------------------|---------------------|---------------------|------------------------------------|------------------|------------------|--------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ - | \$ - | \$ - | \$ - | \$ 800.00 | \$ 3,001.44 | \$ 800.00 | \$ 704.41 |
| Interest | - | - | - | - | 50.00 | 5.14 | 50.00 | 8.83 |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | 15,000.00 | 15,370.49 | 20,000.00 | 20,237.69 | - | - | - | - |
| TOTAL RECEIPTS | 15,000.00 | 15,370.49 | 20,000.00 | 20,237.69 | 850.00 | 3,006.58 | 850.00 | 713.24 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 14,530.88 | 14,490.96 | 14,612.52 | 14,218.15 | - | - | - | - |
| Fringe Benefits | 1,111.61 | 1,108.58 | 1,410.11 | 1,087.66 | - | - | - | - |
| Supplies | 2,500.00 | 2,794.10 | 2,000.00 | 2,302.38 | - | - | - | - |
| Equipment | 2,700.00 | 89.00 | 4,000.00 | 574.87 | - | - | - | - |
| Microfilming | - | - | 12,000.00 | 99.00 | - | - | - | - |
| Repairs | 300.00 | - | 800.00 | - | - | - | - | - |
| Miscellaneous Expenses & Mileage | - | - | - | - | 3,000.00 | 2,197.36 | 2,000.00 | 2,264.50 |
| TOTAL DISBURSEMENTS | 21,142.49 | 18,482.64 | 34,822.63 | 18,282.06 | 3,000.00 | 2,197.36 | 2,000.00 | 2,264.50 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (6,142.49) | (3,112.15) | (14,822.63) | 1,955.63 | (2,150.00) | 809.22 | (1,150.00) | (1,551.26) |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 32,521.06 | 32,521.06 | 30,565.43 | 30,565.43 | (220.66) | (220.66) | 1,330.60 | 1,330.60 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 26,378.57</u> | <u>\$ 29,408.91</u> | <u>\$ 15,742.80</u> | <u>\$ 32,521.06</u> | <u>\$ (2,370.66)</u> | <u>\$ 588.56</u> | <u>\$ 180.60</u> | <u>\$ (220.66)</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | PROSECUTING ATTORNEY ADMINISTRATION FUND | | | | SHERIFF'S COMMISSARY FUND | | | |
|--|--|------------------|---------------------|--------------------|---------------------------|---------------------|---------------------|---------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 12,000.00 | \$ 15,933.78 | \$ 26,000.00 | \$ 16,812.80 | \$ 135,000.00 | \$ 130,493.08 | \$ 107,500.00 | \$ 136,551.16 |
| Interest | 200.00 | 41.86 | 200.00 | 153.58 | 200.00 | 996.46 | 200.00 | 448.15 |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 12,200.00 | 15,975.64 | 26,200.00 | 16,966.38 | 135,200.00 | 131,489.54 | 107,700.00 | 136,999.31 |
| DISBURSEMENTS | | | | | | | | |
| Fringe Benefits | - | 1,369.51 | 4,388.97 | 4,648.21 | - | - | - | - |
| Assist. Prosec. Atty Sal. & Fringe | 12,000.00 | 10,442.47 | 25,443.32 | 35,080.30 | - | - | - | - |
| Salary Supplement | - | 3,063.40 | - | - | - | - | - | - |
| Jail/Prisoner Supplies | - | - | - | - | 114,079.39 | 114,079.39 | 97,500.00 | 108,943.47 |
| Offsite Inmate Housing | - | - | - | - | 50,010.00 | 50,010.00 | - | - |
| Other | 2,500.00 | 3,170.00 | 8,500.00 | 4,125.40 | - | - | - | - |
| TOTAL DISBURSEMENTS | 14,500.00 | 18,045.38 | 38,332.29 | 43,853.91 | 164,089.39 | 164,089.39 | 97,500.00 | 108,943.47 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,300.00) | (2,069.74) | (12,132.29) | (26,887.53) | (28,889.39) | (32,599.85) | 10,200.00 | 28,055.84 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 2,799.67 | 2,799.67 | 29,687.20 | 29,687.20 | 98,217.73 | 98,217.73 | 70,161.89 | 70,161.89 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 499.67</u> | <u>\$ 729.93</u> | <u>\$ 17,554.91</u> | <u>\$ 2,799.67</u> | <u>\$ 69,328.34</u> | <u>\$ 65,617.88</u> | <u>\$ 80,361.89</u> | <u>\$ 98,217.73</u> |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | SHERIFF CIVIL PROCESS FUND | | | | ESSEX SPECIAL PAVING PROJECT FUND | | | |
|--|----------------------------|---------------------|---------------------|---------------------|-----------------------------------|---------------------|---------------------|---------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 27,000.00 | \$ 24,052.50 | \$ 32,000.00 | \$ 23,850.00 | \$ - | \$ - | \$ - | \$ - |
| Interest | 300.00 | 417.97 | 300.00 | 316.35 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 27,300.00 | 24,470.47 | 32,300.00 | 24,166.35 | - | - | - | - |
| DISBURSEMENTS | | | | | | | | |
| Investigative Supplies | 1,505.00 | 1,341.00 | 3,000.00 | 1,308.54 | - | - | - | - |
| Equipment | 18,036.69 | 18,036.69 | 15,000.00 | 13,074.26 | - | - | - | - |
| Software Maintenance | 7,089.00 | 6,359.35 | 5,177.00 | 5,251.00 | - | - | - | - |
| Civil Process Miscellaneous | 12,596.35 | 12,596.35 | 15,000.00 | 14,902.65 | - | - | - | - |
| Other | 861.35 | 1,755.00 | 1,700.00 | 1,705.00 | - | - | - | - |
| TOTAL DISBURSEMENTS | 40,088.39 | 40,088.39 | 39,877.00 | 36,241.45 | - | - | - | - |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (12,788.39) | (15,617.92) | (7,577.00) | (12,075.10) | - | - | - | - |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 44,519.65 | 44,519.65 | 56,594.75 | 56,594.75 | 18,809.15 | 18,809.15 | 18,809.15 | 18,809.15 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 31,731.26</u> | <u>\$ 28,901.73</u> | <u>\$ 49,017.75</u> | <u>\$ 44,519.65</u> | <u>\$ 18,809.15</u> | <u>\$ 18,809.15</u> | <u>\$ 18,809.15</u> | <u>\$ 18,809.15</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | COLLECTOR MAINTENANCE FUND | | | | RECORDER MAINTENANCE FUND | | | |
|--|----------------------------|----------------------|----------------------|----------------------|---------------------------|---------------------|---------------------|---------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 46,000.00 | \$ 47,692.20 | \$ 46,000.00 | \$ 46,295.98 | \$ 19,000.00 | \$ 19,921.50 | \$ 18,200.00 | \$ 19,772.00 |
| Interest | 1,000.00 | 1,404.86 | 1,000.00 | 1,174.09 | 175.00 | 374.04 | 150.00 | 176.16 |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 47,000.00 | 49,097.06 | 47,000.00 | 47,470.07 | 19,175.00 | 20,295.54 | 18,350.00 | 19,948.16 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | - | - | - | - |
| Miscellaneous Expenses | 300.00 | - | 300.00 | 4,851.00 | 12,252.93 | 12,252.93 | 27,186.31 | 8,171.16 |
| Transfers Out | - | - | 50,000.00 | 50,000.00 | - | - | - | - |
| TOTAL DISBURSEMENTS | 15,300.00 | 15,000.00 | 65,300.00 | 69,851.00 | 12,252.93 | 12,252.93 | 27,186.31 | 8,171.16 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 31,700.00 | 34,097.06 | (18,300.00) | (22,380.93) | 6,922.07 | 8,042.61 | (8,836.31) | 11,777.00 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 107,288.57 | 107,288.57 | 129,669.50 | 129,669.50 | 38,119.56 | 38,119.56 | 26,342.56 | 26,342.56 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 138,988.57</u> | <u>\$ 141,385.63</u> | <u>\$ 111,369.50</u> | <u>\$ 107,288.57</u> | <u>\$ 45,041.63</u> | <u>\$ 46,162.17</u> | <u>\$ 17,506.25</u> | <u>\$ 38,119.56</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | DOMESTIC VIOLENCE FUND | | | | SHERIFF DONATIONS CANINE TECHNOLOGY FUND | | | |
|--|------------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|--------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 3,500.00 | \$ 3,328.00 | \$ 3,500.00 | \$ 3,324.00 | \$ - | \$ - | \$ - | \$ - |
| Interest | 50.00 | 44.91 | 50.00 | 30.00 | 20.00 | - | 20.00 | 19.54 |
| Other | - | - | - | - | 11,000.00 | 11,778.64 | 1,000.00 | 825.00 |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 3,550.00 | 3,372.91 | 3,550.00 | 3,354.00 | 11,020.00 | 11,778.64 | 1,020.00 | 844.54 |
| DISBURSEMENTS | | | | | | | | |
| Other | 3,600.00 | - | 3,600.00 | 3,600.00 | - | - | - | - |
| Tech Purchases | - | - | - | - | 10,000.00 | 9,999.90 | - | - |
| Donation Funds | - | - | - | - | 1,500.00 | - | 1,000.00 | 1,471.42 |
| TOTAL DISBURSEMENTS | 3,600.00 | - | 3,600.00 | 3,600.00 | 11,500.00 | 9,999.90 | 1,000.00 | 1,471.42 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (50.00) | 3,372.91 | (50.00) | (246.00) | (480.00) | 1,778.74 | 20.00 | (626.88) |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 3,114.09 | 3,114.09 | 3,360.09 | 3,360.09 | 3,243.11 | 3,243.11 | 3,869.99 | 3,869.99 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 3,064.09</u> | <u>\$ 6,487.00</u> | <u>\$ 3,310.09</u> | <u>\$ 3,114.09</u> | <u>\$ 2,763.11</u> | <u>\$ 5,021.85</u> | <u>\$ 3,889.99</u> | <u>\$ 3,243.11</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | LAW ENFORCEMENT RESTITUTION FUND | | | | PROSECUTING ATTORNEY DELINQUENT TAX FUND | | | |
|--|----------------------------------|---------------------|---------------------|---------------------|--|-----------------|--------------------|---------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 20,000.00 | \$ 33,115.83 | \$ 20,000.00 | \$ 19,949.50 | \$ - | \$ 1,500.00 | \$ - | \$ - |
| Interest | 300.00 | 407.53 | 300.00 | 262.17 | 100.00 | 95.00 | 100.00 | 72.20 |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 20,300.00 | 33,523.36 | 20,300.00 | 20,211.67 | 100.00 | 1,595.00 | 100.00 | 72.20 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | 20,000.00 | - | - | - | - | - |
| Fringe Benefits | - | - | 2,500.00 | - | - | 1,139.53 | - | - |
| Fuel for Drug Invest Vechicle | 2,500.00 | 103.30 | - | 138.50 | - | - | - | - |
| Prosecuting Attorney Expense | - | - | - | - | 7,000.00 | 9,781.26 | - | - |
| Other | 30,000.00 | 34,395.79 | 20,100.00 | 21,628.09 | 500.00 | 2,370.66 | 8,500.00 | - |
| TOTAL DISBURSEMENTS | 32,500.00 | 34,499.09 | 42,600.00 | 21,766.59 | 7,500.00 | 13,291.45 | 8,500.00 | - |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (12,200.00) | (975.73) | (22,300.00) | (1,554.92) | (7,400.00) | (11,696.45) | (8,400.00) | 72.20 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 45,866.48 | 45,866.48 | 47,421.40 | 47,421.40 | 11,743.23 | 11,743.23 | 11,671.03 | 11,671.03 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 33,666.48</u> | <u>\$ 44,890.75</u> | <u>\$ 25,121.40</u> | <u>\$ 45,866.48</u> | <u>\$ 4,343.23</u> | <u>\$ 46.78</u> | <u>\$ 3,271.03</u> | <u>\$ 11,743.23</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | ELECTION SERVICES FUND | | | | SHERIFF REVOLVING FUND | | | |
|--|------------------------|--------------------|-----------------|--------------------|------------------------|---------------------|---------------------|---------------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Intergovernmental | \$ 9,000.00 | \$ 11,395.87 | \$ 7,500.00 | \$ 4,319.27 | \$ - | \$ - | \$ - | \$ - |
| Charges For Services | - | - | - | - | 32,000.00 | 53,890.00 | 25,000.00 | 29,845.25 |
| Interest | 10.00 | 16.61 | 20.00 | 8.42 | 350.00 | 803.42 | 300.00 | 382.56 |
| Other | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 9,010.00 | 11,412.48 | 7,520.00 | 4,327.69 | 32,350.00 | 54,693.42 | 25,300.00 | 30,227.81 |
| DISBURSEMENTS | | | | | | | | |
| HAVA Expenses | 2,700.00 | 2,853.55 | 2,250.00 | 2,730.35 | - | - | - | - |
| Training Expenses | 5,000.00 | 4,215.50 | 5,000.00 | - | - | - | - | - |
| Other | 1,500.00 | 1,000.00 | 1,500.00 | 1,051.60 | 30,685.32 | 30,685.32 | 22,500.00 | 13,709.76 |
| TOTAL DISBURSEMENTS | 9,200.00 | 8,069.05 | 8,750.00 | 3,781.95 | 30,685.32 | 30,685.32 | 22,500.00 | 13,709.76 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (190.00) | 3,343.43 | (1,230.00) | 545.74 | 1,664.68 | 24,008.10 | 2,800.00 | 16,518.05 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 1,796.52 | 1,796.52 | 1,250.78 | 1,250.78 | 75,591.86 | 75,591.86 | 59,073.81 | 59,073.81 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | <u>\$ 1,606.52</u> | <u>\$ 5,139.95</u> | <u>\$ 20.78</u> | <u>\$ 1,796.52</u> | <u>\$ 77,256.54</u> | <u>\$ 99,599.96</u> | <u>\$ 61,873.81</u> | <u>\$ 75,591.86</u> |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | POST FUND | | | | 911 SERVICES FUND | | | |
|--|-------------|-------------|-------------|-----------|-------------------|--------------|----------------|--------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ 1,000.00 | \$ 1,004.34 | \$ 1,000.00 | \$ 805.70 | \$228,850.00 | \$249,542.06 | \$ 247,952.00 | \$251,654.12 |
| Interest | 10.00 | 7.60 | 10.00 | 4.43 | 1,700.00 | 2,251.35 | 1,700.00 | 2,199.96 |
| Other | - | - | - | - | 1,869.00 | 1,732.76 | 1,869.00 | 1,810.65 |
| Transfers In | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 1,010.00 | 1,011.94 | 1,010.00 | 810.13 | 232,419.00 | 253,526.17 | 251,521.00 | 255,664.73 |
| DISBURSEMENTS | | | | | | | | |
| POST Expenses | 1,000.00 | 1,004.34 | 1,700.00 | 805.70 | - | - | - | - |
| Personnel Expense | - | - | - | - | 65,600.00 | 62,944.68 | 80,000.00 | 61,448.79 |
| Office Expense | - | - | - | - | 117,750.00 | 108,035.75 | 80,900.00 | 53,326.02 |
| Capital Projects | - | - | - | - | 16,100.00 | 13,549.83 | 300,500.00 | 15,161.81 |
| Travel | - | - | - | - | 3,950.00 | 1,708.69 | 7,000.00 | 3,822.70 |
| Professional Expense | - | - | - | - | 1,000.00 | 855.00 | 4,500.00 | 165.00 |
| Contract Labor | - | - | - | - | 112,100.00 | 107,580.77 | 114,100.00 | 106,046.95 |
| Other | - | - | - | - | 5,000.00 | - | 10,000.00 | - |
| TOTAL DISBURSEMENTS | 1,000.00 | 1,004.34 | 1,700.00 | 805.70 | 321,500.00 | 294,674.72 | 597,000.00 | 239,971.27 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 10.00 | 7.60 | (690.00) | 4.43 | (89,081.00) | (41,148.55) | (345,479.00) | 15,693.46 |
| CASH AND INVESTMENT BALANCES, JANUARY 1 | 720.17 | 720.17 | 715.74 | 715.74 | 305,957.81 | 305,957.81 | 290,264.35 | 290,264.35 |
| CASH AND INVESTMENT BALANCES, DECEMBER 31 | \$ 730.17 | \$ 727.77 | \$ 25.74 | \$ 720.17 | \$216,876.81 | \$264,809.26 | \$ (55,214.65) | \$305,957.81 |

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THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

| | INMATE SECURITY FUND | | | | MENTAL HEALTH BOARD FUND | | | |
|------------------------------|----------------------|-------------|-------------|--------------|--------------------------|-----------|-----------|-----------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | BUDGET | ACTUAL | BUDGET | Actual | BUDGET | ACTUAL | BUDGET | ACTUAL |
| RECEIPTS | | | | | | | | |
| Charges For Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | - |
| Other | 3,000.00 | 4,283.39 | 3,000.00 | 3,671.07 | - | - | - | 1,656.71 |
| TOTAL RECEIPTS | 3,000.00 | 4,283.39 | 3,000.00 | 3,671.07 | - | - | - | 1,656.71 |
| DISBURSEMENTS | | | | | | | | |
| Training | 10,000.00 | 9,937.07 | 3,000.00 | - | - | - | - | - |
| Mental Health Board Expenses | - | - | - | - | - | 200.00 | - | 1,256.71 |
| TOTAL DISBURSEMENTS | 10,000.00 | 9,937.07 | 3,000.00 | - | - | 200.00 | - | 1,256.71 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | (7,000.00) | (5,653.68) | - | 3,671.07 | - | (200.00) | - | 400.00 |
| CASH AND INVESTMENT | | | | | | | | |
| BALANCES, JANUARY 1 | 10,764.22 | 10,764.22 | 7,093.15 | 7,093.15 | 792.25 | 792.25 | 392.25 | 392.25 |
| CASH AND INVESTMENT | | | | | | | | |
| BALANCES, DECEMBER 31 | \$ 3,764.22 | \$ 5,110.54 | \$ 7,093.15 | \$ 10,764.22 | \$ 792.25 | \$ 592.25 | \$ 392.25 | \$ 792.25 |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

| | GENERAL SCHOOL | TAX SALE SURPLUS | COMBINED ACCUMULATED INTEREST | COMMERCIAL PROP SURCHARGE | RECORDER | COLLECTOR |
|--|---|-----------------------|---|--|---------------------------|-------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 13,658.01 | \$ 18,384.14 | \$ 13,590.43 | \$ 14,319.18 | \$ 18,250.32 | \$ 16,446,518.26 |
| Investments | - | - | - | - | - | - |
| TOTAL ASSETS | <u>13,658.01</u> | <u>18,384.14</u> | <u>13,590.43</u> | <u>14,319.18</u> | <u>18,250.32</u> | <u>16,446,518.26</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>13,658.01</u> | <u>18,384.14</u> | <u>13,590.43</u> | <u>14,319.18</u> | <u>18,250.32</u> | <u>16,446,518.26</u> |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 13,658.01</u> | <u>\$ 18,384.14</u> | <u>\$ 13,590.43</u> | <u>\$ 14,319.18</u> | <u>\$ 18,250.32</u> | <u>\$ 16,446,518.26</u> |
| | SHERIFF INMATE | SHERIFF | PROSECUTING ATTORNEY RETIREMENT FUND | COUNTY EMPLOYEE RETIREMENT FUND | INTANGIBLE TAX FUND | COURT COST FUND |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 13,221.48 | \$ 735.25 | \$ 1,181.00 | \$ - | \$ 25,867.33 | \$ - |
| Investments | - | - | - | - | - | - |
| TOTAL ASSETS | <u>13,221.48</u> | <u>735.25</u> | <u>1,181.00</u> | <u>-</u> | <u>25,867.33</u> | <u>-</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>13,221.48</u> | <u>735.25</u> | <u>1,181.00</u> | <u>-</u> | <u>25,867.33</u> | <u>-</u> |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 13,221.48</u> | <u>\$ 735.25</u> | <u>\$ 1,181.00</u> | <u>\$ -</u> | <u>\$ 25,867.33</u> | <u>\$ -</u> |
| | SHERIFF DEPUTY SUPPLEMENT SURCHARGE FUND | MISCELLANEOUS FUND | TOTAL AGENCY FUNDS | | | |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 16,565,725.40 | | | |
| Investments | - | - | - | | | |
| TOTAL ASSETS | <u>-</u> | <u>-</u> | <u>16,565,725.40</u> | | | |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>16,565,725.40</u> | | | |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | | | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,565,725.40</u> | | | |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2015

| | GENERAL SCHOOL | TAX SALE SURPLUS | COMBINED ACCUMULATED INTEREST | COMMERCIAL PROP SURCHARGE | RECORDER | COLLECTOR |
|--|---|-----------------------|--|--|---------------------------|-------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 16,974.75 | \$ 14,873.73 | \$ 14,497.10 | \$ 15,173.58 | \$ 17,190.38 | \$ 15,656,251.67 |
| Investments | - | - | - | - | - | - |
| TOTAL ASSETS | <u>16,974.75</u> | <u>14,873.73</u> | <u>14,497.10</u> | <u>15,173.58</u> | <u>17,190.38</u> | <u>15,656,251.67</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>16,974.75</u> | <u>14,873.73</u> | <u>14,497.10</u> | <u>15,173.58</u> | <u>17,190.38</u> | <u>15,656,251.67</u> |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,974.75</u> | <u>\$ 14,873.73</u> | <u>\$ 14,497.10</u> | <u>\$ 15,173.58</u> | <u>\$ 17,190.38</u> | <u>\$ 15,656,251.67</u> |
| | SHERIFF INMATE | SHERIFF | PROSECUTING ATTORNEY RETIEMENT FUND | COUNTY EMPLOYEE RETIREMENT FUND | INTANGIBLE TAX FUND | COURT COST FUND |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 16,570.03 | \$ 1,899.25 | \$ 2,150.00 | \$ - | \$ 28,325.65 | \$ - |
| Investments | - | - | - | - | - | - |
| TOTAL ASSETS | <u>16,570.03</u> | <u>1,899.25</u> | <u>2,150.00</u> | <u>-</u> | <u>28,325.65</u> | <u>-</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>16,570.03</u> | <u>1,899.25</u> | <u>2,150.00</u> | <u>-</u> | <u>28,325.65</u> | <u>-</u> |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,570.03</u> | <u>\$ 1,899.25</u> | <u>\$ 2,150.00</u> | <u>\$ -</u> | <u>\$ 28,325.65</u> | <u>\$ -</u> |
| | SHERIFF DEPUTY SUPPLEMENT SURCHARGE FUND | MISCELLANEOUS FUND | TOTAL AGENCY FUNDS | | | |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 15,783,906.14 | | | |
| Investments | - | - | - | | | |
| TOTAL ASSETS | <u>-</u> | <u>-</u> | <u>15,783,906.14</u> | | | |
| LIABILITIES AND FUND BALANCES | | | | | | |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>15,783,906.14</u> | | | |
| UNRESERVED FUND BALANCES | <u>-</u> | <u>-</u> | <u>-</u> | | | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,783,906.14</u> | | | |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stoddard, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Treasurer and ex officio Collector, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

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

C. Basis of Accounting

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

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

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

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

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

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2016 and 2015, for purposes of taxation, was:

| | <u>2016</u> | <u>2015</u> |
|------------------------|----------------------|-----------------------|
| Real Estate | \$260,926,734 | \$ 256,602,355 |
| Personal Property | 141,104,225 | 132,375,490 |
| Railroad and Utilities | <u>52,312,232</u> | <u>51,127,653</u> |
| | <u>\$454,343,191</u> | <u>\$ 440,105,498</u> |

F. Cash and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such 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. Details of these cash balances are presented in Note II.

G. Interfund Transactions

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

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

II. DEPOSITS AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2016, and 2015, the carrying amount of the County's deposits was \$6,609,630.93 and \$7,461,681.04 respectively, and the bank balance was \$17,779,373.44 and \$18,600,442.87, respectively. The total bank balances as of December 31, 2016, and 2015 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2016, as follows:

| | |
|---|-------------------------|
| <u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u> | |
| Deposits and cash equivalents | \$ 6,509,331.75 |
| Investments | <u>100,299.18</u> |
| Total Governmental Funds | 6,609,630.93 |
| <u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u> | |
| Deposits | <u>16,565,725.40</u> |
| Total Agency Funds | <u>16,656,725.40</u> |
| Total Deposits and Investments as of December 31, 2016 | \$ <u>23,175,356.33</u> |

The carrying values of deposits and investments at December 31, 2015, are as follows:

| | |
|---|-------------------------|
| <u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u> | |
| Deposits and cash equivalents | \$ 7,361,406.79 |
| Investments | <u>100,274.25</u> |
| Total Governmental Funds | 7,461,681.04 |
| <u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u> | |
| Deposits | <u>15,783,906.14</u> |
| Total Agency Funds | <u>15,783,906.14</u> |
| Total Deposits and Investments as of December 31, 2015 | \$ <u>23,245,587.18</u> |

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2016, and 2015.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2016, and 2015.

III. LONG-TERM DEBT

On December 12, 2011, the Stoddard County Development Corporation (a blended component unit of the County in the General Fund) took a USDA Rural Development Loan to finance the purchase of several police cars. The payments are made out of the General Revenue Fund of the County. Principal and interest payments are due annually in the amount of \$6,822 with an interest rate of 3.75%. The term of the loan is 60 months.

The following is a schedule of payments made under the agreement as of December 31, 2016.

| <u>Description</u> | <u>Balance</u> | | | <u>Balance</u> | | <u>Principal Due</u> <u>Within 1 Year</u> |
|--------------------|-------------------|------------------|--------------------|-------------------|----------------------|--|
| | <u>12/31/2015</u> | <u>Additions</u> | <u>Retirements</u> | <u>12/31/2016</u> | <u>Interest Paid</u> | |
| USDA LOAN | \$ 6,547.23 | \$ - | \$ 6,547.23 | \$ - | \$ 226.69 | \$ - |
| TOTAL | \$ 6,547.23 | \$ - | \$ 6,547.23 | \$ - | \$ 226.69 | \$ - |

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

III. LONG-TERM DEBT (concluded)

There are no future payments for the loan as of December 31, 2016, since it was paid off in the current year.

The following is a schedule of payments made under the agreement as of December 31, 2015.

| <u>Description</u> | <u>Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> | <u>Interest Paid</u> | <u>Principal Due</u> |
|--------------------|-------------------|------------------|--------------------|-------------------|----------------------|----------------------|
| | <u>12/31/2014</u> | | | <u>12/31/2015</u> | | <u>Within 1 Year</u> |
| USDA LOAN | \$ 12,896.21 | \$ - | \$ 6,348.98 | \$ 6,547.23 | \$ 473.02 | \$6,547.23 |
| TOTAL | \$ 12,896.21 | \$ - | \$ 6,348.98 | \$ 6,547.23 | \$ 473.02 | \$6,647.23 |

The future payments for the loan as of December 31, 2015, are as follows:

| <u>December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|------------------|-----------------|--------------|
| 2016 | \$ 6,547.23 | \$ 226.69 | \$ 6,773.92 |
| | \$ 6,547.23 | \$ 226.69 | \$ 6,773.92 |

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2016, and 2015 are as follows:

| | <u>2016</u> | | <u>2015</u> | |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| | <u>Transfers In</u> | <u>Transfers Out</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
| General Revenue Fund | 54,200.00 | \$ 130,370.49 | \$ 104,200.00 | \$ 820,237.69 |
| Special Road and Bridge Fund | - | 54,200.00 | - | 54,200.00 |
| Capital Improvements Fund | 115,000.00 | - | 800,000.00 | - |
| Archives Fund | 15,370.49 | - | 20,237.69 | - |
| Collector Maintenance Fund | - | - | - | 50,000.00 |
| TOTAL | \$ 184,570.49 | \$ 184,570.49 | \$ 924,437.69 | \$ 924,437.69 |

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

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

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

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2016, and 2015 were \$55,447.18 and \$52,401.18, respectively.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Stoddard County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Stoddard County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

2016 Valuation

| | |
|-----------------------|---------|
| Benefit Multiplier: | 1.50% |
| Final Average Salary: | 5 Years |
| Member Contributions: | 4% |

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (Continued)

Employees Covered By Benefit Terms

At June 30, 2016, the following employees were covered by the benefit terms:

| | <u>General</u> | <u>Police</u> |
|--|----------------|---------------|
| Inactive employees or beneficiaries currently receiving benefits | 33 | 13 |
| Inactive employees entitled to but not yet receiving benefits | 23 | 14 |
| Active employees | <u>57</u> | <u>14</u> |
| | <u>113</u> | <u>41</u> |

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 6.1% (General) and 6.3% (Police) of annual covered payroll for 2016.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

Actuarial Assumptions

The total pension liability in the February 29, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|------------------------------------|
| Inflation | 3.25% |
| Salary Increase | 3.25% to 6.55% including inflation |
| Investment rate of return | 7.25% |

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 29, 2016, valuation were based on the results of an actuarial experience study for the period March 1, 2005, through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Equity | 48.50% | 5.50% |
| Fixed Income | 25.00% | 2.25% |
| Real Assets | 20.00% | 4.50% |
| Strategic Assets | 6.50% | 7.50% |

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

| | <u>General Division</u> | <u>Police Division</u> |
|--|-------------------------|------------------------|
| A. Total Pension Liability | | |
| 1 Service Cost | \$ 147,238 | \$ 42,942 |
| 2 Interest on Total Pension Liability | 348,650 | 112,507 |
| 3 Changes of Benefit Terms | - | - |
| 4 Difference between expected and actual experience of the Total Pension Liability | 43,621 | (13,749) |
| 5 Changes of Assumptions | 227,024 | 61,803 |
| 6 Benefit payments, including refunds of employee contributions | (179,768) | (45,468) |
| 7 Net change in total pension liability | 586,765 | 158,035 |
| 8 Total pension liability - beginning | 4,824,944 | 1,553,065 |
| 9 Total pension liability - ending | <u>\$ 5,411,709</u> | <u>\$ 1,711,100</u> |
| B. Plan Fiduciary Net Position | | |
| 1 Contributions - employer | \$ 101,125 | \$ 28,167 |
| 2 Contributions - employee | - | - |
| 3 Net investment income | (12,359) | (1,976) |
| 4 Benefit payments, including refunds of employee contributions | (179,768) | (45,468) |
| 5 Pension plan administrative expense | (9,086) | (2,607) |
| 6 Other (net transfer) | 1,913 | (4,681) |
| 7 Net change in plan fiduciary net position | (98,175) | (26,565) |
| 8 Plan fiduciary net position - beginning | 5,979,094 | 1,884,630 |
| 9 Plan fiduciary net position - ending | <u>\$ 5,880,919</u> | <u>\$ 1,858,065</u> |
| C. Net Pension Liability / (Asset) | <u>\$ (469,210)</u> | <u>\$ (146,965)</u> |
| D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 108.67% | 108.59% |
| E. Covered-Employee Payroll | \$ 1,834,527 | \$ 516,305 |
| F. Net Pension Liability as a Percentage of Covered Employee Payroll | -25.58% | -28.46% |

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (Continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

| | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|---------------------------------------|----------------------|---|----------------------|
| General Division: | | | |
| Total Pension Liability (TPL) | \$ 6,183,639 | \$ 5,411,709 | \$ 4,779,543 |
| Plan Fiduciary Net Position | 5,880,919 | 5,880,919 | 5,880,919 |
| Net Pension Liability / (Asset) (NPL) | \$ 302,720 | \$ (469,210) | \$ (1,101,376) |
| Police Division: | | | |
| Total Pension Liability (TPL) | \$ 1,966,139 | \$ 1,711,100 | \$ 1,504,358 |
| Plan Fiduciary Net Position | 1,858,065 | 1,858,065 | 1,858,065 |
| Net Pension Liability / (Asset) (NPL) | \$ 108,074 | \$ (146,965) | \$ (353,707) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the employer recognized pension expense of \$271,987 (General) and \$94,278 (Police). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | General | | Police | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ 9,206 | \$ (7,992) | \$ 6,736 | \$ (3,799) |
| Changes in assumptions | 47,913 | - | 17,079 | - |
| Net difference between projected and actual earnings on pension plan investments | 150,227 | - | 47,285 | - |
| Employer contributions subsequent to the measurement date | - | - | - | - |
| Total | <u>\$ 207,346</u> | <u>\$ (7,992)</u> | <u>\$ 71,100</u> | <u>\$ (3,799)</u> |

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (Concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Net Deferred Outflows of Resources - General | Net Deferred Outflows of Resources - Police |
|-------------------------|--|---|
| 2017 | \$ 199,354 | \$ 67,301 |
| 2018 | 199,354 | 63,509 |
| 2019 | 201,518 | 55,501 |
| 2020 | 130,728 | 57,548 |
| 2021 | - | - |
| Thereafter | - | - |
| Total | <u>\$ 730,954</u> | <u>\$ 243,859</u> |

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2016, and December 31, 2015.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$8,721 and \$7,293, respectively, for the years ended December 31, 2016, and 2015.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in tax assessment appeals as of the audit report date. The County will continue to vigorously defend itself in order to have minimal, if any financial liability to the County.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Employees receive one week of vacation after the first year of service, two weeks of vacation per year after two years of employment, three weeks of vacation per year after ten years of employment, and four weeks of vacation per year after twenty years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to have a maximum of thirty-five days. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

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

X. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to 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 OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

X. RISK MANAGEMENT (Concluded)

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

XI. SUBSEQUENT EVENTS

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

XII. CHANGE IN REPORTING ENTITY

The County has changed its reporting entity to reclass certain funds which were previously included, these are now shown properly as agency funds. The funds previously included were the Prosecuting Attorney Retirement Fund, County Employee Retirement Fund, Intangible Tax Fund, Court Cost Fund, Sheriff Deputy Supplement Surcharge Fund, and the Miscellaneous Fund. The effect of this change is a decrease to the beginning cash balances at January 1, 2015, by the amount of \$1,691.00.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2016 AND 2015

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2016, expenditures exceeded those budgeted for the following: General Revenue Fund, Prosecuting Attorney Administration Fund, Law Enforcement Restitution Fund, Prosecuting Attorney Delinquent Tax Fund, and the POST Fund.
- B. For the year ended December 31, 2015, expenditures exceeded those budgeted for the following: Prosecuting Attorney Training Fund, Prosecuting Attorney Administration Fund, Sheriff's Commissary Fund, Collector Maintenance Fund, and the Sheriff Donations Canine Technology Fund.
- C. For the year ended December 31, 2016, the following funds did not have budgets: Mental Health Board Fund.
- D. For the year ended December 31, 2015, the following funds did not have budgets: Mental Health Board Fund.
- E. For the year ended December 31, 2016, the Prosecuting Attorney Training Fund was deficit budgeted.
- F. For the year ended December 31, 2015, the Prosecuting Attorney Training Fund had a negative balance.
- G. For the year ended December 31, 2015, the 911 Services Fund was deficit budgeted.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the County Commission
The County of Stoddard, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Stoddard ("County") as of and for the years ended December 31, 2016, and 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 20, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 2016-001, FS 2016-002]

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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

Daniel Jones & Associates

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

June 20, 2017



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Stoddard, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Stoddard's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2016, and 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2016, and 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SA 2016-001. Our opinion on each major program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2016-001, that we consider to be a significant deficiency.

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

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

Daniel Jones & Associates

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

June 20, 2017

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE | FEDERAL CFDA NUMBER | PASS-THROUGH ENTITY NUMBER | 12/31/2016 FEDERAL EXPENDITURES | 12/31/2016 Passed Through to Subrecipients | 12/31/2015 FEDERAL EXPENDITURES | 12/31/2015 Passed Through to Subrecipients | TOTAL FEDERAL EXPENDITURES |
|---|---------------------------|----------------------------------|---------------------------------------|--|---------------------------------------|--|----------------------------------|
| U.S. DEPARTMENT OF INTERIOR | | | | | | | |
| Direct Program: | | | | | | | |
| PILT - Payment in Lieu of Taxes | 15.226 | N/A | \$ 1,837.00 | \$ - | \$ 1,804.00 | \$ - | \$ 3,641.00 |
| National Wildlife Refuge Fund | 15.659 | N/A | 14,952.00 | - | 14,221.00 | - | 29,173.00 |
| U.S. DEPARTMENT OF JUSTICE | | | | | | | |
| Passed Through State: | | | | | | | |
| Missouri Department of Public Safety | | | | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2015-LLEBG-097 | 9,999.90 | - | - | - | 9,999.90 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | | | |
| Passed Through State: | | | | | | | |
| Highway and Transportation Commission: | | | | | | | |
| Highway Planning and Construction | 20.205 | BRO-103(56) | - | - | 900.00 | - | 900.00 |
| | | BRO-103(57) | - | - | 1,360.50 | - | 1,360.50 |
| | | BRO-103(58) | 47,172.10 | - | 173,223.37 | - | 220,395.47 |
| | | BRO-103(59) | 19,615.94 | - | 15,278.60 | - | 34,894.54 |
| | | BRO-103(60) | 27,498.16 | - | 12,971.32 | - | 40,469.48 |
| | | BRO-103(61) | 79,568.17 | - | 14,456.68 | - | 94,024.85 |
| | | BRO-103(62) | 9,315.46 | - | 25,730.56 | - | 35,046.02 |
| | | BRO-103(63) | 25,950.04 | - | 19,349.66 | - | 45,299.70 |
| | | BRO-103(64) | 227,837.06 | - | 17,709.62 | - | 245,546.68 |
| | | BRO-103(65) | 309,247.51 | - | 15,645.14 | - | 324,892.65 |
| | | BRO-103(66) | 219,649.82 | - | 24,030.93 | - | 243,680.75 |
| | | BRO-103(67) | 8,612.08 | - | - | - | 8,612.08 |
| | | | 974,466.34 | - | 320,656.38 | - | 1,295,122.72 |
| GENERAL SERVICES ADMINISTRATION | | | | | | | |
| Passed Through State: | | | | | | | |
| Missouri Office of Administration | | | | | | | |
| Election Reform Payments | 39.011 | N/A | 7,133.00 | - | - | - | 7,133.00 |
| ELECTION ASSISTANCE COMMISSION | | | | | | | |
| Passed Through State: | | | | | | | |
| Missouri Office of Administration | | | | | | | |
| Help America Vote Act Requirements Payments | 90.401 | N/A | 3,701.48 | - | - | - | 3,701.48 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Passed Through State: | | | | | | | |
| Missouri Department of Social Services | | | | | | | |
| Child Support Enforcement Program | 93.563 | ERS172-383 | 32,337.80 | - | 28,875.52 | - | 61,213.32 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | | | | |
| Passed Through State: | | | | | | | |
| Missouri State Emergency Management Agency | | | | | | | |
| Emergency Management Performance Grant | 97.042 | EMW-2015-EP-00043 | 14,619.91 | - | 14,057.44 | - | 28,677.35 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 1,059,047.43</u> | <u>\$ -</u> | <u>\$ 379,614.34</u> | <u>\$ -</u> | <u>\$ 1,438,661.77</u> |

The notes to the schedule of expenditure of federal awards are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Stoddard under programs of the federal government for the years ended December 31, 2016 and 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Stoddard, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Stoddard.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2016 ☐ Yes ☒ No
2015 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2016 ☒ Yes ☐ None Reported
2015 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2016 ☐ Yes ☒ No
2015 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2016 ☐ Yes ☒ No
2015 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2016 ☒ Yes ☐ None Reported
2015 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2016 - Unmodified
2015 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2016 ☒ Yes ☐ No
2015 ☒ Yes ☐ No

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

| Year | CFDA Number(s) | Name of Federal Program or Cluster |
|-----------|-------------------|------------------------------------|
| 2016/2015 | 20.205 | Highway Planning and Construction |

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2016 ☐ Yes ☒ No

2015 ☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS

FS 2016-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared, with the exception of the County Clerk's Office, as it has already prepared this documentation.

Context: During discussions with management, we noted that internal control documentation has not been prepared with the exception of the County Clerk's Office, as it has already prepared this documentation.

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

Cause: The County (except the County Clerk's office) did not prepare the required documentation.

Recommendation: We recommend that the County (except the County Clerk's office) develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573)568-3339.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place with the exception of the County Clerk's Office, as it has already prepared this documentation.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented with the exception of the County Clerk's Office, as it has already prepared this documentation.

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

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

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

Views of responsible officials and planned corrective actions: The County (except the County Clerk's office) will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)568-3339.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| | | |
|-------------|------------------------|--|
| SA 2016-001 | Federal Grantor: | All |
| | Pass-Through Grantor: | All |
| | Federal CFDA Number: | All |
| | Program Title: | All |
| | Pass- Through Entity | |
| | Identification Number: | All |
| | Award Year: | 2015 and 2016 |
| | Type of Finding: | Other Information – Significant Deficiency |

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (Concluded)

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Joe Watson) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The County Clerk's office can be reached at (573) 568-3339.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared, with the exception of the County Clerk's Office, as it has already prepared this documentation.

Context: During discussions with management, we noted that internal control documentation has not been prepared with the exception of the County Clerk's Office, as it has already prepared this documentation.

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

Cause: The County (except the County Clerk's office) did not prepare the required documentation.

Recommendation: We recommend that the County (except the County Clerk's office) develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573)568-3339.

Status: This finding is repeated as FS 2016-001.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place with the exception of the County Clerk's Office, as it has already prepared this documentation.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented with the exception of the County Clerk's Office, as it has already prepared this documentation.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2014-002 Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

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

Views of responsible officials and planned corrective actions: The County (except the County Clerk's office) will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)568-3339.

Status: This finding is repeated as FS 2016-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the years ended December 31, 2014, and 2013.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2017

To the Board of Commissioners
County of Stoddard

In planning and performing our audit of the regulatory based financial statements of the County of Stoddard (the "County") as of and for the year ended December 31, 2016 and 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

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

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

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

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

Very truly yours,

Daniel Jones & Associates

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2016-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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Context: During discussions with management, we noted that internal control documentation has not been prepared with the exception of the County Clerk's Office, as it has already prepared this documentation.

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

Cause: The County (except the County Clerk's office) did not prepare the required documentation.

Recommendation: We recommend that the County (except the County Clerk's office) develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573)568-3339.

FS 2016-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place with the exception of the County Clerk's Office, as it has already prepared this documentation.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented with the exception of the County Clerk's Office, as it has already prepared this documentation.

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

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 2016-002 Recommendation: We recommend that the County (except the County Clerk's office) address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County (except the County Clerk's office) will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)568-3339.

SA 2016-001 Federal Grantor: All
 Pass-Through Grantor: All
 Federal CFDA Number: All
 Program Title: All
 Pass- Through Entity
 Identification Number: All
 Award Year: 2015 and 2016
 Type of Finding: Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Joe Watson) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The County Clerk's office can be reached at (573) 568-3339.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2016 fiscal year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 20, 2017.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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