



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Adair County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Adair 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, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-076

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Adair, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Adair ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-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, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2018, on our consideration of the County of Adair’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 the effectiveness of the County’s 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 Adair’s internal control over financial reporting and compliance.

Daniel Jones & Associates

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

July 13, 2018

FINANCIAL STATEMENTS

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	\$ 610,035.25	\$ 2,335,545.98	\$ 2,369,692.30	\$ 575,888.93
Special Road and Bridge Fund	1,685,005.89	1,952,545.93	1,981,085.87	1,656,465.95
Assessment Fund	192,340.97	237,153.87	346,659.55	82,835.29
Law Enforcement Restitution Fund	96,095.65	29,281.89	19,784.29	105,593.25
Financial Emergency Fund	333,758.35	2,068.33	-	335,826.68
Law Enforcement Services Fund	1,120,874.25	850,001.20	838,344.76	1,132,530.69
Countryside Fund	115,815.14	717.69	-	116,532.83
Domestic Violence Fund	42,378.73	3,813.09	-	46,191.82
Election Administration Fund	26,164.60	4,152.20	1,110.43	29,206.37
Prosecuting Attorney Admin. Fund	34,185.43	128,551.27	136,893.60	25,843.10
Inmate Detainee Security Fund	17,391.64	6,554.64	-	23,946.28
E-911 Emergency Fund	98,869.63	612.68	-	99,482.31
E-911 Reserve Fund	9,861.44	36,232.12	37,041.54	9,052.02
Recorder User Fund	30,290.51	6,479.24	6,990.00	29,779.75
Recorder Technical Fund	44,154.10	3,934.53	7,475.50	40,613.13
Collector Tax Fund	124,728.77	23,483.31	7,315.51	140,896.57
Law Enforcement General Fund	269,226.42	2,143,678.12	2,224,776.76	188,127.78
Law Enforcement Training Fund	7,926.20	3,667.37	4,855.32	6,738.25
Sheriff Civil Fund	38,391.40	16,941.65	16,672.00	38,661.05
Sheriff Revolving Fund	47,233.34	3,064.71	13,916.73	36,381.32
Prosecuting Attorney Training Fund	7,866.42	668.41	453.20	8,081.63
Prosecuting Attorney Delinquent Fund	10,297.77	61.69	453.20	9,906.26
Multi-Co. Child Support Enforcement Fund	11,038.69	118,859.98	107,233.47	22,665.20
Juvenile Justice Fund	500.00	59,487.92	59,487.92	500.00
Juvenile Grant Operations Fund	-	207,242.33	207,242.33	-
TOTAL	<u>\$ 4,974,430.59</u>	<u>\$ 8,174,800.15</u>	<u>\$ 8,387,484.28</u>	<u>\$ 4,761,746.46</u>

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

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

FUND	CASH BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 764,725.10	\$ 2,233,183.72	\$ 2,387,873.57	\$ 610,035.25
Special Road and Bridge Fund	1,732,253.86	2,094,889.83	2,142,137.80	1,685,005.89
Assessment Fund	167,740.60	361,575.01	336,974.64	192,340.97
Law Enforcement Restitution Fund	60,823.09	38,552.56	3,280.00	96,095.65
Financial Emergency Fund	331,507.26	2,251.09	-	333,758.35
Law Enforcement Services Fund	852,350.63	807,372.35	538,848.73	1,120,874.25
Countryside Fund	115,034.00	781.14	-	115,815.14
Domestic Violence Fund	38,622.19	3,756.54	-	42,378.73
Election Administration Fund	22,301.91	4,529.74	667.05	26,164.60
Prosecuting Attorney Admin. Fund	32,346.92	182,761.10	180,922.59	34,185.43
Inmate Detainee Security Fund	11,311.87	6,079.77	-	17,391.64
E-911 Emergency Fund	98,202.80	666.83	-	98,869.63
E-911 Reserve Fund	10,276.95	44,459.66	44,875.17	9,861.44
Recorder User Fund	33,200.33	6,675.18	9,585.00	30,290.51
Recorder Technical Fund	43,095.73	3,937.37	2,879.00	44,154.10
Collector Tax Fund	107,246.71	22,628.15	5,146.09	124,728.77
Law Enforcement General Fund	439,287.92	1,767,622.64	1,937,684.14	269,226.42
Law Enforcement Training Fund	6,522.01	3,420.70	2,016.51	7,926.20
Sheriff Civil Fund	44,385.88	18,928.93	24,923.41	38,391.40
Sheriff Revolving Fund	30,833.41	39,284.68	22,884.75	47,233.34
Prosecuting Attorney Training Fund	7,215.38	651.04	-	7,866.42
Prosecuting Attorney Delinquent Fund	10,490.58	169.48	362.29	10,297.77
Multi-Co. Child Support Enforcement Fund	13,774.83	101,822.76	104,558.90	11,038.69
Juvenile Justice Fund	500.00	53,721.85	53,721.85	500.00
Juvenile Grant Operations Fund	-	188,242.61	188,242.61	-
TOTAL	\$ 4,974,049.96	\$ 7,987,964.73	\$ 7,987,584.10	\$ 4,974,430.59

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 1,600,000.00	\$ 1,682,876.05	\$ 1,500,000.00	\$ 1,587,760.07
Intergovernmental	123,733.46	106,115.78	160,704.29	161,933.01
Charges for Services	378,320.00	432,007.28	375,520.00	394,577.08
Interest	6,000.00	4,089.11	11,000.00	5,494.65
Other	115,505.00	110,457.76	87,253.00	83,418.91
Transfers In	26,000.00	-	28,500.00	-
TOTAL RECEIPTS	2,249,558.46	2,335,545.98	2,162,977.29	2,233,183.72
DISBURSEMENTS				
County Commission	155,101.38	137,342.25	156,685.34	139,048.69
County Clerk	168,201.52	159,729.12	166,405.05	157,679.31
Elections	49,404.00	32,396.05	191,359.00	131,227.62
Buildings and Grounds	142,466.36	126,209.25	181,541.00	115,985.86
Employee Fringe Benefits	525,799.00	431,389.09	401,631.00	365,114.93
County Treasurer	96,360.63	91,877.45	92,917.05	88,090.86
Collector	149,647.63	143,928.25	142,360.05	127,117.06
Recorder of Deeds	144,924.52	129,549.20	134,976.05	124,918.31
Circuit Clerk	34,000.00	20,090.09	34,000.00	19,485.37
Court Administration	305,362.84	191,822.84	311,917.00	194,916.84
Public Administrator	151,505.52	146,080.81	176,490.05	158,054.82
Prosecuting Attorney	341,056.00	320,875.59	311,675.06	311,647.76
County Coroner	16,936.40	16,936.40	16,804.42	16,774.42
Local Agencies	86,073.10	84,135.02	85,050.00	81,117.10
Surveyor	-	-	1,500.00	-
Health and Welfare	125,189.00	128,000.00	120,489.00	119,639.00
Emergency Fund	67,000.00	-	64,889.32	-
Other	245,744.00	209,330.89	219,842.00	152,055.62
Transfers Out	-	-	95,000.00	85,000.00
TOTAL DISBURSEMENTS	2,804,771.90	2,369,692.30	2,905,531.39	2,387,873.57
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(555,213.44)	(34,146.32)	(742,554.10)	(154,689.85)
CASH BALANCES, JANUARY 1	610,035.25	610,035.25	764,725.10	764,725.10
CASH BALANCES, DECEMBER 31	\$ 54,821.81	\$ 575,888.93	\$ 22,171.00	\$ 610,035.25

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 770,000.00	\$ 795,072.83	\$ 760,000.00	\$ 742,507.45
Sales Taxes	300,000.00	365,103.48	250,000.00	305,637.48
Intergovernmental	1,299,840.00	739,307.02	1,538,300.00	943,008.03
Charges for Services	71,900.00	26,067.18	122,700.00	62,791.09
Interest	13,000.00	12,033.86	13,000.00	13,147.99
Other	16,700.00	14,961.56	30,000.00	27,797.79
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,471,440.00	1,952,545.93	2,714,000.00	2,094,889.83
DISBURSEMENTS				
Salaries	484,029.36	444,970.94	472,259.00	384,127.97
Employee Fringe Benefits	271,812.00	239,526.19	253,200.00	206,477.25
Supplies	191,500.00	214,011.98	241,500.00	181,327.50
Insurance	27,945.00	28,354.50	25,964.00	26,023.00
Road and Bridge Materials	768,000.00	524,313.58	810,500.00	470,914.81
Equipment Repairs	55,000.00	39,213.65	90,000.00	32,674.46
Equipment Purchases	592,891.05	398,659.76	252,000.00	543,036.01
Road and Bridge Construction	440,000.00	23,896.36	630,000.00	228,228.41
Other	86,000.00	68,138.91	77,950.00	69,328.39
TOTAL DISBURSEMENTS	2,917,177.41	1,981,085.87	2,853,373.00	2,142,137.80
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(445,737.41)	(28,539.94)	(139,373.00)	(47,247.97)
CASH BALANCES, JANUARY 1	1,685,005.89	1,685,005.89	1,732,253.86	1,732,253.86
CASH BALANCES, DECEMBER 31	\$ 1,239,268.48	\$ 1,656,465.95	\$ 1,592,880.86	\$ 1,685,005.89

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 237,184.00	\$ 230,462.23	\$ 281,510.00	\$ 268,951.25	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	40,000.00	28,685.00	35,000.00	38,027.99
Interest	1,831.00	1,481.62	1,825.00	1,382.76	500.00	596.89	400.00	524.57
Other	9,435.00	5,210.02	8,945.00	6,241.00	-	-	-	-
Transfers In	-	-	85,000.00	85,000.00	-	-	-	-
TOTAL RECEIPTS	248,450.00	237,153.87	377,280.00	361,575.01	40,500.00	29,281.89	35,400.00	38,552.56
DISBURSEMENTS								
Salaries	206,803.00	195,340.54	196,700.05	184,872.99	-	-	-	-
Employee Fringe Benefits	83,392.00	82,429.96	77,993.00	71,732.46	-	-	-	-
Assessor's Office	94,493.00	68,846.15	104,169.00	79,419.36	-	-	-	-
Law Enforcement	-	-	-	-	10,000.00	9,768.00	7,000.00	3,280.00
Administrative	-	-	-	-	15,000.00	10,016.29	10,000.00	-
Other	1,000.00	42.90	1,000.00	949.83	-	-	-	-
TOTAL DISBURSEMENTS	385,688.00	346,659.55	379,862.05	336,974.64	25,000.00	19,784.29	17,000.00	3,280.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(137,238.00)	(109,505.68)	(2,582.05)	24,600.37	15,500.00	9,497.60	18,400.00	35,272.56
CASH BALANCES, JANUARY 1	192,340.97	192,340.97	167,740.60	167,740.60	96,095.65	96,095.65	60,823.09	60,823.09
 CASH BALANCES, DECEMBER 31	 <u>\$ 55,102.97</u>	 <u>\$ 82,835.29</u>	 <u>\$ 165,158.55</u>	 <u>\$ 192,340.97</u>	 <u>\$ 111,595.65</u>	 <u>\$ 105,593.25</u>	 <u>\$ 79,223.09</u>	 <u>\$ 96,095.65</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	FINANCIAL EMERGENCY FUND				LAW ENFORCEMENT SERVICES FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 800,000.00	\$ 840,806.15	\$ 775,000.00	\$ 792,095.72
Interest	2,200.00	2,068.33	3,300.00	2,251.09	7,000.00	7,436.30	9,000.00	6,640.67
Other	-	-	-	-	1,800.00	1,758.75	16,000.00	8,635.96
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,200.00	2,068.33	3,300.00	2,251.09	808,800.00	850,001.20	800,000.00	807,372.35
DISBURSEMENTS								
Autopsies	-	-	-	-	32,000.00	22,925.00	25,000.00	23,800.00
Supplement Grant	-	-	-	-	-	-	16,000.00	7,102.73
Prosecuting Attorney's Office	-	-	-	-	19,300.00	13,888.26	-	-
Services and Other	-	-	-	-	720.00	1,531.50	720.00	1,039.00
Transfers Out	-	-	-	-	800,000.00	800,000.00	506,907.32	506,907.00
TOTAL DISBURSEMENTS	-	-	-	-	852,020.00	838,344.76	548,627.32	538,848.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,200.00	2,068.33	3,300.00	2,251.09	(43,220.00)	11,656.44	251,372.68	268,523.62
CASH BALANCES, JANUARY 1	333,758.35	333,758.35	331,507.26	331,507.26	1,120,874.25	1,120,874.25	852,350.63	852,350.63
CASH BALANCES, DECEMBER 31	\$ 335,958.35	\$ 335,826.68	\$ 334,807.26	\$ 333,758.35	\$ 1,077,654.25	\$ 1,132,530.69	\$ 1,103,723.31	\$ 1,120,874.25

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	COUNTRYSIDE FUND				DOMESTIC VIOLENCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 800.00	\$ 717.69	\$ 1,300.00	\$ 781.14	\$ 300.00	\$ 271.09	\$ 380.00	\$ 273.04
Other	-	-	-	-	6,000.00	3,542.00	6,000.00	3,483.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	800.00	717.69	1,300.00	781.14	6,300.00	3,813.09	6,380.00	3,756.54
DISBURSEMENTS								
Law Enforcement General	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	800.00	717.69	1,300.00	781.14	6,300.00	3,813.09	6,380.00	3,756.54
CASH BALANCES, JANUARY 1	115,815.14	115,815.14	115,034.00	115,034.00	42,378.73	42,378.73	38,622.19	38,622.19
CASH BALANCES, DECEMBER 31	<u>\$ 116,615.14</u>	<u>\$ 116,532.83</u>	<u>\$ 116,334.00</u>	<u>\$ 115,815.14</u>	<u>\$ 48,678.73</u>	<u>\$ 46,191.82</u>	<u>\$ 45,002.19</u>	<u>\$ 42,378.73</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION ADMINISTRATION FUND				PROSECUTING ATTORNEY ADMIN. FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 3,000.00	\$ 3,986.51	\$ 6,000.00	\$ 4,365.80	\$ 201,500.00	\$ 128,322.27	\$ 202,500.00	\$ 182,105.06
Interest	200.00	165.69	250.00	163.94	250.00	229.00	200.00	244.73
Other	-	-	-	-	-	-	-	411.31
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,200.00	4,152.20	6,250.00	4,529.74	201,750.00	128,551.27	202,700.00	182,761.10
DISBURSEMENTS								
Dues	-	-	-	-	2,000.00	2,308.94	3,000.00	1,300.50
Mileage and Training	3,500.00	1,080.07	3,000.00	547.34	4,500.00	6,826.97	4,500.00	5,103.71
Equipment	5,000.00	30.36	5,000.00	119.71	3,000.00	1,418.99	5,000.00	185.93
Restitution to Victims	-	-	-	-	185,000.00	118,736.24	185,000.00	170,597.95
Trial Preparation	-	-	-	-	5,600.00	7,602.46	6,000.00	3,734.50
TOTAL DISBURSEMENTS	8,500.00	1,110.43	8,000.00	667.05	200,100.00	136,893.60	203,500.00	180,922.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,300.00)	3,041.77	(1,750.00)	3,862.69	1,650.00	(8,342.33)	(800.00)	1,838.51
CASH BALANCES, JANUARY 1	26,164.60	26,164.60	22,301.91	22,301.91	34,185.43	34,185.43	32,346.92	32,346.92
CASH BALANCES, DECEMBER 31	<u>\$ 20,864.60</u>	<u>\$ 29,206.37</u>	<u>\$ 20,551.91</u>	<u>\$ 26,164.60</u>	<u>\$ 35,835.43</u>	<u>\$ 25,843.10</u>	<u>\$ 31,546.92</u>	<u>\$ 34,185.43</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	INMATE DETAINEE SECURITY FUND				E-911 EMERGENCY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 5,500.00	\$ 6,430.00	\$ 6,500.00	\$ 5,982.50	\$ -	\$ -	\$ -	\$ -
Interest	100.00	124.64	40.00	97.27	700.00	612.68	1,000.00	666.83
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,600.00	6,554.64	6,540.00	6,079.77	700.00	612.68	1,000.00	666.83
DISBURSEMENTS								
Detainee Security	500.00	-	500.00	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	-	500.00	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,100.00	6,554.64	6,040.00	6,079.77	700.00	612.68	1,000.00	666.83
CASH BALANCES, JANUARY 1	17,391.64	17,391.64	11,311.87	11,311.87	98,869.63	98,869.63	98,202.80	98,202.80
CASH BALANCES, DECEMBER 31	\$ 22,491.64	\$ 23,946.28	\$ 17,351.87	\$ 17,391.64	\$ 99,569.63	\$ 99,482.31	\$ 99,202.80	\$ 98,869.63

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	E-911 RESERVE FUND				RECORDER USER FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 48,000.00	\$ 36,184.88	\$ 48,000.00	\$ 44,399.79	\$ 6,000.00	\$ 6,281.00	\$ 6,000.00	\$ 6,442.00
Interest	60.00	47.24	100.00	59.87	225.00	198.24	225.00	233.18
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	48,060.00	36,232.12	48,100.00	44,459.66	6,225.00	6,479.24	6,225.00	6,675.18
DISBURSEMENTS								
Office	-	-	-	-	2,000.00	990.00	2,000.00	1,210.00
Recording System	-	-	-	-	5,725.00	-	5,725.00	-
Binding	-	-	-	-	6,000.00	6,000.00	6,000.00	6,000.00
Archival System	-	-	-	-	4,500.00	-	4,500.00	2,375.00
Legal Fees and Dues	-	-	-	-	500.00	-	500.00	-
Services and Other	48,000.00	37,041.54	48,000.00	44,875.17	500.00	-	500.00	-
TOTAL DISBURSEMENTS	48,000.00	37,041.54	48,000.00	44,875.17	19,225.00	6,990.00	19,225.00	9,585.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	60.00	(809.42)	100.00	(415.51)	(13,000.00)	(510.76)	(13,000.00)	(2,909.82)
CASH BALANCES, JANUARY 1	9,861.44	9,861.44	10,276.95	10,276.95	30,290.51	30,290.51	33,200.33	33,200.33
CASH BALANCES, DECEMBER 31	<u>\$ 9,921.44</u>	<u>\$ 9,052.02</u>	<u>\$ 10,376.95</u>	<u>\$ 9,861.44</u>	<u>\$ 17,290.51</u>	<u>\$ 29,779.75</u>	<u>\$ 20,200.33</u>	<u>\$ 30,290.51</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER TECHNICAL FUND				COLLECTOR TAX FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 3,500.00	\$ 3,667.50	\$ 3,500.00	\$ 3,653.75	\$ 23,000.00	\$ 22,648.63	\$ 23,000.00	\$ 21,823.69
Interest	300.00	267.03	300.00	283.62	1,500.00	834.68	1,800.00	804.46
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,800.00	3,934.53	3,800.00	3,937.37	24,500.00	23,483.31	24,800.00	22,628.15
DISBURSEMENTS								
Recording System	12,500.00	5,475.50	9,225.00	879.00	-	-	-	-
Computer Maintenance	2,000.00	2,000.00	2,500.00	2,000.00	1,000.00	-	1,000.00	-
Equipment	-	-	-	-	10,000.00	-	8,000.00	-
Furniture	-	-	-	-	2,000.00	499.00	2,000.00	175.00
Dues	-	-	-	-	4,000.00	2,069.95	4,000.00	1,658.20
Computer Hardware and Software	2,500.00	-	-	-	3,000.00	-	2,500.00	-
Office	-	-	-	-	4,000.00	3,717.58	4,000.00	2,903.92
Mileage and Training	-	-	-	-	1,000.00	528.98	500.00	408.97
Professional Services	-	-	-	-	40,000.00	500.00	40,000.00	-
Capital Improvements	-	-	-	-	500.00	-	-	-
Other	500.00	-	500.00	-	1,000.00	-	1,000.00	-
Transfers Out	-	-	-	-	25,000.00	-	25,000.00	-
TOTAL DISBURSEMENTS	17,500.00	7,475.50	12,225.00	2,879.00	91,500.00	7,315.51	88,000.00	5,146.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,700.00)	(3,540.97)	(8,425.00)	1,058.37	(67,000.00)	16,167.80	(63,200.00)	17,482.06
CASH BALANCES, JANUARY 1	44,154.10	44,154.10	43,095.73	43,095.73	124,728.77	124,728.77	107,246.71	107,246.71
CASH BALANCES, DECEMBER 31	<u>\$ 30,454.10</u>	<u>\$ 40,613.13</u>	<u>\$ 34,670.73</u>	<u>\$ 44,154.10</u>	<u>\$ 57,728.77</u>	<u>\$ 140,896.57</u>	<u>\$ 44,046.71</u>	<u>\$ 124,728.77</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT GENERAL FUND				LAW ENFORCEMENT TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 800,000.00	\$ 841,027.95	\$ 775,000.00	\$ 794,822.03	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	495,650.00	458,525.75	253,325.00	453,279.96	4,341.89	3,627.89	3,200.00	3,375.51
Interest	2,100.00	1,416.35	2,300.00	2,223.36	75.00	39.48	75.00	45.19
Other	36,012.85	42,708.07	11,155.00	10,390.29	-	-	-	-
Transfers In	810,000.00	800,000.00	516,907.32	506,907.00	-	-	-	-
TOTAL RECEIPTS	<u>2,143,762.85</u>	<u>2,143,678.12</u>	<u>1,558,687.32</u>	<u>1,767,622.64</u>	<u>4,416.89</u>	<u>3,667.37</u>	<u>3,275.00</u>	<u>3,420.70</u>
DISBURSEMENTS								
Salaries	1,006,864.19	994,415.35	971,974.24	902,887.09	-	-	-	-
Fringe Benefits	476,949.31	418,255.71	408,782.00	359,765.11	-	-	-	-
Law Enforcement	863,244.86	812,105.70	617,219.00	675,031.94	-	-	-	-
Training	-	-	-	-	5,500.00	4,855.32	4,300.00	2,016.51
TOTAL DISBURSEMENTS	<u>2,347,058.36</u>	<u>2,224,776.76</u>	<u>1,997,975.24</u>	<u>1,937,684.14</u>	<u>5,500.00</u>	<u>4,855.32</u>	<u>4,300.00</u>	<u>2,016.51</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(203,295.51)	(81,098.64)	(439,287.92)	(170,061.50)	(1,083.11)	(1,187.95)	(1,025.00)	1,404.19
CASH BALANCES, JANUARY 1	<u>269,226.42</u>	<u>269,226.42</u>	<u>439,287.92</u>	<u>439,287.92</u>	<u>7,926.20</u>	<u>7,926.20</u>	<u>6,522.01</u>	<u>6,522.01</u>
CASH BALANCES, DECEMBER 31	<u>\$ 65,930.91</u>	<u>\$ 188,127.78</u>	<u>\$ -</u>	<u>\$ 269,226.42</u>	<u>\$ 6,843.09</u>	<u>\$ 6,738.25</u>	<u>\$ 5,497.01</u>	<u>\$ 7,926.20</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF CIVIL FUND				SHERIFF REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 20,000.00	\$ 16,735.00	\$ 20,000.00	\$ 18,694.61	\$ 18,000.00	\$ 2,212.25	\$ 18,000.00	\$ 31,751.75
Interest	500.00	206.65	500.00	234.32	350.00	251.71	350.00	260.68
Other	-	-	-	-	4,000.00	600.75	3,500.00	7,272.25
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,500.00	16,941.65	20,500.00	18,928.93	22,350.00	3,064.71	21,850.00	39,284.68
DISBURSEMENTS								
Equipment	25,000.00	16,672.00	40,000.00	24,923.41	-	-	-	-
TIF Payment	6,000.00	-	12,500.00	-	-	-	-	-
Office	1,200.00	-	1,200.00	-	-	-	-	-
Training	-	-	-	-	2,636.00	-	2,636.00	-
Supplies	-	-	-	-	16,000.00	13,038.73	16,000.00	15,201.00
CCW Fingerprinting	-	-	-	-	8,000.00	878.00	7,500.00	7,683.75
TOTAL DISBURSEMENTS	32,200.00	16,672.00	53,700.00	24,923.41	26,636.00	13,916.73	26,136.00	22,884.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,700.00)	269.65	(33,200.00)	(5,994.48)	(4,286.00)	(10,852.02)	(4,286.00)	16,399.93
CASH BALANCES, JANUARY 1	38,391.40	38,391.40	44,385.88	44,385.88	47,233.34	47,233.34	30,833.41	30,833.41
CASH BALANCES, DECEMBER 31	\$ 26,691.40	\$ 38,661.05	\$ 11,185.88	\$ 38,391.40	\$ 42,947.34	\$ 36,381.32	\$ 26,547.41	\$ 47,233.34

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 500.00	\$ 622.43	\$ 500.00	\$ 604.43	\$ -	\$ -	\$ -	\$ -
Interest	60.00	45.98	60.00	46.61	75.00	61.69	100.00	71.48
Other	-	-	-	-	200.00	-	260.00	98.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	560.00	668.41	560.00	651.04	275.00	61.69	360.00	169.48
DISBURSEMENTS								
Office	500.00	453.20	500.00	-	500.00	453.20	-	-
Computer Software	-	-	-	-	-	-	500.00	362.29
TOTAL DISBURSEMENTS	500.00	453.20	500.00	-	500.00	453.20	500.00	362.29
RECEIPTS OVER (UNDER) DISBURSEMENTS	60.00	215.21	60.00	651.04	(225.00)	(391.51)	(140.00)	(192.81)
CASH BALANCES, JANUARY 1	7,866.42	7,866.42	7,215.38	7,215.38	10,297.77	10,297.77	10,490.58	10,490.58
CASH BALANCES, DECEMBER 31	<u>\$ 7,926.42</u>	<u>\$ 8,081.63</u>	<u>\$ 7,275.38</u>	<u>\$ 7,866.42</u>	<u>\$ 10,072.77</u>	<u>\$ 9,906.26</u>	<u>\$ 10,350.58</u>	<u>\$ 10,297.77</u>

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	MULTI-CO. CHILD SUPPORT ENFORCEMENT FUND				JUVENILE JUSTICE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 115,902.00	\$ 118,748.12	\$ 124,752.00	\$ 101,741.97	\$ 66,300.00	\$ 59,487.92	\$ 62,928.00	\$ 53,721.85
Interest	90.00	111.86	90.00	80.79	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	115,992.00	118,859.98	124,842.00	101,822.76	66,300.00	59,487.92	62,928.00	53,721.85
DISBURSEMENTS								
Salaries	74,700.00	71,583.32	74,700.00	72,179.94	-	-	-	-
Fringe Benefits	31,096.00	29,662.76	28,702.00	24,475.66	-	-	-	-
Equipment	5,050.00	3,942.03	5,050.00	3,896.43	-	-	-	-
Mileage and Training	4,750.00	2,045.36	6,250.00	4,006.87	3,000.00	-	-	-
Operations	-	-	-	-	13,300.00	9,489.32	11,928.00	7,895.85
Permenancy Planning	-	-	-	-	50,000.00	49,998.60	50,000.00	45,826.00
Services and Other	10,000.00	-	-	-	-	-	1,000.00	-
Transfers Out	-	-	18,500.00	-	-	-	-	-
TOTAL DISBURSEMENTS	125,596.00	107,233.47	133,202.00	104,558.90	66,300.00	59,487.92	62,928.00	53,721.85
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,604.00)	11,626.51	(8,360.00)	(2,736.14)	-	-	-	-
CASH BALANCES, JANUARY 1	11,038.69	11,038.69	13,774.83	13,774.83	500.00	500.00	500.00	500.00
CASH BALANCES, DECEMBER 31	\$ 1,434.69	\$ 22,665.20	\$ 5,414.83	\$ 11,038.69	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	JUVENILE GRANT OPERATIONS FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 215,304.94	\$ 207,242.33	\$ 216,141.33	\$ 188,242.61
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	215,304.94	207,242.33	216,141.33	188,242.61
DISBURSEMENTS				
Salaries	165,444.28	158,096.38	168,102.23	147,171.76
Fringe Benefits	49,860.66	49,145.95	48,039.10	41,070.85
TOTAL DISBURSEMENTS	215,304.94	207,242.33	216,141.33	188,242.61
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH BALANCES, JANUARY 1	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	<u>Overplus Tax</u>	<u>Unclaimed Fees</u>	<u>CERF</u>	<u>Prosecuting Attorney</u>	<u>Unappropriated School</u>
ASSETS					
Cash and Cash Equivalents	\$ 257.13	\$ 15,733.41	\$ 1.23	\$ -	\$ 34,320.59
Total Assets	257.13	15,733.41	1.23	-	34,320.59
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>257.13</u>	<u>15,733.41</u>	<u>1.23</u>	<u>-</u>	<u>34,320.59</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 257.13</u>	<u>\$ 15,733.41</u>	<u>\$ 1.23</u>	<u>\$ -</u>	<u>\$ 34,320.59</u>
	<u>Milliken Cemetery</u>	<u>District Schools</u>	<u>NH District</u>	<u>Recorder</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	\$ 25,573.62	\$ -	\$ -	\$ 9,430.65	\$ 2,125,705.45
Total Assets	25,573.62	-	-	9,430.65	2,125,705.45
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>25,573.62</u>	<u>-</u>	<u>-</u>	<u>9,430.65</u>	<u>2,125,705.45</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,573.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,430.65</u>	<u>\$ 2,125,705.45</u>
	<u>Senate Bill 40</u>	<u>Sheriff Bonds</u>	<u>Sheriff Fees</u>	<u>Sheriff Inmate</u>	<u>Clerk Election</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 11,500.60	\$ 24,067.42	\$ 235.01
Total Assets	-	-	11,500.60	24,067.42	235.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>11,500.60</u>	<u>24,067.42</u>	<u>235.01</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,500.60</u>	<u>\$ 24,067.42</u>	<u>\$ 235.01</u>
	<u>Deputy Sheriff Supplemental</u>	<u>Total Agency Funds</u>			
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 2,246,825.11			
Total Assets	-	2,246,825.11			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>-</u>	<u>2,246,825.11</u>			
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,246,825.11</u>			

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

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

	<u>Overplus Tax</u>	<u>Unclaimed Fees</u>	<u>CERF</u>	<u>Prosecuting Attorney</u>	<u>Unappropriated School</u>
ASSETS					
Cash and Cash Equivalents	\$ 257.13	\$ 13,480.38	\$ 2.58	\$ -	\$ 32,568.24
Total Assets	257.13	13,480.38	2.58	-	32,568.24
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	257.13	13,480.38	2.58	-	32,568.24
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 257.13</u>	<u>\$ 13,480.38</u>	<u>\$ 2.58</u>	<u>\$ -</u>	<u>\$ 32,568.24</u>
ASSETS					
Cash and Cash Equivalents	\$ 23,623.84	\$ -	\$ -	\$ 8,090.95	\$ 11,631,502.01
Total Assets	23,623.84	-	-	8,090.95	11,631,502.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	23,623.84	-	-	8,090.95	11,631,502.01
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,623.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,090.95</u>	<u>\$ 11,631,502.01</u>
ASSETS					
Cash and Cash Equivalents	\$ 0.52	\$ -	\$ 25,764.77	\$ 40,246.72	\$ 455.05
Total Assets	0.52	-	25,764.77	40,246.72	455.05
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	0.52	-	25,764.77	40,246.72	455.05
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.52</u>	<u>\$ -</u>	<u>\$ 25,764.77</u>	<u>\$ 40,246.72</u>	<u>\$ 455.05</u>
ASSETS					
Cash and Cash Equivalents	\$ 540.00	\$ 11,776,532.19			
Total Assets	540.00	11,776,532.19			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	540.00	11,776,532.19			
UNRESERVED FUND BALANCES	-	-			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 540.00</u>	<u>\$ 11,776,532.19</u>			

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of the County of Adair, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity. The Adair County Senate Bill 40 Board has issued separate reporting entity financial statements. For more information of this component unit, please contact them at 660-627-6291 (or write to 1107 County Club Drive, Kirksville, MO 63501).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash 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:

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.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

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

C. Basis of Accounting

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

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

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

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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 ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation, was:

	2017	2016
Real Estate	\$ 193,772,060	\$ 190,528,420
Personal Property	66,162,461	63,955,789
Railroad and Utilities	30,563,956	29,347,562
	\$ 290,498,477	\$ 283,831,771

During 2017 and 2016, the County Commission approved a \$0.2766 and \$0.2764, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2017	2016
General Revenue Fund	\$ 0.0000	\$ 0.0000
Special Road and Bridge Fund	0.2766	0.2764
	\$ 0.2766	\$ 0.2764

F. Cash Deposits 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 a weighted average of 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.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. 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, 2017, and 2016, the carrying amount of the County's deposits was \$4,761,746.46 and \$4,974,430.59, the bank balance was \$13,621,847.51 and \$13,582,925.44, respectively. As of December 31, 2017, and 2016, 100% of the County’s cash and cash equivalents were guaranteed by the U. S. Government and securities set aside in the name of the County by the financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances -

Deposits	\$ 4,761,746.46
Total Governmental Funds	4,761,746.46

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	2,246,825.11
Total Agency Funds	2,246,825.11

Total Deposits as of December 31, 2017	\$ <u>7,008,571.57</u>
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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS (concluded)

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

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and Changes</u>	
<u>in Cash Balances -</u>	
Deposits	\$ <u>4,974,430.59</u>
Total Governmental Funds	4,974,430.59
<u>Statement of Assets and Liabilities Arising From Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>11,776,532.19</u>
Total Agency Funds	11,776,532.19
Total Deposits as of December 31, 2016	<u>\$ <u>16,750,962.78</u></u>

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 include custodial credit risk requirements. The County’s deposits were not exposed to custodial credit risk for the years ending December 31, 2017, and 2016.

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 have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does 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 a 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 deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2017, and 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT

During June of 2000, the County entered into a lease purchase agreement in the amount of \$1,900,000 for a term of 20 years with an interest rate of 6.245%. This was for the purpose of constructing a juvenile justice center. The annual lease payment was \$168,960.46. In June of 2011, the County amended the lease purchase agreement to obtain a lower interest rate of 3.900%. This amended lease purchase is for a term of nine years with an annual lease payment of \$151,084.84.

As of December 31, 2017, the unpaid principal balance of the lease purchase was \$420,057.35. The future payments for the lease purchase agreement of the juvenile justice center are as follows:

<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Interest</u> <u>Paid</u>
<u>\$549,703.74</u>	<u>\$ -</u>	<u>\$129,646.39</u>	<u>\$420,057.35</u>	<u>\$21,438.45</u>

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 134,702.60	\$ 16,382.24	\$ 151,084.84
2019	139,956.00	11,128.84	151,084.84
2020	<u>145,398.75</u>	<u>5,686.09</u>	<u>151,084.84</u>
	<u>\$ 420,057.35</u>	<u>\$ 33,197.17</u>	<u>\$ 453,254.52</u>

As of December 31, 2016, the unpaid principal balance of the lease purchase was \$549,703.74. The future payments for the lease purchase agreement of the juvenile justice center are as follows.

<u>Balance</u> <u>12/31/2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Interest</u> <u>Paid</u>
<u>\$674,414.36</u>	<u>\$ -</u>	<u>\$124,710.62</u>	<u>\$549,703.74</u>	<u>\$26,374.22</u>

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 129,646.39	\$ 21,438.45	\$ 151,084.84
2018	134,702.60	16,382.24	151,084.84
2019	139,956.00	11,128.84	151,084.84
2020	<u>145,398.75</u>	<u>5,686.09</u>	<u>151,084.84</u>
	<u>\$ 549,703.74</u>	<u>\$ 54,635.62</u>	<u>\$ 604,339.36</u>

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES

In June 2010, the County entered into an operating lease for the Public Defender's office. In August 2014, the County amended the lease agreement. This lease is effective from August 21, 2014, through May 31, 2020, with quarterly payments of \$2,920.07. During the 2017 and 2016 years, the County made payments totaling \$11,680.28 and \$11,680.28, respectively.

2017 Future Minimum Payments for Operating Leases:

Year Ending December 31	Amount
2018	\$ 11,680.28
2019	11,680.28
2020	<u>5,840.14</u>
	<u>\$ 29,200.70</u>

2016 Future Minimum Payments for Operating Leases:

Year Ending December 31	Amount
2017	\$ 11,680.28
2018	11,680.28
2019	11,680.28
2020	<u>5,840.14</u>
	<u>\$ 40,880.98</u>

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016 are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ -	\$ -	\$ 85,000.00
Assessment Fund	-	-	85,000.00	-
Law Enforcement Services Fund	-	800,000.00	-	506,907.00
Law Enforcement General Fund	<u>800,000.00</u>	<u>-</u>	<u>506,907.00</u>	<u>-</u>
TOTAL	<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 591,907.00</u>	<u>\$ 591,907.00</u>

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

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. 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 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, 2017, and 2016 were \$109,959.32 and \$94,269.17, respectively.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Adair County’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Adair 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 Sections 70.600-70.755 RSMo. 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.

	<u>2017 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	4.00%

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.

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	General	Police
Inactive employees or beneficiaries currently receiving benefits	53	11
Inactive employees entitled to but not yet receiving benefits	30	10
Active employees	56	11
	139	32

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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

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 4.0% of their gross pay to the pension plan. Employer contribution rates are 15.1% (General) and 18.4% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, 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 28, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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

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

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 206,759	\$ 49,022
2 Interest on Total Pension Liability	494,867	124,230
3 Changes of Benefit Terms	544,433	116,975
4 Difference between expected and actual experience of the Total Pension Liability	(109,278)	(79,683)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(257,350)	(69,865)
7 Net change in total pension liability	879,431	140,679
8 Total pension liability - beginning	6,850,607	1,723,757
9 Total pension liability - ending	\$ 7,730,038	\$ 1,864,436
 B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 238,585	\$ 61,502
2 Contributions - employee	-	-
3 Net investment income	817,936	204,517
4 Benefit payments, including refunds of employee contributions	(257,350)	(69,865)
5 Pension plan administrative expense	(11,462)	(2,107)
6 Other (net transfer)	32,586	(47,782)
7 Net change in plan fiduciary net position	820,295	146,265
8 Plan fiduciary net position - beginning	6,517,697	1,625,724
9 Plan fiduciary net position - ending	\$ 7,337,992	\$ 1,771,989
 C. Net Pension Liability / (Asset)	\$ 392,046	\$ 92,447
 D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.93%	95.04%
 E. Covered-Employee Payroll	\$ 1,922,480	\$ 403,206
 F. Net Pension Liability as a Percentage of Covered Employee Payroll	20.39%	22.93%

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. 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)	\$ 8,817,000	\$ 7,730,038	\$ 6,830,493
Plan Fiduciary Net Position	7,337,992	7,337,992	7,337,992
Net Pension Liability / (Asset) (NPL)	\$ 1,479,008	\$ 392,046	\$ (507,499)
Police Division:			
Total Pension Liability (TPL)	\$ 2,130,218	\$ 1,864,436	\$ 1,646,853
Plan Fiduciary Net Position	1,771,989	1,771,989	1,771,989
Net Pension Liability / (Asset) (NPL)	\$ 358,229	\$ 92,447	\$ (125,136)

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

For the year ended June 30, 2017, the employer recognized pension expense of \$908,287 for general and \$239,608 for 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	\$ 15,390	\$ (32,336)	\$ 9,870	\$ (28,371)
Changes in assumptions	76,965	-	9,221	-
Net difference between projected and actual earnings on pension plan investments	165,014	(69,064)	42,307	(17,745)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 257,369</u>	<u>\$ (101,400)</u>	<u>\$ 61,398</u>	<u>\$ (46,116)</u>

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (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, 2017.

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
2018	\$ 155,969	\$ 5,412
2019	157,159	349
2020	12,684	2,332
2021	(69,063)	(17,747)
2022	-	-
Thereafter	-	-
Total	<u>\$ 256,749</u>	<u>\$ (9,654)</u>

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 \$11,628.00 and \$9,044.00, respectively, for the years ended December 31, 2017, and 2016.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2017, and December 31, 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. 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 not appropriate 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.

XI. 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. 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 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.

XII. SUBSEQUENT EVENTS

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

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2017, and 2016.

INTERNAL CONTRAL AND COMPLIANCE SECTION



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

Independent Auditor's Report

To the County Commission
The County of Adair, 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 Adair ("County") Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 13, 2018.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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.

Daniel Jones & Associates

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

July 13, 2018

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2017, and December 31, 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2015, and December 31, 2014.



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

DRAFT

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

July 13, 2018

To the County Commissioners
The County of Adair, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Adair (the "County") as of and for the years ended December 31, 2017, and 2016, 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.

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.

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

I. Information Required by Professional Standards

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. 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 and *Government Auditing Standards*, 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 15, 2018. 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 2017 and 2016 fiscal years. 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 July 13, 2018.

I. 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.