



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Chariton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Chariton 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 year ended December 31, 2015, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

September 2016
Report No. 2016-074

**CHARITON COUNTY, MISSOURI
TABLE OF CONTENTS**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report.....	1 – 2
FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements, and Changes in Cash and Investments All Governmental Funds—Regulatory Basis For the Year ended December 31, 2015	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash and Investments—Budget and Actual—Regulatory Basis For the Year ended December 31, 2015	5 – 15
Notes to the Financial Statements	17 – 24
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 <i>Government Auditing Standards</i>	26 – 27
Follow-Up on Prior Audit Findings.....	28

August 12, 2016

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Chariton County, Missouri

Report on the Financial Statements

We have audited the accompanying special purpose regulatory modified cash basis financial statements of Chariton County, Missouri, which collectively comprise the statement of receipts, disbursements, and changes in cash and investments—all governmental funds as of December 31, 2015, and the related statements of receipts, disbursements, and changes in cash and investments—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 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.

CHARITON COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of each fund of Chariton County, Missouri as of December 31, 2015, 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 August 12, 2016, on our consideration of Chariton 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 Chariton County, Missouri's internal control over financial reporting and compliance.

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

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Fund	Cash and Investments January 1, 2015	Receipts	Disbursements	Cash and Investments December 31, 2015
General Revenue	\$ 3,874,978	1,959,386	1,452,818	\$ 4,381,546
Special Road and Bridge	245,220	861,841	740,892	366,169
Assessment	315,009	288,147	224,473	378,683
Law Enforcement Sales Tax	-	590,179	590,179	-
Election Services	21,781	3,990	1,538	24,233
Tax Maintenance	21,108	8,751	13,996	15,863
Deputy Sheriff Supplementation	2,329	33,543	33,444	2,428
Law Enforcement Training	1,328	1,488	2,591	225
Prosecuting Attorney Training	199	247	250	196
Prosecuting Attorney Tax Fee	173	-	-	173
Law Enforcement Restitution	16,276	895	8,127	9,044
Victims of Domestic Violence	169	240	250	159
Administrative Handling Cost	11,790	871	2,580	10,081
Recorder	6,707	12,668	4,492	14,883
Sheriff's	4,946	9,711	11,434	3,223
Local Emergency Planning Committee (LEPC)	4,094	6,903	4,456	6,541
Grant	9,888	171	10,058	1
Drainage District #3	8,579	709	-	9,288
Drainage District #4	104,829	18,882	24,026	99,685
Drainage District #6	3,455	334	-	3,789
Drainage District #7	1,989	816	-	2,805
Drainage District #8	89	2	-	91
Drainage District #17	131	2	-	133
Drainage District #18	18,861	889	-	19,750
Drainage District #19	8,274	92	1,821	6,545
Drainage District #20	47,220	2,885	12,550	37,555
Senate Bill 40 Board	362,917	202,041	126,412	438,546
Totals	\$ 5,092,339	4,005,683	3,266,387	\$ 5,831,635

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Revenue Fund		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 635,500	730,239	94,739
Sales and use taxes	450,000	492,646	42,646
Intergovernmental	111,500	108,075	(3,425)
Charges for services	426,800	495,263	68,463
Interest	53,000	60,475	7,475
Other	84,120	72,688	(11,432)
Transfers in	100	-	(100)
Total Receipts	\$ 1,761,020	1,959,386	198,366
DISBURSEMENTS			
General County Government-			
County Commission	\$ 92,920	88,574	(4,346)
County Clerk	131,762	118,975	(12,787)
Elections	129,030	118,328	(10,702)
Buildings and grounds	234,298	147,865	(86,433)
Employee fringe benefits	168,000	132,797	(35,203)
County Collector-Treasurer	91,653	84,815	(6,838)
Circuit Clerk and Ex Officio Recorder of Deeds	86,477	74,483	(11,994)
Court administration	33,880	26,991	(6,889)
Public Administrator	23,550	20,723	(2,827)
Other expenditures	191,250	177,012	(14,238)
Public Safety-			
Sheriff	158,950	91,841	(67,109)
Jail	148,500	138,697	(9,803)
Prosecuting Attorney	87,317	78,661	(8,656)
Juvenile Officer	23,490	14,725	(8,765)
County Coroner	30,330	23,185	(7,145)
Health and welfare	1,000	-	(1,000)
Transfers out	360,115	115,146	(244,969)
Emergency fund	53,000	-	(53,000)
Total Disbursements	\$ 2,045,522	1,452,818	(592,704)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (284,502)	506,568	791,070
CASH AND INVESTMENTS, JANUARY 1	3,874,978	3,874,978	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 3,590,476	4,381,546	791,070

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Special Road and Bridge Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 1,246,590	851,218	(395,372)
Interest	6,500	5,756	(744)
Other	19,000	4,867	(14,133)
Transfers in	131,250	-	(131,250)
Total Receipts	\$ 1,403,340	861,841	(541,499)
DISBURSEMENTS			
Salaries	\$ 123,614	95,916	(27,698)
Employee fringe benefits	49,250	39,376	(9,874)
Materials and supplies	10,550	4,616	(5,934)
Insurance	11,400	8,321	(3,079)
Equipment repairs	27,500	3,430	(24,070)
Equipment purchases	41,000	6,248	(34,752)
Road and bridge construction	664,200	555,229	(108,971)
Other road and bridge construction	721,000	27,756	(693,244)
Total Disbursements	\$ 1,648,514	740,892	(907,622)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (245,174)	120,949	366,123
CASH AND INVESTMENTS, JANUARY 1	245,220	245,220	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 46	366,169	366,123

Assessment Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 261,150	280,215	19,065
Interest	5,000	5,666	666
Other	1,550	2,266	716
Total Receipts	\$ 267,700	288,147	20,447
DISBURSEMENTS			
Salaries	\$ 131,856	121,855	(10,001)
Employee fringe benefits	44,105	43,793	(312)
Office supplies	5,000	1,815	(3,185)
Equipment	20,000	7,347	(12,653)
Mileage and training	7,500	2,932	(4,568)
GIS and computer support	47,500	39,608	(7,892)
Other Assessment	18,850	7,123	(11,727)
Total Disbursements	\$ 274,811	224,473	(50,338)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,111)	63,674	70,785
CASH AND INVESTMENTS, JANUARY 1	315,009	315,009	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 307,898	378,683	70,785

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Law Enforcement Sales Tax Fund			
	Final		Actual
	Budget	Actual	Over (Under)
			Budget
RECEIPTS			
Sales taxes	\$ 300,000	331,948	31,948
Intergovernmental	75,000	141,520	66,520
Interest	400	213	(187)
Other	100	651	551
Transfers in	229,565	115,847	(113,718)
Total Receipts	\$ 605,065	590,179	(14,886)
DISBURSEMENTS			
Salary - Sheriff and deputies	\$ 269,540	265,031	(4,509)
Salary - jailers and cooks	186,125	188,994	2,869
Employee fringe benefits	149,400	136,154	(13,246)
Total Disbursements	\$ 605,065	590,179	(14,886)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-
CASH AND INVESTMENTS, JANUARY 1	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	\$ -	-	-

Election Services Fund			
	Final		Actual
	Budget	Actual	Over (Under)
			Budget
RECEIPTS			
Intergovernmental	\$ 3,700	3,686	(14)
Interest	250	304	54
Total Receipts	\$ 3,950	3,990	40
DISBURSEMENTS			
Internet	\$ 700	689	(11)
Equipment	2,000	-	(2,000)
Dues and registration	400	325	(75)
Training	1,000	524	(476)
Total Disbursements	\$ 4,100	1,538	(2,562)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (150)	2,452	2,602
CASH AND INVESTMENTS, JANUARY 1	21,781	21,781	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 21,631	24,233	2,602

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Tax Maintenance Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 9,750	8,329	(1,421)
Interest	300	282	(18)
Other	145	140	(5)
Total Receipts	\$ 10,195	8,751	(1,444)
DISBURSEMENTS			
Office supplies	\$ 5,000	3,619	(1,381)
Internet	2,000	1,800	(200)
Microfilming	5,000	4,760	(240)
Equipment	3,000	2,163	(837)
Equipment repair	500	180	(320)
Dues and registration fees	1,000	675	(325)
Mileage, motel, and meals	1,500	659	(841)
Payment to collector	200	140	(60)
Total Disbursements	\$ 18,200	13,996	(4,204)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,005)	(5,245)	2,760
CASH AND INVESTMENTS, JANUARY 1	21,108	21,108	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 13,103	15,863	2,760

Deputy Sheriff Supplementation Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 43,714	28,086	(15,628)
Charges for services	3,000	2,502	(498)
Interest	50	24	(26)
Transfers in	3,200	2,931	(269)
Total Receipts	\$ 49,964	33,543	(16,421)
DISBURSEMENTS			
Salaries	\$ 40,199	27,109	(13,090)
Benefits	5,165	3,233	(1,932)
Payment to state	3,000	2,401	(599)
Transfers out	1,000	701	(299)
Total Disbursements	\$ 49,364	33,444	(15,920)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 600	99	(501)
CASH AND INVESTMENTS, JANUARY 1	2,329	2,329	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,929	2,428	(501)

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Law Enforcement Training Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 1,800	1,484	(316)
Interest	25	4	(21)
Total Receipts	\$ 1,825	1,488	(337)
DISBURSEMENTS			
Dues and registration fees	\$ 950	800	(150)
Mileage, motel, and meals	1,500	1,041	(459)
Continuing education	600	750	150
Total Disbursements	\$ 3,050	2,591	(459)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,225)	(1,103)	122
CASH AND INVESTMENTS, JANUARY 1	1,328	1,328	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 103	225	122

Prosecuting Attorney Training Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 300	247	(53)
Total Receipts	\$ 300	247	(53)
DISBURSEMENTS			
Dues and registration fees	\$ 150	100	(50)
Mileage, motel, and meals	150	150	-
Total Disbursements	\$ 300	250	(50)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(3)	(3)
CASH AND INVESTMENTS, JANUARY 1	199	199	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 199	196	(3)

Prosecuting Attorney Tax Fee Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ -	-	-
Total Receipts	\$ -	-	-
DISBURSEMENTS			
Materials and supplies	\$ -	-	-
Total Disbursements	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-
CASH AND INVESTMENTS, JANUARY 1	173	173	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 173	173	-

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Law Enforcement Restitution Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ 100	167	67
Other	5,000	728	(4,272)
Total Receipts	<u>\$ 5,100</u>	<u>895</u>	<u>(4,205)</u>
DISBURSEMENTS			
Tracker	\$ 3,600	3,063	(537)
Equipment	12,000	3,995	(8,005)
Training	2,500	1,069	(1,431)
Trial expenses	1,000	-	(1,000)
Total Disbursements	<u>\$ 19,100</u>	<u>8,127</u>	<u>(10,973)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,000)	(7,232)	6,768
CASH AND INVESTMENTS, JANUARY 1	16,276	16,276	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,276</u>	<u>9,044</u>	<u>6,768</u>

Victims of Domestic Violence Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 250	240	(10)
Interest	2	-	(2)
Total Receipts	<u>\$ 252</u>	<u>240</u>	<u>(12)</u>
DISBURSEMENTS			
Shelter	\$ 250	250	-
Total Disbursements	<u>\$ 250</u>	<u>250</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	(10)	(12)
CASH AND INVESTMENTS, JANUARY 1	169	169	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 171</u>	<u>159</u>	<u>(12)</u>

Administrative Handling Cost Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 2,140	730	(1,410)
Interest	200	141	(59)
Total Receipts	<u>\$ 2,340</u>	<u>871</u>	<u>(1,469)</u>
DISBURSEMENTS			
Dues and registration fees	\$ 1,000	474	(526)
Postage	400	358	(42)
Lawbooks	500	397	(103)
Computer support	2,000	1,251	(749)
Equipment purchase	500	-	(500)
Payment to state	300	100	(200)
Total Disbursements	<u>\$ 4,700</u>	<u>2,580</u>	<u>(2,120)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,360)	(1,709)	651
CASH AND INVESTMENTS, JANUARY 1	11,790	11,790	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,430</u>	<u>10,081</u>	<u>651</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Recorder Fund		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 13,600	12,492	(1,108)
Interest	100	176	76
Total Receipts	<u>\$ 13,700</u>	<u>12,668</u>	<u>(1,032)</u>
DISBURSEMENTS			
Maintenance agreements	\$ 10,000	4,249	(5,751)
Office supplies	750	195	(555)
Equipment	250	-	(250)
Technology/equipment	4,000	48	(3,952)
Total Disbursements	<u>\$ 15,000</u>	<u>4,492</u>	<u>(10,508)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,300)	8,176	9,476
CASH AND INVESTMENTS, JANUARY 1	6,707	6,707	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,407</u>	<u>14,883</u>	<u>9,476</u>

	Sheriff's Fund		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 6,000	4,850	(1,150)
Interest	100	41	(59)
Other	3,900	4,820	920
Total Receipts	<u>\$ 10,000</u>	<u>9,711</u>	<u>(289)</u>
DISBURSEMENTS			
Ammunition	\$ 750	474	(276)
Equipment	2,143	2,143	-
Dues and registration fees	2,000	1,965	(35)
Mileage, motel, and meals	1,200	1,196	(4)
Dare	2,726	2,725	(1)
Transfers out	3,200	2,931	(269)
Total Disbursements	<u>\$ 12,019</u>	<u>11,434</u>	<u>(585)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,019)	(1,723)	296
CASH AND INVESTMENTS, JANUARY 1	4,946	4,946	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,927</u>	<u>3,223</u>	<u>296</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Local Emergency Planning Committee (LEPC) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 3,500	6,828	3,328
Interest	100	75	(25)
Total Receipts	<u>\$ 3,600</u>	<u>6,903</u>	<u>3,303</u>
DISBURSEMENTS			
Salary	\$ 1,800	1,800	-
Office supplies	100	171	71
Postage	25	-	(25)
Publications/hazardous updates	100	39	(61)
Equipment purchase	2,000	2,331	331
Training	500	115	(385)
Total Disbursements	<u>\$ 4,525</u>	<u>4,456</u>	<u>(69)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (925)	2,447	3,372
CASH AND INVESTMENTS, JANUARY 1	4,094	4,094	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,169</u>	<u>6,541</u>	<u>3,372</u>

Grant Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 2,500	171	(2,329)
Total Receipts	<u>\$ 2,500</u>	<u>171</u>	<u>(2,329)</u>
DISBURSEMENTS			
Flood control lease program	\$ 12,388	10,058	(2,330)
Total Disbursements	<u>\$ 12,388</u>	<u>10,058</u>	<u>(2,330)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,888)	(9,887)	1
CASH AND INVESTMENTS, JANUARY 1	9,888	9,888	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>1</u>	<u>1</u>

Drainage District #3 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 585	588	3
Interest	100	121	21
Total Receipts	<u>\$ 685</u>	<u>709</u>	<u>24</u>
DISBURSEMENTS			
Material and supplies	\$ 50	-	(50)
Maintenance	4,000	-	(4,000)
Total Disbursements	<u>\$ 4,050</u>	<u>-</u>	<u>(4,050)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,365)	709	4,074
CASH AND INVESTMENTS, JANUARY 1	8,579	8,579	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,214</u>	<u>9,288</u>	<u>4,074</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Drainage District #4 Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 18,350	17,350	(1,000)
Interest	1,500	1,532	32
Total Receipts	\$ 19,850	18,882	(968)
DISBURSEMENTS			
Materials and supplies	\$ 200	-	(200)
Maintenance	70,000	24,026	(45,974)
Total Disbursements	\$ 70,200	24,026	(46,174)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (50,350)	(5,144)	45,206
CASH AND INVESTMENTS, JANUARY 1	104,829	104,829	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 54,479	99,685	45,206

Drainage District #6 Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 185	286	101
Interest	50	48	(2)
Total Receipts	\$ 235	334	99
DISBURSEMENTS			
Materials and supplies	\$ 50	-	(50)
Maintenance	1,000	-	(1,000)
Total Disbursements	\$ 1,050	-	(1,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (815)	334	1,149
CASH AND INVESTMENTS, JANUARY 1	3,455	3,455	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,640	3,789	1,149

Drainage District #7 Fund

	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 810	781	(29)
Interest	25	35	10
Total Receipts	\$ 835	816	(19)
DISBURSEMENTS			
Materials and supplies	\$ 50	-	(50)
Maintenance	2,000	-	(2,000)
Total Disbursements	\$ 2,050	-	(2,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,215)	816	2,031
CASH AND INVESTMENTS, JANUARY 1	1,989	1,989	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 774	2,805	2,031

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Drainage District #8 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ 1	2	1
Total Receipts	\$ 1	2	1
DISBURSEMENTS			
Materials and supplies	\$ -	-	-
Total Disbursements	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1	2	1
CASH AND INVESTMENTS, JANUARY 1	89	89	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 90	91	1

Drainage District #17 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ 2	2	-
Total Receipts	\$ 2	2	-
DISBURSEMENTS			
Materials and supplies	\$ -	-	-
Total Disbursements	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	2	-
CASH AND INVESTMENTS, JANUARY 1	131	131	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 133	133	-

Drainage District #18 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 640	633	(7)
Interest	250	256	6
Total Receipts	\$ 890	889	(1)
DISBURSEMENTS			
Materials and supplies	\$ 50	-	(50)
Maintenance	5,000	-	(5,000)
Total Disbursements	\$ 5,050	-	(5,050)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,160)	889	5,049
CASH AND INVESTMENTS, JANUARY 1	18,861	18,861	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 14,701	19,750	5,049

SEE NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH AND INVESTMENTS - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Drainage District #19 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ 150	92	(58)
Total Receipts	\$ 150	92	(58)
DISBURSEMENTS			
Maintenance	\$ 5,000	1,821	(3,179)
Total Disbursements	\$ 5,000	1,821	(3,179)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,850)	(1,729)	3,121
CASH AND INVESTMENTS, JANUARY 1	8,274	8,274	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 3,424	6,545	3,121

Drainage District #20 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 2,450	2,374	(76)
Interest	700	511	(189)
Total Receipts	\$ 3,150	2,885	(265)
DISBURSEMENTS			
Materials and supplies	\$ 50	-	(50)
Maintenance	12,550	12,550	-
Total Disbursements	\$ 12,600	12,550	(50)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,450)	(9,665)	(215)
CASH AND INVESTMENTS, JANUARY 1	47,220	47,220	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 37,770	37,555	(215)

Senate Bill 40 Board Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 203,278	200,388	(2,890)
Interest	2,500	1,653	(847)
Total Receipts	\$ 205,778	202,041	(3,737)
DISBURSEMENTS			
Contracted services	\$ 51,780	31,494	(20,286)
County workshop	118,500	94,893	(23,607)
Miscellaneous	20,575	25	(20,550)
Total Disbursements	\$ 190,855	126,412	(64,443)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 14,923	75,629	60,706
CASH AND INVESTMENTS, JANUARY 1	362,917	362,917	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 377,840	438,546	60,706

SEE NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Chariton County, Missouri is governed by a County Commission with three members under a township form of government. There are 15 townships within Chariton County with each having its own tax levies. In addition to the three County Commissioners, there are eight elected Officers: Assessor, Circuit Clerk and Ex Officio Recorder of Deeds, County Clerk, Collector-Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which 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 modified cash basis of accounting.

A. REPORTING ENTITY

The County's operations include property tax assessments and collections, state/county courts administration, recording of instruments, public safety, emergency planning, road and bridge construction and maintenance, health and welfare services, and election services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, and the Senate Bill 40 Board.

The financial statements referred to above include the primary government of Chariton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. This will also include the Senate Bill 40 Board Fund, but not the Chariton County Health Center or the 911 Board since these entities are considered separate legal entities not under the control of the County and are not considered component units of the County.

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 Collector-Treasurer, Public Administrator, and Sheriff may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

C. BASIS OF ACCOUNTING

The financial statements are prepared on the modified 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.

**CHARITON COUNTY, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

D. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. During January, the budget officer (County Clerk) and the administrative officer of the Senate Bill 40 Board submit a proposed operating budget for the ensuing calendar year to the County Commission or to the Senate Bill 40 Board.
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 modified 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 at the individual fund level budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. No funds had a deficit budgeted cash balance for 2015.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and Senate Bill 40 Board, the budget documents are available for public inspection.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission and the Senate Bill 40 Board.
7. Subsequent to the budget hearings, the budgets (as amended and approved) are adopted by the County Commission and the Senate Bill 40 Board. The County Commission amended budgets for the Drainage District #20 Fund and the Sheriff's Fund.
8. The approved budgets for the County and Senate Bill 40 Board are to be submitted to the County budget officer (County Clerk) and filed with the State Auditor's Office by January 31.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2015.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. No funds had expenditures in excess of the approved budgets for 2015.

E. SALES TAX AND USE TAX RATES

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

General sales tax	1/2%	\$ 0.00500
Law enforcement sales tax	1/2%	0.00500
Emergency sales tax-911	7/8%	<u>0.00875</u>
Total sales tax rate		\$ <u>0.01875</u>
Use tax rate		\$ <u>0.01875</u>

The emergency 911 sales tax goes directly to the Emergency 911 Board and does not pass through the County.

**CHARITON COUNTY, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

F. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as 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, including the townships and drainage districts.

The assessed valuation of the tangible property for the calendar year for purposes of local taxation was:

Real Estate	\$	64,658,160
Personal Property		37,568,270
Railroad and Utilities		<u>113,804,211</u>
Total Assessed Valuation	\$	<u>216,030,641</u>

The countywide levy per \$100 of the assessed valuation of tangible property for the calendar year for purposes of local taxation was:

General Revenue	\$	0.3150
Senate Bill 40 Board	\$	0.0900

Each township sets its own township levy and a special road and bridge levy.

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. Details of these cash balances are presented in Note 2.

**CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

H. INTERFUND ACTIVITY

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

Fund	Transfers In	Transfers Out
General Revenue	\$ -	\$ 115,146
Law Enforcement Sales Tax	115,847	-
Deputy Sheriff Supplementation	2,931	701
Sheriff's	-	2,931
Total	<u>\$ 118,778</u>	<u>\$ 118,778</u>

I. PUBLISHED FINANCIAL STATEMENTS

Under Sections 50.800 and 50.810, 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 year ended December 31, 2015, the published financial statements included all funds and the required information. The Senate Bill 40 Board also published its financial statements for the year ended December 31, 2015.

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. 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 and Investments" under each fund's caption.

The County had invested in a nonnegotiable certificate of deposit for the General Revenue Fund. This certificate of deposit matures August 17, 2016, earns interest at a rate of 1.28%, and had a balance of \$507,095 at December 31, 2015.

**CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

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

Deposits

Missouri statutes require 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, 2015, 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 and certificates of deposit at December 31, 2015, held at the respective depository banks were not exposed to custodial credit risk because they were entirely covered by federal depository insurance.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Chariton 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 pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by state statute, sections RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the express intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions. As of December 31, 2015, the County had 30 employees enrolled in LAGERS.

3) Funding Policy

The County's full-time employees are required to contribute 4% to the LAGERS pension plan. The County is required by state statute to contribute at an actuarially determined rate: the rate as of December 31, 2015, was 9.8% (general) and 5.2% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members.

**CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

4) Annual Pension Cost

For 2015, total payment to LAGERS was \$77,207.

B. County Employees' Retirement Fund

The County Employees' Retirement Fund (CERF) was established pursuant to SB 579, effective August 28, 1994, by the state of Missouri to provide a retirement benefit to eligible county employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840 RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under sections 57.949 to 57.997 RSMo, and certain personnel not defined as an employee per section 50.1000(8) RSMo. The 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's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two, or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions. As of December 31, 2015, the County had 36 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 toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Retirement Fund is partially funded through various fees collected and remitted to CERF. Depending on the hire date and LAGERS status, contribution rates can be 0%, 2%, 4%, or 6%. A county can choose to pay up to 4% for its employees. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2015, the County collected and remitted to CERF \$53,726.

**CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

C. PROSECUTING ATTORNEY RETIREMENT

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 Attorneys' Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,248 for the year ended December 31, 2015.

NOTE 4. POST-EMPLOYMENT BENEFITS

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

NOTE 5. COMMITMENTS AND CONTINGENCIES

1) Compensated Absences

Regular full-time employees who have completed 12 consecutive calendar months of service are eligible to receive vacation time as follows: 1 to 2 years, 1 week; 2 to 10 years, 2 weeks; over 10 years, 3 weeks. Employees may accumulate and carry forward vacation leave as follows: 1-10 years of continuous service, 20 days; and, over 10 years of continuous service, 30 days. Upon termination of employment, an employee with more than one year of service will receive equivalent cash reimbursement for all unused accrued vacation leave.

Regular full-time employees earn one full day of sick leave for each complete calendar month of employment. Sick leave may accrue to a maximum of 30 days. Upon termination of employment, no payment will be made for unused days.

2) Federal and State Assisted Programs

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 any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

3) Litigation

At December 31, 2015, the County is not involved in any litigation.

4) Long-term Debt

At December 31, 2015, the County does not have any long-term debt.

NOTE 6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters; and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance.

**CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 6. RISK MANAGEMENT (CONTINUED)

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 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.

COMPLIANCE SECTION

August 12, 2016

**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
Chariton County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the county funds of Chariton County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Chariton County, Missouri's basic financial statements, and have issued our report thereon dated August 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chariton 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 Chariton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Chariton 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. 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.

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

Purpose of this Report

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

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

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**CHARITON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Chariton County, Missouri, on the applicable finding in the prior audit report issued for the two years ended December 31, 2014.

Accounting for Transfers

Condition: The financial statements of the county as represented in the annual budget document do not present the proper amount of budgeted and actual transfers between the various county funds and, therefore, total transfers in did not agree with total transfers out for the years ended December 31, 2014, and 2013. Budgeted and actual amounts for transfers in each year are not properly reconciled to total budgeted and actual amounts transferred out.

Our review noted that small payments made from the Unclaimed Fees Fund to the General Revenue Fund each year, a payment to the Unclaimed Fees Fund for \$270 from the General Revenue Fund in 2013 and a payment for \$750 to a special bank account from the General Revenue Fund were recorded as transfers in and out when these were not actually transfers. A large transfer of \$3,843 from the General Revenue Fund to the Election Services Fund in 2014 was not shown as a transfer in to the Election Services Fund but was included within another receipt classification.

Status: Implemented.