



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Moniteau County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Moniteau 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 Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

October 2017
Report No. 2017-111

AUDITED FINANCIAL STATEMENTS
MONITEAU COUNTY, MISSOURI
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015



BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

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September 1, 2017

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Moniteau County, Missouri

Report on the Financial Statements

We have audited the accompanying special purpose regulatory cash basis financial statements of Moniteau County, Missouri, which comprise the statement of revenues, expenditures, and changes in cash – regulatory basis of each governmental fund as of December 31, 2016 and 2015, and the related statements of revenues, expenditures and changes in cash – regulatory basis – budget and actual for each governmental fund, 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 accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' 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 auditors' 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 opinion.

**MONITEAU COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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

As described in Note 1, the financial statements are prepared by Moniteau County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Moniteau County, Missouri, as of December 31, 2016 and 2015, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each governmental fund of Moniteau County, Missouri, as of December 31, 2016 and 2015, and their respective cash revenues and expenditures, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2017, on our consideration of the Moniteau County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moniteau County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the state of Missouri and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Certified Public Accountants

MONITEAU COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Fund	Cash			Cash			Cash		
	January 1, 2015	Revenues	Expenditures	December 31, 2015	Revenues	Expenditures	December 31, 2016		
General Revenue	\$ 55,759	1,699,692	1,706,808	\$ 48,643	1,816,260	1,857,402	\$ 7,501		
Special Road and Bridge	341,343	1,260,919	1,266,565	335,697	1,300,995	1,223,831	412,861		
Assessment	349,437	250,078	199,766	399,749	246,813	201,833	444,729		
Capital Improvement	607,771	494,376	68,314	1,033,833	538,865	318,059	1,254,639		
Law Enforcement Training	1,146	2,433	3,235	344	2,543	724	2,163		
Sheriff Civil Fee	15,026	35,635	32,789	17,872	30,966	35,340	13,498		
Prosecuting Attorney Training	35	580	600	15	669	640	44		
Prosecuting Attorney Admin Handling Cost	26,645	5,547	6,835	25,357	5,274	7,575	23,056		
Off System Bridge	-	301,424	301,424	-	318,364	318,364	-		
Election Service	5,558	1,971	590	6,939	1,627	5,357	3,209		
Recorder User Fee	10,430	8,060	10,344	8,146	8,301	8,619	7,828		
Local Emergency Planning Committee (LEPC)	393	9	-	402	8	-	410		
Adult Abuse	2,706	3,390	3,237	2,859	2,556	3,315	2,100		
Knierim Cemetery Trust	2,800	42	42	2,800	42	42	2,800		
Enloe Cemetery Trust	12,000	180	180	12,000	180	180	12,000		
Law Library	16,422	4,773	4,236	16,959	4,953	4,199	17,713		
Tax Maintenance	51,514	15,422	14,826	52,110	18,425	16,449	54,086		
Sheriff Revolving (1)	-	-	-	-	21,877	6,148	15,729		
Senate Bill 40 Board	986,008	1,463,669	1,124,916	1,324,761	1,370,248	1,146,172	1,548,837		
Totals	\$ 2,484,993	5,548,200	4,744,707	\$ 3,288,486	5,688,966	5,154,249	\$ 3,823,203		

(1) Budget not prepared for this fund for 2016.

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	General Revenue Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Property taxes	\$ 388,500	360,014	(28,486)	\$ 370,000	369,946	(54)
Sales taxes	771,500	733,754	(37,746)	757,500	756,069	(1,431)
Intergovernmental	185,210	188,387	3,177	148,500	180,367	31,867
Charges for services	275,550	304,194	28,644	264,800	286,584	21,784
Interest	2,500	1,781	(719)	2,500	2,779	279
Other	61,500	53,130	(8,370)	57,900	63,947	6,047
Transfers in	200,000	175,000	(25,000)	215,000	40,000	(175,000)
Total Revenues	\$ 1,884,760	1,816,260	(68,500)	\$ 1,816,200	1,699,692	(116,508)
EXPENDITURES						
General County Government -						
County Commission	\$ 91,715	91,185	(530)	\$ 90,766	91,809	1,043
County Clerk	105,530	101,920	(3,610)	103,030	102,637	(393)
Elections	111,950	81,806	(30,144)	32,460	22,611	(9,849)
Buildings and grounds	31,945	32,618	673	31,550	29,672	(1,878)
Employee fringe benefits	256,000	229,337	(26,663)	233,249	249,280	16,031
County Treasurer	43,950	43,445	(505)	44,000	43,671	(329)
County Collector	78,290	77,527	(763)	75,450	74,565	(885)
Circuit Clerk/Ex Officio Recorder	49,780	45,627	(4,153)	50,100	46,640	(3,460)
Court Administration	11,700	4,182	(7,518)	11,700	2,546	(9,154)
Public Administrator	43,824	42,137	(1,687)	41,544	40,398	(1,146)
Public Safety -						
Sheriff	341,877	307,295	(34,582)	316,903	290,451	(26,452)
Jail	302,155	351,586	49,431	372,646	309,003	(63,643)
Prosecuting Attorney	215,267	211,619	(3,648)	208,268	206,896	(1,372)
Juvenile Officer	43,000	37,838	(5,162)	48,069	40,179	(7,890)
County Coroner	16,000	16,018	18	16,000	14,785	(1,215)
Other -						
General government	141,340	127,159	(14,181)	130,040	134,828	4,788
Court Reporters and Circuit Judges	9,641	6,103	(3,538)	9,635	6,837	(2,798)
Transfers out	-	50,000	50,000	-	-	-
Emergency Fund	56,543	-	(56,543)	54,486	-	(54,486)
Total Expenditures	\$ 1,950,507	1,857,402	(93,105)	\$ 1,869,896	1,706,808	(163,088)
REVENUES OVER (UNDER) EXPENDITURES	\$ (65,747)	(41,142)	24,605	\$ (53,696)	(7,116)	46,580
CASH, JANUARY 1	48,643	48,643	-	55,759	55,759	-
CASH, DECEMBER 31	\$ (17,104)	7,501	24,605	\$ 2,063	48,643	46,580

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Special Road and Bridge Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Property taxes	\$ 512,000	493,062	(18,938)	\$ 478,250	492,308	14,058
Sales taxes	123,750	154,712	30,962	157,500	158,650	1,150
Intergovernmental	560,000	575,155	15,155	553,000	570,900	17,900
Charges for services	25,000	65,480	40,480	35,000	27,903	(7,097)
Interest	9,000	9,722	722	12,200	9,097	(3,103)
Other	2,000	2,864	864	4,500	2,061	(2,439)
Total Revenues	\$ 1,231,750	1,300,995	69,245	\$ 1,240,450	1,260,919	20,469
EXPENDITURES						
Salaries	\$ 370,000	367,682	(2,318)	\$ 370,000	349,724	(20,276)
Employee fringe benefits	128,613	133,591	4,978	135,106	126,763	(8,343)
Supplies	189,000	138,846	(50,154)	233,500	165,919	(67,581)
Insurance	25,500	25,931	431	25,500	25,027	(473)
Road and bridge materials	210,000	227,719	17,719	120,000	247,483	127,483
Equipment repairs	75,000	109,016	34,016	75,000	86,283	11,283
Equipment purchases	225,000	125,087	(99,913)	250,000	240,150	(9,850)
Road and bridge construction	70,000	95,075	25,075	70,000	21,947	(48,053)
Other	7,000	884	(6,116)	7,000	3,269	(3,731)
Total Expenditures	\$ 1,300,113	1,223,831	(76,282)	\$ 1,286,106	1,266,565	(19,541)
REVENUES OVER (UNDER) EXPENDITURES	\$ (68,363)	77,164	145,527	\$ (45,656)	(5,646)	40,010
CASH, JANUARY 1	335,697	335,697	-	341,343	341,343	-
CASH, DECEMBER 31	\$ 267,334	412,861	145,527	\$ 295,687	335,697	40,010

Assessment Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Intergovernmental	\$ 223,924	236,528	12,604	\$ 222,500	232,816	10,316
Interest	9,517	9,725	208	8,500	9,517	1,017
Other	8,500	560	(7,940)	-	7,745	7,745
Total Revenues	\$ 241,941	246,813	4,872	\$ 231,000	250,078	19,078
EXPENDITURES						
Salaries	\$ 116,390	115,010	(1,380)	\$ 113,018	113,046	28
Fringe benefits	39,191	39,783	592	39,618	37,372	(2,246)
Assessment lists	7,200	6,609	(591)	6,750	7,000	250
Office expenditures	10,900	3,355	(7,545)	7,987	14,892	6,905
Computer software and hardware	17,000	16,639	(361)	15,500	12,235	(3,265)
Maintenance and mapping	-	4,323	4,323	2,500	10,556	8,056
Mileage and training	6,000	3,592	(2,408)	3,000	4,665	1,665
Contractual services	15,000	12,522	(2,478)	-	-	-
Total Expenditures	\$ 211,681	201,833	(9,848)	\$ 188,373	199,766	11,393
REVENUES OVER (UNDER) EXPENDITURES	\$ 30,260	44,980	14,720	\$ 42,627	50,312	7,685
CASH, JANUARY 1	399,749	399,749	-	349,437	349,437	-
CASH, DECEMBER 31	\$ 430,009	444,729	14,720	\$ 392,064	399,749	7,685

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Capital Improvement Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Sales taxes	\$ 477,000	464,135	(12,865)	\$ 457,500	475,949	18,449
Interest	-	24,730	24,730	9,000	18,427	9,427
Transfers in	-	50,000	50,000	-	-	-
Total Revenues	\$ 477,000	538,865	61,865	\$ 466,500	494,376	27,876
EXPENDITURES						
Buildings and grounds	\$ 300,000	22,880	(277,120)	\$ 150,000	28,314	(121,686)
Bridge projects	-	120,179	120,179	-	-	-
Transfers out	200,000	175,000	(25,000)	215,000	40,000	(175,000)
Total Expenditures	\$ 500,000	318,059	(181,941)	\$ 365,000	68,314	(296,686)
REVENUES OVER (UNDER) EXPENDITURES	\$ (23,000)	220,806	243,806	\$ 101,500	426,062	324,562
CASH, JANUARY 1	1,033,833	1,033,833	-	607,771	607,771	-
CASH, DECEMBER 31	\$ 1,010,833	1,254,639	243,806	\$ 709,271	1,033,833	324,562

	Law Enforcement Training Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 1,800	2,518	718	\$ 2,200	1,996	(204)
Interest	20	25	5	30	18	(12)
Transfers in	400	-	(400)	-	419	419
Total Revenues	\$ 2,220	2,543	323	\$ 2,230	2,433	203
EXPENDITURES						
Sheriff	\$ 2,564	724	(1,840)	\$ 3,376	3,235	(141)
Total Expenditures	\$ 2,564	724	(1,840)	\$ 3,376	3,235	(141)
REVENUES OVER (UNDER) EXPENDITURES	\$ (344)	1,819	2,163	\$ (1,146)	(802)	344
CASH, JANUARY 1	344	344	-	1,146	1,146	-
CASH, DECEMBER 31	\$ -	2,163	2,163	\$ -	344	344

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Sheriff Civil Fee Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Intergovernmental	\$ 2,110	5,120	3,010	\$ -	-	-
Charges for services	30,418	21,705	(8,713)	27,250	32,027	4,777
Interest	375	359	(16)	375	372	(3)
Other	3,000	2,000	(1,000)	6,200	3,236	(2,964)
Transfers in	-	1,782	1,782	-	-	-
Total Revenues	\$ 35,903	30,966	(4,937)	\$ 33,825	35,635	1,810
EXPENDITURES						
Sheriff - supplies and equipment	\$ 51,665	21,186	(30,479)	\$ 38,851	24,631	(14,220)
State of Missouri	2,110	6,644	4,534	10,000	7,739	(2,261)
Transfers out	-	7,510	7,510	-	419	419
Total Expenditures	\$ 53,775	35,340	(18,435)	\$ 48,851	32,789	(16,062)
REVENUES OVER (UNDER) EXPENDITURES	\$ (17,872)	(4,374)	13,498	\$ (15,026)	2,846	17,872
CASH, JANUARY 1	17,872	17,872	-	15,026	15,026	-
CASH, DECEMBER 31	\$ -	13,498	13,498	\$ -	17,872	17,872

Prosecuting Attorney Training Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 585	669	84	\$ 1,100	580	(520)
Total Revenues	\$ 585	669	84	\$ 1,100	580	(520)
EXPENDITURES						
Prosecuting Attorney	\$ -	-	-	\$ 1,100	-	(1,100)
State of Missouri	600	640	40	-	600	600
Total Expenditures	\$ 600	640	40	\$ 1,100	600	(500)
REVENUES OVER (UNDER) EXPENDITURES	\$ (15)	29	44	\$ -	(20)	(20)
CASH, JANUARY 1	15	15	-	35	35	-
CASH, DECEMBER 31	\$ -	44	44	\$ 35	15	(20)

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Prosecuting Attorney Admin Handling Cost Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 5,500	4,802	(698)	\$ 6,500	4,951	(1,549)
Interest	-	472	472	600	596	(4)
Total Revenues	<u>\$ 5,500</u>	<u>5,274</u>	<u>(226)</u>	<u>\$ 7,100</u>	<u>5,547</u>	<u>(1,553)</u>
EXPENDITURES						
Prosecuting Attorney	\$ 12,500	7,575	(4,925)	\$ 12,500	6,835	(5,665)
Total Expenditures	<u>\$ 12,500</u>	<u>7,575</u>	<u>(4,925)</u>	<u>\$ 12,500</u>	<u>6,835</u>	<u>(5,665)</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (7,000)	(2,301)	4,699	\$ (5,400)	(1,288)	4,112
CASH, JANUARY 1	25,357	25,357	-	26,645	26,645	-
CASH, DECEMBER 31	<u>\$ 18,357</u>	<u>23,056</u>	<u>4,699</u>	<u>\$ 21,245</u>	<u>25,357</u>	<u>4,112</u>

	Off System Bridge Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Intergovernmental	\$ 375,000	318,364	(56,636)	\$ 350,000	301,424	(48,576)
Total Revenues	<u>\$ 375,000</u>	<u>318,364</u>	<u>(56,636)</u>	<u>\$ 350,000</u>	<u>301,424</u>	<u>(48,576)</u>
EXPENDITURES						
Bridge projects	\$ 375,000	318,364	(56,636)	\$ 350,000	301,424	(48,576)
Total Expenditures	<u>\$ 375,000</u>	<u>318,364</u>	<u>(56,636)</u>	<u>\$ 350,000</u>	<u>301,424</u>	<u>(48,576)</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Election Service Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Intergovernmental	\$ 2,000	1,517	(483)	\$ 2,500	1,838	(662)
Interest	160	110	(50)	150	133	(17)
Total Revenues	\$ 2,160	1,627	(533)	\$ 2,650	1,971	(679)
EXPENDITURES						
Elections	\$ 5,000	5,357	357	\$ 3,700	590	(3,110)
Total Expenditures	\$ 5,000	5,357	357	\$ 3,700	590	(3,110)
REVENUES OVER (UNDER) EXPENDITURES	\$ (2,840)	(3,730)	(890)	\$ (1,050)	1,381	2,431
CASH, JANUARY 1	6,939	6,939	-	5,558	5,558	-
CASH, DECEMBER 31	\$ 4,099	3,209	(890)	\$ 4,508	6,939	2,431

Recorder User Fee Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 8,000	8,167	167	\$ 8,000	7,856	(144)
Interest	275	134	(141)	275	204	(71)
Total Revenues	\$ 8,275	8,301	26	\$ 8,275	8,060	(215)
EXPENDITURES						
Ex Officio Recorder of Deeds	\$ 10,000	8,619	(1,381)	\$ 10,000	10,344	344
Total Expenditures	\$ 10,000	8,619	(1,381)	\$ 10,000	10,344	344
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,725)	(318)	1,407	\$ (1,725)	(2,284)	(559)
CASH, JANUARY 1	8,146	8,146	-	10,430	10,430	-
CASH, DECEMBER 31	\$ 6,421	7,828	1,407	\$ 8,705	8,146	(559)

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Local Emergency Planning Committee (LEPC) Fund

	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Interest	\$ -	8	8	\$ 15	9	(6)
Total Revenues	\$ -	8	8	\$ 15	9	(6)
EXPENDITURES						
Total Expenditures	\$ -	-	-	\$ -	-	-
REVENUES OVER (UNDER) EXPENDITURES	\$ -	8	8	\$ 15	9	(6)
CASH, JANUARY 1	9	402	393	393	393	-
CASH, DECEMBER 31	\$ 9	410	401	\$ 408	402	(6)

Adult Abuse Fund

	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 3,390	2,556	(834)	\$ 3,750	3,390	(360)
Total Revenues	\$ 3,390	2,556	(834)	\$ 3,750	3,390	(360)
EXPENDITURES						
Domestic violence shelter	\$ 3,390	3,315	(75)	\$ 3,200	3,237	37
Total Expenditures	\$ 3,390	3,315	(75)	\$ 3,200	3,237	37
REVENUES OVER (UNDER) EXPENDITURES	\$ -	(759)	(759)	\$ 550	153	(397)
CASH, JANUARY 1	2,859	2,859	-	2,706	2,706	-
CASH, DECEMBER 31	\$ 2,859	2,100	(759)	\$ 3,256	2,859	(397)

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Knierim Cemetery Trust Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Interest	\$ 42	42	-	\$ 75	42	(33)
Total Revenues	\$ 42	42	-	\$ 75	42	(33)
EXPENDITURES						
Cemetery maintenance	\$ 42	42	-	\$ 1,500	42	(1,458)
Total Expenditures	\$ 42	42	-	\$ 1,500	42	(1,458)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	\$ (1,425)	-	1,425
CASH, JANUARY 1	2,800	2,800	-	2,800	2,800	-
CASH, DECEMBER 31	\$ 2,800	2,800	-	\$ 1,375	2,800	1,425

Enloe Cemetery Trust Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Interest	\$ 180	180	-	\$ 250	180	(70)
Total Revenues	\$ 180	180	-	\$ 250	180	(70)
EXPENDITURES						
Cemetery maintenance	\$ 180	180	-	\$ 7,500	180	(7,320)
Total Expenditures	\$ 180	180	-	\$ 7,500	180	(7,320)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	\$ (7,250)	-	7,250
CASH, JANUARY 1	12,000	12,000	-	12,000	12,000	-
CASH, DECEMBER 31	\$ 12,000	12,000	-	\$ 4,750	12,000	7,250

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Law Library Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ -	4,953	4,953	\$ -	4,773	4,773
Total Revenues	\$ -	4,953	4,953	\$ -	4,773	4,773
EXPENDITURES						
Law library maintenance	\$ 6,000	4,199	(1,801)	\$ 5,000	4,236	(764)
Total Expenditures	\$ 6,000	4,199	(1,801)	\$ 5,000	4,236	(764)
REVENUES OVER (UNDER) EXPENDITURES	\$ (6,000)	754	6,754	\$ (5,000)	537	5,537
CASH, JANUARY 1	12,186	16,959	4,773	16,422	16,422	-
CASH, DECEMBER 31	\$ 6,186	17,713	11,527	\$ 11,422	16,959	5,537

	Tax Maintenance Fund					
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Charges for services	\$ 15,000	18,425	3,425	\$ 15,700	15,422	(278)
Total Revenues	\$ 15,000	18,425	3,425	\$ 15,700	15,422	(278)
EXPENDITURES						
County Collector	\$ 20,000	16,449	(3,551)	\$ 24,520	14,826	(9,694)
Total Expenditures	\$ 20,000	16,449	(3,551)	\$ 24,520	14,826	(9,694)
REVENUES OVER (UNDER) EXPENDITURES	\$ (5,000)	1,976	6,976	\$ (8,820)	596	9,416
CASH, JANUARY 1	52,110	52,110	-	51,025	51,514	489
CASH, DECEMBER 31	\$ 47,110	54,086	6,976	\$ 42,205	52,110	9,905

MONITEAU COUNTY, MISSOURI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Senate Bill 40 Board Fund						
	2016			2015		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
REVENUES						
Property taxes	\$ 225,559	225,559	-	\$ 218,000	226,364	8,364
Intergovernmental -						
Medicaid waiver	957,293	925,132	(32,161)	964,000	1,002,089	38,089
Medicaid waiver - TCM	132,797	132,797	-	130,000	134,405	4,405
Grant income	3,856	3,854	(2)	3,335	3,335	-
Out of home respite	16,000	10,505	(5,495)	16,000	18,072	2,072
Charges for services -						
Transportation income	112	112	-	-	22	22
Client room/board income	65,694	63,458	(2,236)	65,695	73,226	7,531
Other local income	196	79	(117)	196	196	-
Interest	3,800	3,252	(548)	3,683	3,549	(134)
Other	5,951	5,500	(451)	3,777	2,411	(1,366)
Total Revenues	\$ 1,411,258	1,370,248	(41,010)	\$ 1,404,686	1,463,669	58,983
EXPENDITURES						
Personnel expenditures	\$ 803,423	768,896	(34,527)	\$ 781,928	753,044	(28,884)
Communications	17,446	14,989	(2,457)	17,873	15,485	(2,388)
Maintenance and repairs	44,568	35,159	(9,409)	43,329	38,001	(5,328)
Physical plant costs	45,044	28,115	(16,929)	40,477	34,141	(6,336)
Utilities	13,731	12,661	(1,070)	13,723	12,435	(1,288)
Food services	35,071	28,681	(6,390)	37,745	31,084	(6,661)
Materials and supplies	38,368	25,011	(13,357)	32,479	28,753	(3,726)
Professional services	16,410	15,550	(860)	15,975	15,311	(664)
Direct care staff training	3,708	1,372	(2,336)	5,708	4,448	(1,260)
Administrative staff travel	2,465	1,467	(998)	1,943	1,377	(566)
Insurance	4,365	2,788	(1,577)	4,365	3,335	(1,030)
Equipment and furnishings	12,958	8,271	(4,687)	8,689	6,076	(2,613)
Transportation expenditures	56,457	39,698	(16,759)	35,443	28,735	(6,708)
Medicaid waiver match	171,118	127,460	(43,658)	153,721	146,889	(6,832)
Other	40,360	36,054	(4,306)	8,593	5,802	(2,791)
Total Expenditures	\$ 1,305,492	1,146,172	(159,320)	\$ 1,201,991	1,124,916	(77,075)
REVENUES OVER (UNDER) EXPENDITURES	\$ 105,766	224,076	118,310	\$ 202,695	338,753	136,058
CASH, JANUARY 1	1,324,761	1,324,761	-	986,008	986,008	-
CASH, DECEMBER 31	\$ 1,430,527	1,548,837	118,310	\$ 1,188,703	1,324,761	136,058

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Moniteau County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Ex Officio Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. REPORTING ENTITY

The County's operations include property tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, and the Senate Bill 40 Board of Trustees. The cemetery trust funds have been donated to the County for use of the interest only for cemetery upkeep; the Tax Maintenance Fund is under the control of the County Collector, and the Law Library Fund is under the control of the Prosecuting Attorney.

The financial statements referred to above include the primary government of Moniteau County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Court Fund since it is controlled by the Circuit Clerk, or the County Health Center and the 911 Board since they are separate governmental entities.

B. BASIS OF PRESENTATION

Governmental 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 that comprise its assets, liabilities, net assets, revenues, and expenditures. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting 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.

**MONITEAU COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

D. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund and the Senate Bill 40 Board adopts its annual budget. Budgets are prepared and adopted on the cash basis of accounting.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Senate Bill 40 Board Executive Director prepares its budget document for board approval. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 Board, the budget documents are available for public inspection.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. The Senate Bill 40 Board Executive Director submits the proposed budget document to the Senate Bill 40 Board for approval.
4. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received. For 2016 in the General Revenue Fund, the County budgeted a deficit fund balance.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission and Senate Bill 40 Board.
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. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission did not amend the budget documents for 2016 or 2015. The SB 40 Board amended its budgets for both 2016 and 2015 in August and December of each year.
7. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2015, but did not prepare a budget for the Sheriff Revolving Fund for the year ended December 31, 2016.
8. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2016 and 2015.

<u>Fund</u>	<u>Year Ended December 31,</u>
Prosecuting Attorney Training	2016
Election Service	2016
Assessment	2015
Recorder User Fee	2015
Adult Abuse	2015

E. COUNTY SALES TAX AND USE TAX RATES

The County has the following sales tax rates:

General Revenue Fund	1/2%	.0500%
Capital Improvement	1/2%	<u>.0500%</u>
Total sales tax rate		<u>1.000%</u>
Local use tax	1.0%	<u>1.000%</u>
Total		<u>2.000%</u>

**MONITEAU COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The County also has a .07500 (3/4%) percent sales tax strictly for the 911 board that is not included in these financial statements.

Starting in December 2013, the County started splitting the half-cent sales tax for capital improvements as follows: 75 percent stays in the Capital Improvement Fund with 25 percent going to the Special Road and Bridge Fund to fund future improvements to county highways.

F. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the county. The assessed valuation of the tangible property for the year 2016 and 2015 for purposes of local taxation was:

	<u>2016</u>		<u>2015</u>
Real Estate	\$ 121,595,700	\$	120,998,630
Personal Property	54,814,362		44,472,270
Railroad and Utilities	<u>22,233,469</u>		<u>29,490,750</u>
Total Assessed Valuation	<u>\$ 198,643,531</u>	\$	<u>194,961,650</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the year 2016 and 2015 for purposes of local taxation was:

	<u>2016</u>		<u>2015</u>
General Revenue Fund (1)	\$ 0.1770	\$	0.1700
Special Road and Bridge Fund	0.2470		0.2470
Senate Bill 40 Board Fund	0.1183		0.1178

(1) After rollback for sales tax adjustment.

G. CASH DEPOSITS

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer and Senate Bill 40 Board funds are invested in interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

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, purchased at a price at or below 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 2.

**MONITEAU COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the County for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31, 2016	
	Transfers In	Transfers Out
FUNDS:		
General Revenue	\$ 175,000	\$ 50,000
Capital Improvement	50,000	175,000
Sheriff Civil Fee	1 1,782	2 7,510
Totals	\$ 226,782	\$ 232,510
	Year Ended December 31, 2015	
	Transfers In	Transfers Out
FUNDS:		
General Revenue	\$ 40,000	\$ -
Capital Improvement	-	40,000
Law Enforcement Training	419	-
Sheriff Civil Fee	-	419
Totals	\$ 40,419	\$ 40,419

1 Transfer in from Sheriff Revolving Fund not budgeted for in 2016.

2 Transfer out to Sheriff Revolving Fund for Conceal and Carry Weapons fees.

I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show revenues, expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2016 and 2015, the published financial statements included all funds as required.

NOTE 2. CASH AND INVESTMENTS

Deposits

The County and Senate Bill 40 Board have determined through experience that business checking accounts and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in repurchase agreements to the extent possible at one depository bank. The Senate Bill 40 Board has banking accounts at two depository banks and two certificates of deposit at a third bank. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2016 and 2015, the County had investments in repurchase agreements.

**MONITEAU COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also 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 County's deposits and Senate Bill 40 Board's deposits held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the county's name or Senate Bill 40 Board's name or by its agent in the county's name or Senate Bill 40 Board's name. The County's deposits and Senate Bill 40 Board's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County and Senate Bill 40 Board have adopted a written investment policy in accordance with applicable state law.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**MONITEAU COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2016 and 2015, the County collected and remitted to CERF \$140,708 and \$130,019, respectively, for the years then ended. At December 31, 2016, the County had 46 employees enrolled in CERF.

B. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Moniteau County Senate Bill 40 Board participates in the Missouri Local Government Employee Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statutes RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions.

**MONITEAU COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3) Funding Policy

Moniteau County Senate Bill 40 Board's full-time employees do not contribute part of their salaries to the plan but is paid for by the Board. The Senate Bill 40 Board is required to contribute an actuarially determined rate; the rate as of December 31, 2016 and 2015, is 6.7 and 6.0 percent, respectively, of annual covered payroll. The Senate Bill 40 Board contributed \$25,089 in 2016 and \$23,690 in 2015 to the system. Trend information showing progress in accumulating sufficient assets to pay benefits when due is presented in the LAGERS report. At December 31, 2016, the Senate Bill 40 Board had 15 employees enrolled in LAGERS.

C. County Retirement Plan

Employees contribute to a 401(a) retirement plan and then the County will match the amount of the contribution up to \$20 per person per month. The County's contribution to this plan for the year ended December 31, 2016 and 2015 was \$4,940 and \$4,900, respectively.

NOTE 4. 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 contributed \$9,044 and \$7,752, respectively, for the years ended December 31, 2016 and 2015.

NOTE 5. 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.

NOTE 6. COMMITMENTS AND CONTINGENCIES

1) Compensated Absences Commitments

Annual Leave

Regular or permanent county full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time as follows: 1 through 10 years of service, one day per month, maximum of 18 days; 11 through 15 years of service, 1.5 days per month, maximum of 27 days; and 16 years and above of service, 1.75 days per month, 31.5 days maximum. Upon termination of employment, county employees shall be compensated for unused annual leave. Senate Bill 40 Board employees are eligible to receive vacation time of 3 days up to a maximum of 27 days per year depending on the employee's employment classification and length of service. Upon termination of employment, vacation benefits that have been accrued at termination will be paid.

**MONITEAU COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Sick Leave

Regular or permanent county full-time employees earn sick leave as follows: 1 through 10 years of service, 3 hours per month, maximum of 320 hours; 11 through 15 years of service, 4 hours per month, maximum of 480 hours; and 16 years and above of service, 5 hours per month, maximum of 560 hours. Upon termination of employment, an employee shall be compensated 15% of their remaining sick leave balance. Senate Bill 40 Board employees are entitled to sick leave of 6 days to 12 days per year based on their employment classification and can accrue to a maximum from 10 days to 30 days. Sick leave is not paid upon termination.

2) Federal and State Assisted Programs Contingencies

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly 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 and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

3) Litigation

At December 31, 2016, the County is not involved in any litigation.

4) Long-term debt

At December 31, 2016, the County did not have any long-term debt.

NOTE 7. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool (MoPERM), which is a corporate and political body created pursuant to 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 is also a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

September 1, 2017

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

To the County Commission
and Officeholders of
Moniteau County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Moniteau County, Missouri, as of and for the two years ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Moniteau County, Missouri's basic financial statements and have issued our report thereon dated September 1, 2017.

Internal Control over Financial Reporting

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

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

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moniteau County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as items 2016-001 and 2016-002.

Moniteau County, Missouri's Responses to Findings

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

Purpose of this Report

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

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Certified Public Accountants

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL AND COMPLIANCE AND OTHER MATTERS

2016-001 Budgetary Procedures Not in Compliance With State Law

Condition: We noted the following issues with the County's budgeting process during our audit:

- A. The County Commission and County Clerk did not exercise adequate budgetary control over certain funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Assessment	2015	\$ 11,393
Prosecuting Attorney Training	2016	40
Election Service	2016	357
Recorder User Fee	2015	344
Adult Abuse	2015	37

- B. The County Clerk made errors on the 2016 budget by not carrying the total expenditures requested to the total approved column on four different funds causing the summary reconciliation for the various funds to change as follows:

<u>Fund</u>	<u>Amount Requested Not in Approved Column</u>	<u>Original Estimated Cash Balance</u>	<u>Revised Estimated Cash Balance</u>
General Revenue	\$ 56,543	39,439	(17,104)
Law Library	6,000	12,186	6,186
Tax Maintenance	20,000	67,110	47,110
Prosecuting Attorney Admin Handling Cost	12,500	30,857	18,357

The reconciliation for the Local Emergency Planning Committee Fund was not accurately completed also in the 2016 budget. The balance at December 31, 2014, of \$393 was not reported carrying over to 2015 and with estimated revenues of \$9 for 2016 made an estimated ending balance of \$410 instead of \$9 as reported. There were no approved expenditures.

The main result of not carrying the amount requested to the total approved column on the budget document caused the General Revenue Fund to actually have a negative estimated cash balance, which is not allowed by state law. The amount requested not carried to the total approved column was the amount budgeted for the Emergency Fund.

It was also noted on a review of the 2017 budget in the Special Road and Bridge Fund, the portion of the capital improvement sales tax of \$158,650 was not included in the 2015 column that was included in the 2016 budget. It appeared this was mistakenly omitted from the 2017 budget.

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

- C. The County did not amend the budget for 2016 for the creation of a new fund or established a budget in 2017 for the Sheriff Revolving Fund that had activity in the fund for the year of 2016.

Criteria: Section 50.540 RSMo, requires the budget be revised prior to authorizing expenditures in excess of the budget. Section 67.010 RSMo, states in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus an unencumbered balance or less any deficit estimated for the beginning of the budget year. Chapter 50 of the County Budget Law also requires that a budget be adopted for all county funds as required.

Cause: County officials did not review the budget documents properly upon preparation or on a periodic basis and, therefore did not properly prepare amended or corrected budgets.

Effect: The County Commission and County Clerk did not follow state law on the preparation of budget documents and the expenditures of funds.

Recommendations:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission should revise the 2016 and 2017 budget documents for the effect of the changes to the respective funds noted above and submit the revised budgets to the State Auditor's Office.
- C. The County Commission and County Clerk amend the 2017 budget for the Sheriff Revolving Fund for the activity in year 2016 and for the estimated amount of revenues and expenditures and ending balance for 2017. The amended budget should be filed with the State Auditor's Office.

Auditee's Response: The County Commission along with the County Clerk will better monitor expenditures and budgeted amounts. Amended budgets for 2016 and 2017 are in the process of being done as recommended.

2016-002 Accounting for Transfers in County Budgets Need Improvement

Condition: The financial statements of the County as represented in the annual budget document did not present the proper amount of transfers between the various funds. Total amounts reflected on the budget documents for actual transfers in did not agree with total actual transfers out for the years ended December 31, 2016 and 2015. The total transfers in and out for the year ended December 31, 2016, per the budget documents were \$42,221 and \$45,482, respectively. The total transfers in and out for the year ended December 31, 2015, per the budget documents were \$382,228 and \$225,600, respectively.

The differences in transfers in and out were the result of other expenditures or corrections posted on the budget document to transfers in and out instead of to the appropriate expenditure classifications. Audit adjustments have been made to several county funds in the financial statements for the incorrect classifications to properly state the actual amount of transfers made by the County.

**MONITEAU COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Criteria: The budget instructions issued with the budget forms by the State Auditor's Office for preparation of the financial statements require that transfers in and out be properly reported in the various funds and are in balance.

Cause: The County Commission and County Clerk did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and misstate the financial statements presented by the county.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement each year.

Auditee's Response: Going forward with a better understanding of how the state-provided budget spreadsheet functions, the transfers to and from other funds will properly be maintained.

**MONITEAU COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The previous financial audit performed for Moniteau County, Missouri, was for the two years ended December 31, 2012, therefore there is no follow-up to be presented on prior audit findings.