



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Monroe 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, 2014, 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.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-082

AUDITED FINANCIAL STATEMENTS

MONROE COUNTY, MISSOURI

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

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

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July 10, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Monroe County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Monroe County, Missouri, which collectively comprise cash for each fund as of December 31, 2014 and 2013, and the related statements of cash receipts and disbursements—budget to 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 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 *Governmental 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.

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

As described in Note 1, the financial statements are prepared by Monroe 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

**MONROE COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014**

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 Monroe County, Missouri, as of December 31, 2014 and 2013, 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 fund of Monroe County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the year 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 July 10, 2015, on our consideration of Monroe 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 Monroe County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Monroe County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities 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
Columbia, MO

MONROE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	\$ 208,693	1,781,221	1,651,568	338,346	1,755,785	1,872,941	\$ 221,190
Special Road and Bridge	187,576	1,183,006	1,225,545	145,037	1,651,829	1,473,593	323,273
Assessment	7,577	132,026	139,550	53	141,305	133,440	7,918
Law Enforcement Training	283	2,685	1,825	1,143	2,354	2,422	1,075
Prosecuting Attorney Training	815	450	397	868	398	440	826
Mark Twain Reservoir	449,263	21,380	4,306	466,337	14,959	22,593	458,703
Recorder's	434	7,894	3,615	4,713	6,153	3,766	7,100
Pleasant View-Economic Development	8,330	15,141	12,792	10,679	5,231	12,899	3,011
Domestic Violence	389	440	389	440	381	440	381
Election Machine	10,272	1,766	1,394	10,644	16	539	10,121
Sheriff Civil Fees	28,367	15,179	21,721	21,825	12,297	17,154	16,968
Prosecuting Attorney Administrative Handling Cost	103	2,946	1,033	2,016	2,063	1,144	2,935
Election Services	7,781	1,753	1,901	7,633	2,250	1,895	7,988
Prosecuting Attorney Delinquent Sales Tax	3,226	5	7	3,224	5	5	3,224
Local Emergency Planning Council	436	2,407	2,843	-	5,448	2,654	2,794
Collector's Tax Maintenance	35,132	12,183	11,957	35,358	11,848	31,511	15,695
County Law Enforcement Restitution	48,089	18,357	35,461	30,985	17,232	27,811	20,406
DARE Donation	1,397	1,407	1,741	1,063	2,626	1,324	2,365
Prisoner Inmate Detainee	-	849	-	849	3,770	208	4,411
County Sheriff's Revolving	6,491	14,608	4,410	16,689	6,478	14,279	8,888
Senate Bill 40 Board	83,976	125,911	127,912	81,975	170,957	132,262	120,670
Totals	\$ 1,088,630	3,341,614	3,250,367	1,179,877	3,813,385	3,753,320	\$ 1,239,942

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 419,470	427,526	8,056	\$ 411,007	420,179	9,172
Sales taxes	515,000	549,369	34,369	478,000	523,711	45,711
Intergovernmental	50,220	53,577	3,357	64,060	50,556	(13,504)
Charges for services	466,422	455,301	(11,121)	452,170	523,159	70,989
Enhanced 911 fees	178,870	179,413	543	186,160	182,533	(3,627)
Interest income	500	739	239	500	655	155
Other	11,930	28,675	16,745	11,850	19,464	7,614
Operating transfers in	61,248	61,185	(63)	63,250	60,964	(2,286)
Total Receipts	\$ 1,703,660	1,755,785	52,125	\$ 1,666,997	1,781,221	114,224
DISBURSEMENTS						
General County Government-						
County Commission	\$ 117,840	115,932	(1,908)	\$ 116,320	115,725	(595)
County Clerk	130,740	127,272	(3,468)	123,726	117,437	(6,289)
Elections	71,400	58,141	(13,259)	31,115	13,589	(17,526)
Buildings and grounds	95,451	84,875	(10,576)	95,471	93,313	(2,158)
Employee fringe benefits	3,000	1,111	(1,889)	14,000	2,980	(11,020)
Treasurer	55,106	54,382	(724)	55,078	54,639	(439)
Collector	98,589	93,671	(4,918)	97,495	93,608	(3,887)
Recorder of Deeds	56,652	55,604	(1,048)	56,502	56,067	(435)
Circuit Clerk	19,950	15,075	(4,875)	17,750	16,095	(1,655)
Court Administrator	5,855	4,894	(961)	6,106	4,923	(1,183)
Public Administrator	33,500	32,711	(789)	33,270	32,755	(515)
Other	155,815	155,287	(528)	125,225	120,577	(4,648)
Public Safety-						
Sheriff	432,615	407,978	(24,637)	402,859	383,448	(19,411)
Jail	41,032	86,148	45,116	40,972	41,980	1,008
Prosecuting Attorney	101,488	101,549	61	101,047	100,673	(374)
Juvenile Officer	40,034	30,510	(9,524)	45,371	23,982	(21,389)
Coroner	24,291	23,559	(732)	24,375	24,660	285
Salaries - 911	214,112	212,053	(2,059)	207,852	210,564	2,712
Benefits - 911	77,124	69,425	(7,699)	83,590	65,671	(17,919)
Other - 911	67,352	75,800	8,448	52,300	58,879	6,579
Operating transfers out	76,705	66,964	(9,741)	25,003	20,003	(5,000)
Emergency Fund	51,036	-	(51,036)	49,980	-	(49,980)
Total Disbursements	\$ 1,969,687	1,872,941	(96,746)	\$ 1,805,407	1,651,568	(153,839)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (266,027)	(117,156)	148,871	\$ (138,410)	129,653	268,063
CASH, JANUARY 1	338,346	338,346	-	208,693	208,693	-
CASH, DECEMBER 31	\$ 72,319	221,190	148,871	\$ 70,283	338,346	268,063

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 252,000	251,984	(16)	\$ 253,000	251,243	(1,757)
Sales taxes	87,000	98,504	11,504	87,000	87,528	528
Intergovernmental	1,481,083	1,236,261	(244,822)	1,465,633	782,980	(682,653)
Interest income	300	483	183	600	423	(177)
Other	37,000	15,612	(21,388)	37,000	60,832	23,832
Operating transfers in	58,728	48,985	(9,743)	-	-	-
Total Receipts	\$ 1,916,111	1,651,829	(264,282)	\$ 1,843,233	1,183,006	(660,227)
DISBURSEMENTS						
Salaries	\$ 322,000	309,746	(12,254)	\$ 317,862	314,630	(3,232)
Employee fringe benefits	152,055	145,207	(6,848)	154,176	149,319	(4,857)
Supplies	149,700	141,726	(7,974)	153,050	152,561	(489)
Insurance	20,000	17,736	(2,264)	21,000	20,328	(672)
Road and bridge materials	268,500	203,399	(65,101)	265,000	241,162	(23,838)
Equipment repairs	50,000	26,343	(23,657)	45,000	60,773	15,773
Equipment purchases	40,000	7,500	(32,500)	60,000	58,606	(1,394)
Road and bridge construction	907,933	592,493	(315,440)	871,275	198,723	(672,552)
Debt service-emergency fund	57,486	-	(57,486)	55,297	-	(55,297)
Operating transfers out	44,443	29,443	(15,000)	44,443	29,443	(15,000)
Total Disbursements	\$ 2,012,117	1,473,593	(538,524)	\$ 1,987,103	1,225,545	(761,558)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,006)	178,236	274,242	\$ (143,870)	(42,539)	101,331
CASH, JANUARY 1	145,037	145,037	-	187,576	187,576	-
CASH, DECEMBER 31	\$ 49,031	323,273	274,242	\$ 43,706	145,037	101,331

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 129,892	129,746	(146)	\$ 127,135	129,165	2,030
Charges for services	1,500	2,330	830	1,600	1,602	2
Interest income	20	54	34	100	59	(41)
Operating transfers in	9,175	9,175	-	6,200	1,200	(5,000)
Total Receipts	\$ 140,587	141,305	718	\$ 135,035	132,026	(3,009)
DISBURSEMENTS						
Assessor	\$ 140,585	133,440	(7,145)	\$ 142,556	139,550	(3,006)
Total Disbursements	\$ 140,585	133,440	(7,145)	\$ 142,556	139,550	(3,006)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	7,865	7,863	\$ (7,521)	(7,524)	(3)
CASH, JANUARY 1	53	53	-	7,577	7,577	-
CASH, DECEMBER 31	\$ 55	7,918	7,863	\$ 56	53	(3)

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,890	1,683	(207)	\$ 1,890	1,755	(135)
Charges for services	850	670	(180)	850	930	80
Interest income	-	1	1	1	-	(1)
Total Receipts	\$ 2,740	2,354	(386)	\$ 2,741	2,685	(56)
DISBURSEMENTS						
Sheriff	\$ 3,290	2,422	(868)	\$ 3,000	1,825	(1,175)
Total Disbursements	\$ 3,290	2,422	(868)	\$ 3,000	1,825	(1,175)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (550)	(68)	482	\$ (259)	860	1,119
CASH, JANUARY 1	1,143	1,143	-	283	283	-
CASH, DECEMBER 31	\$ 593	1,075	482	\$ 24	1,143	1,119

Prosecuting Attorney Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 445	397	(48)	\$ 480	449	(31)
Interest income	1	1	-	2	1	(1)
Total Receipts	\$ 446	398	(48)	\$ 482	450	(32)
DISBURSEMENTS						
Prosecuting Attorney	\$ 500	440	(60)	\$ 500	397	(103)
Total Disbursements	\$ 500	440	(60)	\$ 500	397	(103)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (54)	(42)	12	\$ (18)	53	71
CASH, JANUARY 1	868	868	-	815	815	-
CASH, DECEMBER 31	\$ 814	826	12	\$ 797	868	71

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Mark Twain Reservoir Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 440,200	-	(440,200)	\$ -	-	-
Interest income	5,500	8,656	3,156	6,000	10,775	4,775
Other	4,000	-	(4,000)	-	4,302	4,302
Operating transfers in	21,303	6,303	(15,000)	21,303	6,303	(15,000)
Total Receipts	\$ 471,003	14,959	(456,044)	\$ 27,303	21,380	(5,923)
DISBURSEMENTS						
Road projects	\$ 567,700	22,593	(545,107)	\$ 15,000	4,306	(10,694)
Total Disbursements	\$ 567,700	22,593	(545,107)	\$ 15,000	4,306	(10,694)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,697)	(7,634)	89,063	\$ 12,303	17,074	4,771
CASH, JANUARY 1	366,337	466,337	100,000	449,263	449,263	-
CASH, DECEMBER 31	\$ 269,640	458,703	189,063	\$ 461,566	466,337	4,771

Recorder's Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	6,130	1,130	\$ 7,000	7,888	888
Interest income	5	23	18	-	6	6
Total Receipts	\$ 5,005	6,153	1,148	\$ 7,000	7,894	894
DISBURSEMENTS						
Recorder of Deeds	\$ 5,000	3,766	(1,234)	\$ 3,560	3,615	55
Total Disbursements	\$ 5,000	3,766	(1,234)	\$ 3,560	3,615	55
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	2,387	2,382	\$ 3,440	4,279	839
CASH, JANUARY 1	4,713	4,713	-	434	434	-
CASH, DECEMBER 31	\$ 4,718	7,100	2,382	\$ 3,874	4,713	839

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Pleasant View-Economic Development Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 5	5	-	\$ 15	14	(1)
Other	2,600	2,726	126	2,627	2,627	-
Operating transfers in	2,500	2,500	-	12,500	12,500	-
Total Receipts	\$ 5,105	5,231	126	\$ 15,142	15,141	(1)
DISBURSEMENTS						
Economic development	\$ 13,000	12,899	(101)	\$ 14,750	12,792	(1,958)
Total Disbursements	\$ 13,000	12,899	(101)	\$ 14,750	12,792	(1,958)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,895)	(7,668)	227	\$ 392	2,349	1,957
CASH, JANUARY 1	10,679	10,679	-	8,330	8,330	-
CASH, DECEMBER 31	\$ 2,784	3,011	227	\$ 8,722	10,679	1,957

Domestic Violence Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 400	381	(19)	\$ 350	440	90
Total Receipts	\$ 400	381	(19)	\$ 350	440	90
DISBURSEMENTS						
Payments to shelters	\$ 440	440	-	\$ 389	389	-
Total Disbursements	\$ 440	440	-	\$ 389	389	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (40)	(59)	(19)	\$ (39)	51	90
CASH, JANUARY 1	440	440	-	389	389	-
CASH, DECEMBER 31	\$ 400	381	(19)	\$ 350	440	90

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Election Machine Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 500	-	(500)	\$ 500	500	-
Interest income	5	16	11	15	16	1
Other	-	-	-	1,250	1,250	-
Total Receipts	\$ 505	16	(489)	\$ 1,765	1,766	1
DISBURSEMENTS						
Election machine expenses	\$ 1,500	539	(961)	\$ 4,314	1,394	(2,920)
Total Disbursements	\$ 1,500	539	(961)	\$ 4,314	1,394	(2,920)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (995)	(523)	472	\$ (2,549)	372	2,921
CASH, JANUARY 1	10,644	10,644	-	10,272	10,272	-
CASH, DECEMBER 31	\$ 9,649	10,121	472	\$ 7,723	10,644	2,921

Sheriff Civil Fees Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 2,613	2,625	12
Charges for services	12,500	12,202	(298)	14,000	12,423	(1,577)
Interest income	50	28	(22)	30	54	24
Other	-	67	67	12	77	65
Total Receipts	\$ 12,550	12,297	(253)	\$ 16,655	15,179	(1,476)
DISBURSEMENTS						
Equipment and other	\$ 21,100	17,154	(3,946)	\$ 32,450	21,721	(10,729)
Total Disbursements	\$ 21,100	17,154	(3,946)	\$ 32,450	21,721	(10,729)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,550)	(4,857)	3,693	\$ (15,795)	(6,542)	9,253
CASH, JANUARY 1	21,825	21,825	-	28,367	28,367	-
CASH, DECEMBER 31	\$ 13,275	16,968	3,693	\$ 12,572	21,825	9,253

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Administrative Handling Cost Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,250	2,053	(197)	\$ 1,500	2,943	1,443
Interest income	2	10	8	-	3	3
Total Receipts	\$ 2,252	2,063	(189)	\$ 1,500	2,946	1,446
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,500	1,144	(356)	\$ 1,500	1,033	(467)
Total Disbursements	\$ 1,500	1,144	(356)	\$ 1,500	1,033	(467)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 752	919	167	\$ -	1,913	1,913
CASH, JANUARY 1	2,016	2,016	-	103	103	-
CASH, DECEMBER 31	\$ 2,768	2,935	167	\$ 103	2,016	1,913

Election Services Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,500	2,239	739	\$ 500	1,515	1,015
Interest income	5	11	6	10	13	3
Other	-	-	-	500	225	(275)
Total Receipts	\$ 1,505	2,250	745	\$ 1,010	1,753	743
DISBURSEMENTS						
Election expenses	\$ 2,000	1,895	(105)	\$ 2,000	1,901	(99)
Total Disbursements	\$ 2,000	1,895	(105)	\$ 2,000	1,901	(99)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (495)	355	850	\$ (990)	(148)	842
CASH, JANUARY 1	7,633	7,633	-	7,781	7,781	-
CASH, DECEMBER 31	\$ 7,138	7,988	850	\$ 6,791	7,633	842

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Delinquent Sales Tax Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 5	5	-	\$ 5	5	-
Total Receipts	\$ 5	5	-	\$ 5	5	-
DISBURSEMENTS						
Prosecuting Attorney	\$ 5	5	-	\$ 1,007	7	(1,000)
Total Disbursements	\$ 5	5	-	\$ 1,007	7	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ (1,002)	(2)	1,000
CASH, JANUARY 1	3,224	3,224	-	3,226	3,226	-
CASH, DECEMBER 31	\$ 3,224	3,224	-	\$ 2,224	3,224	1,000

Local Emergency Planning Council Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,407	5,448	3,041	\$ 2,400	2,407	7
Other	-	-	-	5	-	(5)
Total Receipts	\$ 2,407	5,448	3,041	\$ 2,405	2,407	2
DISBURSEMENTS						
Equipment and other	\$ 2,407	2,654	247	\$ 2,836	2,843	7
Total Disbursements	\$ 2,407	2,654	247	\$ 2,836	2,843	7
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	2,794	2,794	\$ (431)	(436)	-
CASH, JANUARY 1	-	-	-	436	436	-
CASH, DECEMBER 31	\$ -	2,794	2,794	\$ -	-	-

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Collector's Tax Maintenance Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 11,350	11,688	338	\$ 11,200	12,019	819
Interest income	150	160	10	-	164	164
Total Receipts	\$ 11,500	11,848	348	\$ 11,200	12,183	983
DISBURSEMENTS						
Collector	\$ 37,320	25,711	(11,609)	\$ 22,320	6,157	(16,163)
Operating transfers out	-	5,800	5,800	-	5,800	5,800
Total Disbursements	\$ 37,320	31,511	(5,809)	\$ 22,320	11,957	(10,363)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (25,820)	(19,663)	6,157	\$ (11,120)	226	11,346
CASH, JANUARY 1	35,358	35,358	-	35,132	35,132	-
CASH, DECEMBER 31	\$ 9,538	15,695	6,157	\$ 24,012	35,358	11,346

County Law Enforcement Restitution Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 20,300	17,203	(3,097)	\$ 15,000	18,300	3,300
Interest income	50	29	(21)	50	57	7
Total Receipts	\$ 20,350	17,232	(3,118)	\$ 15,050	18,357	3,307
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ 12,000	7,156	(4,844)
Prosecuting Attorney	4,985	1,870	(3,115)	8,000	2,584	(5,416)
Operating transfers out	26,000	25,941	(59)	28,000	25,721	(2,279)
Total Disbursements	\$ 30,985	27,811	(3,174)	\$ 48,000	35,461	(12,539)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,635)	(10,579)	56	\$ (32,950)	(17,104)	15,846
CASH, JANUARY 1	30,985	30,985	-	48,089	48,089	-
CASH, DECEMBER 31	\$ 20,350	20,406	56	\$ 15,139	30,985	15,846

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

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

DARE Donation Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ -	6	6	\$ 5	7	2
Other	1,550	2,620	1,070	1,200	1,400	200
Operating transfers in	1,000	-	(1,000)	-	-	-
Total Receipts	\$ 2,550	2,626	76	\$ 1,205	1,407	202
DISBURSEMENTS						
Supplies and dues	\$ 1,740	1,324	(416)	\$ 2,040	1,741	(299)
Total Disbursements	\$ 1,740	1,324	(416)	\$ 2,040	1,741	(299)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 810	1,302	492	\$ (835)	(334)	501
CASH, JANUARY 1	1,063	1,063	-	1,397	1,397	-
CASH, DECEMBER 31	\$ 1,873	2,365	492	\$ 562	1,063	501

Prisoner Inmate Detainee Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 2	7	5	\$ -	-	-
Other	1,000	3,763	2,763	-	849	849
Total Receipts	\$ 1,002	3,770	2,768	\$ -	849	849
DISBURSEMENTS						
Prisoner inmate expenses	\$ 750	208	(542)	\$ -	-	-
Total Disbursements	\$ 750	208	(542)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 252	3,562	3,310	\$ -	849	849
CASH, JANUARY 1	849	849	-	-	-	-
CASH, DECEMBER 31	\$ 1,101	4,411	3,310	\$ -	849	849

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

County Sheriff's Revolving Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 14,600	6,414	(8,186)	\$ 6,000	14,564	8,564
Interest income	40	64	24	10	44	34
Total Receipts	\$ 14,640	6,478	(8,162)	\$ 6,010	14,608	8,598
DISBURSEMENTS						
Sheriff	\$ 15,860	14,279	(1,581)	\$ 7,602	4,410	(3,192)
Total Disbursements	\$ 15,860	14,279	(1,581)	\$ 7,602	4,410	(3,192)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,220)	(7,801)	(6,581)	\$ (1,592)	10,198	11,790
CASH, JANUARY 1	16,689	16,689	-	6,491	6,491	-
CASH, DECEMBER 31	\$ 15,469	8,888	(6,581)	\$ 4,899	16,689	11,790

Senate Bill 40 Board Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 114,991	110,458	(4,533)	\$ 113,864	110,107	(3,757)
Interest income	-	161	161	120	67	(53)
Other	15,000	60,338	45,338	50,000	15,737	(34,263)
Total Receipts	\$ 129,991	170,957	40,966	\$ 163,984	125,911	(38,073)
DISBURSEMENTS						
Nutrition Center	\$ 12,000	11,382	(618)	\$ 12,000	12,000	-
Salaries and taxes	7,356	6,913	(443)	7,356	7,020	(336)
Sheltered Workshop	54,995	54,995	-	52,495	52,495	-
Medicaid waiver match	20,000	20,000	-	20,000	20,000	-
Insurance	1,114	1,114	-	1,314	1,114	(200)
Learning Opportunities	23,833	23,833	-	19,633	19,633	-
Office expense	325	216	(109)	690	220	(470)
Targeted case management	13,809	13,809	-	50,557	15,430	(35,127)
Total Disbursements	\$ 133,432	132,262	(1,170)	\$ 164,045	127,912	(36,133)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,441)	38,695	42,136	\$ (61)	(2,001)	(1,940)
CASH, JANUARY 1	81,975	81,975	-	83,976	83,976	-
CASH, DECEMBER 31	\$ 78,534	120,670	42,136	\$ 83,915	81,975	(1,940)

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

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, 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, the Senate Bill 40 Board, or elected county officials.

The financial statements referred to above include the primary government of Monroe County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This would include the Senate Bill 40 Board.

1. 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/receipts and expenditures/disbursements. 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, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for 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.

1. 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.

1. D. BUDGETS 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's policy is to adopt a budget for each governmental fund.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to 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 will prepare its budget document and submit its budget to the County Commission also.
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. 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.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The County or the Senate Bill 40 Board did not have any funds that reflected a deficit budgeted cash balance.
5. 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, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission and the Senate Bill 40 Board for its budget document.
7. Subsequent to its formal approval of the budget, the County Commission and Senate Bill 40 Board have 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 or Senate Bill 40 Board. The County Commission amended budgets for various funds during the year ended December 31, 2014 and 2013.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Senate Bill 40 Board.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013. The Prisoner Inmate Detainee Fund was established late in 2013 so a budget was not created.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Recorder's Fund for the year ended December 31, 2013 and for the Local Emergency Planning Council Fund for the year ended December 31, 2014 and 2013.

1. E. 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 on 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.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. PROPERTY TAXES (CONTINUED)

The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	\$ 74,689,860	\$ 72,862,790
Personal Property	28,741,044	27,669,543
Railroad and Utilities	14,463,309	14,459,302
Total Assessed Valuation	\$ <u>117,894,213</u>	\$ <u>114,991,635</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.2850	\$ 0.2850
Special Road and Bridge Fund *	0.2983	0.2971
Senate Bill 40 Board Fund	0.1000	0.1000

* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

1. F. SALES TAXES AND USE TAX

The county has the following sales tax and use tax rates:

General sales tax-subject to rollback 50%	\$.00500
General sales tax	<u>.00500</u>
Total sales tax rate	\$ <u>.01000</u>
Use tax	\$.01000

1. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. 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.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

I. 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 "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund. Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

FUNDS:	Year Ended December 31, 2014	
	Transfers In	Transfers Out
General Revenue	\$ 61,185	\$ 66,964
Special Road and Bridge	48,985	29,443
Assessment	9,175	-
Mark Twain Reservoir	6,303	-
Pleasant View-Economic Development	2,500	-
Collector's Tax Maintenance	-	5,800
County Law Enforcement Restitution	-	25,941
Totals	\$ 128,148	\$ 128,148

FUNDS:	Year Ended December 31, 2013	
	Transfers In	Transfers out
General Revenue	\$ 60,964	\$ 20,003
Special Road and Bridge	-	29,443
Assessment	1,200	-
Mark Twain Reservoir	6,303	-
Pleasant View-Economic Development	12,500	-
Collector's Tax Maintenance	-	5,800
County Law Enforcement Restitution	-	25,721
Totals	\$ 80,967	\$ 80,967

1. 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 receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published financial statements included all applicable funds. The Senate Bill 40 Board also published its financial statements for the two years ended December 31, 2014.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

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 purchases 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 has adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

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, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the depository banks at December 31, 2014 and December 31, 2013 were covered by federal depository insurance and additional collateral securities held at the County's safekeeping bank agent in the County's name or by its agent in the County's name.

The Senate Bill 40 Board's deposits at December 31, 2014 and 2013 were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the board's custodial bank in the board's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Monroe County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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 credited service will be refunded accumulated plan contributions. As of December 31, 2014, Monroe County had 41 employees enrolled in LAGERS.

3) Funding Policy

Monroe County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2014 is 10.1% (general) and 10.6% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2014 and 2013, total payments to LAGERS were \$120,078 and \$137,906, respectively.

B. 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 elected 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.

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, employees could retire with full benefits at age 62 or reduced benefits at 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 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.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

As of December 31, 2014, Monroe County had 49 employees enrolled in CERF.

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 or toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to 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% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$19,691, and \$13,354, respectively, for the years then ended.

C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with 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 \$2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee that has completed twelve consecutive calendar months of service and accrues at different rates up to a maximum of 160 hours per year. All vacation earned in one year must be taken in its entirety each calendar year. Compensation for unused vacation is at the discretion of the County Commission. The County provides full-time employees from the first month of employment one day (8 hours) of sick leave time per month and may accumulate to a maximum of 60 days. Sick leave is not paid upon termination of employment unless an employee leaves after 15 years of service, where the employee receives \$25 a day for accrued sick leave. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND 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.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The County is 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.

NOTE 7. COOPERATIVE AGREEMENT AND CONTRACTS

- A. The County Commission entered into an annual cooperative agreement with the U.S. Army Corps of Engineers to provide law enforcement services for the Mark Twain Lake and Clarence Cannon Dam areas during the recreation season. The County received \$34,032 and \$31,015 for 2014 and 2013, respectively, for these services.
- B. The County Commission entered into an annual contract with the City of Madison to provide law enforcement services for the City. The County received \$12,000 for both 2014 and 2013, respectively.
- C. The County Commission entered into an agreement on January 27, 2014 for the purchase of voting machines, including hardware, software, training, and services. The total cost under the contract is \$71,820 with additional service fees of \$7,035 waived for 2014 and 2015. The agreement is for 48 months with four annual payments of \$18,000 plus fees for 2016 and 2017. At December 31, 2014, the County owed the following amounts:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 18,000
2016	18,000
2017	25,035
2018	25,035
Totals	<u>\$ 86,070</u>

- D. The County Commission entered into an agreement on June 23, 2014 with a company for software purchase for the Assessor and Collector. The agreement covers four years with annual payments starting in 2014 of \$27,595. The remaining amount on the agreement as of December 31, 2014 is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 27,595
2016	27,595
2017	27,595
Totals	<u>\$ 82,785</u>

SUPPLEMENTARY INFORMATION

MONROE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2014	2013
U. S. DEPARTMENT OF JUSTICE				
	Passed through state:			
	Department of Public Safety-			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	44-6000987	-	2,613
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-39	-	79,838
		BRO-40	377,853	38,887
		BRO-41	26,100	21,839
		BRO-42	181,913	31,165
GENERAL SERVICES ADMINISTRATION				
39.011	Passed through state:			
	Office of Secretary of State-			
	Election Reform Payments	N/A	885	819
ELECTION ASSISTANCE COMMISSION				
	Passed through state:			
	Office of Secretary of State-			
90.401	Help America Vote Act Requirements Payments	N/A	-	2,069
Total Expenditures of Federal Awards			\$ 586,751	\$ 177,230

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

MONROE COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Monroe County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule.

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

D. MATCHING REQUIREMENTS

Certain Federal programs require that the county contribute non-federal funds (matching funds) to support the federally-funded programs. The county has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

NOTE 2. SUBRECIPIENTS

The county provided no federal awards to subrecipients during the years ended December 31, 2014 and 2013.

COMPLIANCE SECTION

July 10, 2015

**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
Monroe County, MO

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 funds of Monroe County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Monroe County, Missouri's basic financial statements, and have issued our report thereon dated July 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe 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 Monroe County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2014-01 that we consider to be a significant deficiency.

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

However, we noted one immaterial instance of noncompliance and other matters we have reported to Monroe County, Missouri in the accompanying Summary of Findings and Responses as item 1.

Monroe County, Missouri's Responses to Findings

Monroe County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Monroe 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 them.

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, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities 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
Columbia, MO

July 10, 2015

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

To the County Commission
and Officeholders of
Monroe County, MO

Report on Compliance for Each Major Federal Program

We have audited Monroe County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Monroe County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Monroe County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Major Federal Program

In our opinion, Monroe County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2014 and 2013.

Report on Internal Control over Compliance

Management of Monroe County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Monroe County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on

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

the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Missouri's internal control over compliance.

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

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

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

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities 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
Columbia, MO

MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGERIALS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

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

Auditee qualified as a low-risk auditee? yes X no

MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

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

2014-01 County's Financial Statements per the County Budget Documents Not Properly Stated

Condition: The County's budget documents prepared and approved and submitted to the State Auditor's Office for the years ended December 31, 2014 and 2013 materially misclassified various classifications of receipts in many county funds. All revenues in all county funds were properly accounted for but misclassifications occurred as follows:

- A. Many funds showed several classifications of intergovernmental receipts on the budget documents when they should have been classified as Sales Tax, Property Tax, or Charges for Services. Several funds showed classifications of grants and fees under Other Revenues when they should have shown under the classification of Intergovernmental or Charges for Services.
- B. The Mark Twain Reservoir Fund on the budget document showed a \$100,000 certificate of deposit cashed in 2013 and 2014 as a receipt and expenditure within the fund thereby overstating receipts and disbursements. In addition, a budgeted amount for \$100,000 was also shown as an estimated receipt on the 2014 budget thereby causing the estimated ending cash balance at December 31, 2014 to be understated by the \$100,000.

In addition, the budget document for this fund did not include the interest income on the certificates of deposit held for both 2014 and 2013 and did not include the total of the certificates of deposit in the beginning and ending cash balances on the budget documents for both years. The cash balance presented only indicated what the actual cash balance was for the bank account.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within many county funds. For the audit report financial statements, the various misclassifications of receipts for all funds were corrected and properly stated for both 2014 and 2013. The cash and certificate of deposit balances were properly stated for the Mark Twain Reservoir Fund for both 2014 and 2013.

Recommendations:

- 1. The County Commission and County Clerk take more care in preparation of the budget document each year to ensure that the classifications of receipts within the county funds are properly stated.
- 2. The County should ensure budget documents contain all interest income and certificate of deposit balances for the Mark Twain Reservoir Fund as part of its beginning and ending cash balances and do not report a certificate of deposit being cashed as a receipt or disbursement within the fund.

**MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Response: The Monroe County Commission and the Monroe County Clerk will try to adhere to the recommendation of the auditor by taking more care in preparation of the budget to ensure that classifications of grants and fees within county funds are properly stated. We will continue to document all interest income and certificate of deposit balances for the Mark Twain Reservoir Fund and ensure that all budget documents reflect as such.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings reported concerning federal awards.

MONROE COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NONCOMPLIANCE OR OTHER MATTERS

1. Budgetary Procedures not in Compliance with State Law

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

- A. Total expenditures of the Recorder's Fund and the Local Emergency Planning Council Fund exceeded the total budgeted appropriations for the year ended December 31, 2013 by \$55 and \$7, respectively. The Local Emergency Planning Council Fund expenditures also exceeded the total budgeted appropriation by \$247 for the year ended December 31, 2014. No amended budgets were prepared for these funds by the County Commission.
- B. The County Commission and County Clerk did not include the long-term contracts for the purchase of election machines and accompanying services and the purchase of computer software in the section of the budget document for Long-Term Contracts and Leases for the year ended December 31, 2014. This section reports the beginning balances, additions, principal payments, and the ending balance for each type of long-term contract.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also requires the completion of a budget document that includes all information for the County for the ensuing year.

Cause: County officials did not prepare proper amended budgets and did not prepare a budget document in 2014 that would include all information pertaining to the County for the ensuing year.

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

Recommendation:

- 1. The County Commission and County Clerk keep total expenditures within the total appropriation for each fund for each year or prepare a budget amendment for any funds that will exceed the total budgeted appropriation.
- 2. The County Commission and County Clerk include any long-term agreements, contracts, or long-term debt in the applicable section of the budget document.

Response: In response to the overage expenditure of the Recorder's Special Fund in the year 2013, that specific office had technology difficulty which resulted in new equipment to operate that office.

In response to the expenditures of the Local Emergency Planning Committee, those funds are received by the county from the state every year, amount undetermined, which is then transferred to the regional Local Emergency Planning District. It is difficult to determine the total amount to transfer at the beginning of the budget year. These specific funds were sent to the county in excess of the budgeted amount at the end of the year 2014 that the county commission disbursed to the Local Emergency Planning District; however, unfortunately, this was not listed in the budget. We will continue to estimate how much in funds we suspect will be given to the county each year and document it as such.

MONROE COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

In response to amending a budget to reflect the \$7 and \$55 overage amount in the year 2013, the Monroe County Commission did not feel it was fiduciary responsible to incur fees in an amount in excess of the overage amounts reflected in order to amend the county budget.

The Monroe County Commission and the Monroe County Clerk have always made public the long-term services and contracts that are held within the county. However, we will try to adhere to the auditor's recommendation of supplying those amounts within the county budget. This will be reflected in the 2016 Monroe County budget.

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

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on the action taken by Monroe County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2012.

1. An auditor assisting with clients on the preparation of the financial statements is at least indicative of a significant deficiency.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility but more responsibility in the accurate preparation of the budgets should be made. See current finding 2014-01.

2. Inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: Implemented. An internal control policy document has been prepared by the County Clerk and Treasurer and approved by the county.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. Actual expenditures exceeded the budgeted expenditures for the year ended December 31, 2012 in the Recorder's Fund and the Pleasant View Economic Development Fund.

Status: Not implemented. Actual expenditures exceeded total budgeted expenditures in the Recorder's Fund for the year ended December 31, 2013 and in the Local Emergency Planning Council Fund for the year ended December 31, 2014 and 2013. See current finding 2014-02.

5. Not all applicable county funds were published in the newspaper as required by state law.

Status: Implemented.