



**NICOLE GALLOWAY, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Benton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Benton 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, 2015, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA  
State Auditor

September 2016  
Report No. 2016-085

ANNUAL FINANCIAL REPORT

**BENTON COUNTY, MISSOURI**

For the Years Ended  
December 31, 2015 and 2014

# BENTON COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

BENTON COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Michelle McLerran Kreisler

Northern Commissioner – Jim Hansen

Southern Commissioner – Steve Daleske

*Other Elected Officials*

Assessor – Rodger Reedy

Circuit Clerk – Cheryl Schultz

Collector – Donna Hart

County Clerk – Susan Porterfield

Coroner – J. Weston Miller

Prosecuting Attorney – Karen Woodley

Public Administrator – Lori Dunkin

Recorder – Beverly Burnett

Sheriff – Rick Fajen

Surveyor – Jesse Wininger

Treasurer – Rick Renno

## **FINANCIAL SECTION**

## McBRIDE, LOCK & ASSOCIATES, LLC

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Benton County, Missouri

We have audited the accompanying financial statements of Benton County, Missouri as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles 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 fraud or error.

#### **Auditor's Responsibility**

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

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

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

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

As described in Note 1, the financial statements are prepared by Benton County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 Benton County, Missouri, as of December 31, 2015 and 2014, or the changes in its financial position for the years then ended.

### **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 Benton County, Missouri, as of December 31, 2015 and 2014, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated August 11, 2016, on our consideration of Benton 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 the 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 the County’s internal control over financial reporting and compliance.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 11, 2016



BENTON COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2015

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2014	2014	2014	December 31, 2014	2015	2015	December 31, 2015
General Revenue	\$ 301,205	\$ 2,368,918	\$ 2,444,690	\$ 225,433	\$ 2,390,728	\$ 2,509,650	\$ 106,511
Special Road & Bridge	929,017	1,788,133	1,536,307	1,180,843	1,433,111	1,917,027	696,927
Assessment	191,393	333,123	320,907	203,609	358,853	298,076	264,386
Capital Improvement	1,223,623	964,002	971,179	1,216,446	956,307	891,359	1,281,394
E-911	201,108	707,975	681,341	227,742	738,737	757,762	208,717
Adult Abuse	2,185	5,094	4,450	2,829	7,046	6,429	3,446
Law Enforcement	6,384	3,160	2,883	6,661	3,026	2,616	7,071
Prosecuting Attorney Training	564	793	765	592	770	610	752
Prosecuting Attorney Bad Check	25,676	12,550	5,234	32,992	6,745	2,867	36,870
Recorder User	14,892	16,128	28,350	2,670	16,616	10,989	8,297
Sheriff Civil	47,760	29,500	40,643	36,617	26,512	24,804	38,325
D.A.R.E	199	1,201	1,130	270	2,004	1,750	524
Sheriff Revolving	28,393	23,764	25,548	26,609	35,146	14,911	46,844
Sheriff Inmate Security	386	16,313	3,780	12,919	23,036	11,289	24,666
Election Service	3,324	707	1,218	2,813	343	1,641	1,515
Help America Vote Act	-	4,512	4,512	-	4,534	4,534	-
General Investment	322,814	118,012	-	440,826	1,659	-	442,485
CART Investment	51,032	569,227	568,584	51,675	586,425	588,033	50,067
Tax Maintenance	26,075	32,098	34,401	23,772	31,230	17,667	37,335
Administrative Handling Cost	-	1	-	1	-	-	1
Senior Citizen's Services Tax Board	59,647	137,861	135,535	61,973	116,205	141,172	37,006
Total	<u>\$ 3,435,677</u>	<u>\$ 7,133,072</u>	<u>\$ 6,811,457</u>	<u>\$ 3,757,292</u>	<u>\$ 6,739,033</u>	<u>\$ 7,203,186</u>	<u>\$ 3,293,139</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2014		2015	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 405,000	\$ 345,048	\$ 405,300	\$ 355,625
Sales taxes	1,038,000	1,019,542	1,054,500	1,045,144
Intergovernmental	416,435	387,367	390,359	378,748
Charges for services	439,385	422,653	433,444	436,539
Interest	1,100	1,340	1,400	1,166
Other	73,000	71,687	86,625	71,329
Transfers in	156,500	121,281	115,738	102,177
Total Receipts	<u>\$ 2,529,420</u>	<u>\$ 2,368,918</u>	<u>\$ 2,487,366</u>	<u>\$ 2,390,728</u>
DISBURSEMENTS				
County Commission	\$ 93,408	\$ 91,292	\$ 96,514	\$ 93,930
County Clerk	77,749	75,844	68,627	66,747
Elections	88,060	80,638	53,098	48,499
Buildings and grounds	55,982	59,042	60,660	57,666
Employee fringe benefits	272,800	261,955	269,350	274,965
Treasurer	44,781	45,113	46,889	46,906
Collector	144,999	131,973	147,015	136,236
Recorder of Deeds	70,127	70,229	72,406	72,053
Circuit Clerk	39,900	27,460	36,100	18,131
Court administration	12,062	6,714	18,534	5,860
Public Administrator	49,856	50,266	53,773	55,016
Sheriff	757,378	717,176	750,762	723,958
Jail	336,797	339,335	374,120	403,903
Prosecuting Attorney	251,872	247,049	251,315	250,704
Juvenile Officer	45,799	45,211	49,792	43,819
Coroner	42,803	39,024	44,217	49,931
Emergency Management	39,812	38,571	38,178	32,687
University Extension	31,000	29,418	38,580	38,310
Other County Government	91,670	63,960	90,629	64,434
Transfers out	-	24,420	-	25,895
Emergency fund	75,883	-	74,553	-
Total Disbursements	<u>\$ 2,622,738</u>	<u>\$ 2,444,690</u>	<u>\$ 2,635,112</u>	<u>\$ 2,509,650</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (93,318)	\$ (75,772)	\$ (147,746)	\$ (118,922)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>301,205</u>	<u>301,205</u>	<u>225,433</u>	<u>225,433</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 207,887</u></u>	<u><u>\$ 225,433</u></u>	<u><u>\$ 77,687</u></u>	<u><u>\$ 106,511</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 486,750	\$ 477,318	\$ 600,600	\$ 498,981	\$ -	\$ -	\$ -	\$ -
Sales taxes	114,900	144,720	135,500	155,237	-	-	-	-
Intergovernmental	253,510	143,078	436,210	168,127	311,704	302,660	320,798	324,368
Charges for services	-	-	-	-	820	802	1,875	1,836
Interest	2,800	3,478	3,500	3,495	1,000	888	1,250	1,167
Other	424,800	450,955	195,400	19,238	47,374	4,353	50,849	5,587
Transfers in	568,783	568,584	570,100	588,033	-	24,420	-	25,895
Total Receipts	<u>\$ 1,851,543</u>	<u>\$ 1,788,133</u>	<u>\$ 1,941,310</u>	<u>\$ 1,433,111</u>	<u>\$ 360,898</u>	<u>\$ 333,123</u>	<u>\$ 374,772</u>	<u>\$ 358,853</u>
DISBURSEMENTS								
Salaries	\$ 435,000	\$ 423,279	\$ 435,000	\$ 443,439	\$ 222,378	\$ 226,623	\$ 230,276	\$ 219,731
Employee fringe benefits	120,150	107,071	125,900	118,898	55,389	49,060	56,092	46,733
Materials and supplies	299,000	253,962	267,000	145,642	19,100	17,586	24,600	12,230
Services and other	313,000	344,354	256,800	485,956	27,400	17,180	16,200	9,018
Capital outlay	164,000	78,816	262,500	195,961	14,025	10,458	25,225	10,364
Construction	424,000	291,392	741,500	479,864	-	-	-	-
Transfers out	79,810	37,433	81,000	47,267	-	-	-	-
Total Disbursements	<u>\$ 1,834,960</u>	<u>\$ 1,536,307</u>	<u>\$ 2,169,700</u>	<u>\$ 1,917,027</u>	<u>\$ 338,292</u>	<u>\$ 320,907</u>	<u>\$ 352,393</u>	<u>\$ 298,076</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 16,583	\$ 251,826	\$ (228,390)	\$ (483,916)	\$ 22,606	\$ 12,216	\$ 22,379	\$ 60,777
CASH AND CASH								
EQUIVALENTS, JANUARY 1	<u>929,017</u>	<u>929,017</u>	<u>1,180,843</u>	<u>1,180,843</u>	<u>191,393</u>	<u>191,393</u>	<u>203,609</u>	<u>203,609</u>
CASH AND EQUIVALENTS,								
DECEMBER 31	<u>\$ 945,600</u>	<u>\$ 1,180,843</u>	<u>\$ 952,453</u>	<u>\$ 696,927</u>	<u>\$ 213,999</u>	<u>\$ 203,609</u>	<u>\$ 225,988</u>	<u>\$ 264,386</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				E-911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	917,336	917,208	944,721	935,575	687,650	687,649	687,649	701,690
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	500	275	500	-
Interest	4,016	4,011	5,075	5,175	3,700	683	2,000	897
Other	62,874	40,309	37,935	13,061	19,370	19,368	36,151	36,150
Transfers in	-	2,474	-	2,496	-	-	-	-
Total Receipts	<u>\$ 984,226</u>	<u>\$ 964,002</u>	<u>\$ 987,731</u>	<u>\$ 956,307</u>	<u>\$ 711,220</u>	<u>\$ 707,975</u>	<u>\$ 726,300</u>	<u>\$ 738,737</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 411,881	\$ 412,097	\$ 404,703	\$ 427,691
Employee fringe benefits	-	-	-	-	92,950	91,379	101,700	89,255
Materials and supplies	9,000	1,818	7,000	2,342	9,000	7,715	4,000	7,454
Services and other	790,400	706,691	874,355	562,581	158,263	135,964	201,538	137,799
Capital outlay	303,749	254,864	359,145	315,988	37,000	34,186	39,900	95,563
Construction	-	-	-	-	-	-	-	-
Transfers out	-	7,806	-	10,448	-	-	-	-
Total Disbursements	<u>\$ 1,103,149</u>	<u>\$ 971,179</u>	<u>\$ 1,240,500</u>	<u>\$ 891,359</u>	<u>\$ 709,094</u>	<u>\$ 681,341</u>	<u>\$ 751,841</u>	<u>\$ 757,762</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (118,923)	\$ (7,177)	\$ (252,769)	\$ 64,948	\$ 2,126	\$ 26,634	\$ (25,541)	\$ (19,025)
CASH AND CASH								
EQUIVALENTS, JANUARY 1	<u>1,223,623</u>	<u>1,223,623</u>	<u>1,216,446</u>	<u>1,216,446</u>	<u>201,108</u>	<u>201,108</u>	<u>227,742</u>	<u>227,742</u>
CASH AND CASH								
EQUIVALENTS, DECEMBER 31	<u>\$ 1,104,700</u>	<u>\$ 1,216,446</u>	<u>\$ 963,677</u>	<u>\$ 1,281,394</u>	<u>\$ 203,234</u>	<u>\$ 227,742</u>	<u>\$ 202,201</u>	<u>\$ 208,717</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADULT ABUSE FUND				LAW ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	5,350	5,090	7,700	7,038	3,700	3,160	3,700	3,026
Interest	5	4	7	8	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,355</u>	<u>\$ 5,094</u>	<u>\$ 7,707</u>	<u>\$ 7,046</u>	<u>\$ 3,700</u>	<u>\$ 3,160</u>	<u>\$ 3,700</u>	<u>\$ 3,026</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,700	4,450	6,500	6,429	5,373	2,883	5,373	2,616
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,700</u>	<u>\$ 4,450</u>	<u>\$ 6,500</u>	<u>\$ 6,429</u>	<u>\$ 5,373</u>	<u>\$ 2,883</u>	<u>\$ 5,373</u>	<u>\$ 2,616</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 655	\$ 644	\$ 1,207	\$ 617	\$ (1,673)	\$ 277	\$ (1,673)	\$ 410
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,185</u>	<u>2,185</u>	<u>2,829</u>	<u>2,829</u>	<u>6,384</u>	<u>6,384</u>	<u>6,661</u>	<u>6,661</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,840</u>	<u>\$ 2,829</u>	<u>\$ 4,036</u>	<u>\$ 3,446</u>	<u>\$ 4,711</u>	<u>\$ 6,661</u>	<u>\$ 4,988</u>	<u>\$ 7,071</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	800	793	850	770	12,500	12,448	6,000	6,609
Interest	-	-	-	-	110	102	150	136
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 800</u>	<u>\$ 793</u>	<u>\$ 850</u>	<u>\$ 770</u>	<u>\$ 12,610</u>	<u>\$ 12,550</u>	<u>\$ 6,150</u>	<u>\$ 6,745</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,300	\$ 600	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	800	765	800	610	6,000	3,934	5,300	2,867
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 800</u>	<u>\$ 765</u>	<u>\$ 800</u>	<u>\$ 610</u>	<u>\$ 7,500</u>	<u>\$ 5,234</u>	<u>\$ 5,900</u>	<u>\$ 2,867</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 28	\$ 50	\$ 160	\$ 5,110	\$ 7,316	\$ 250	\$ 3,878
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>564</u>	<u>564</u>	<u>592</u>	<u>592</u>	<u>25,676</u>	<u>25,676</u>	<u>32,992</u>	<u>32,992</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 564</u>	<u>\$ 592</u>	<u>\$ 642</u>	<u>\$ 752</u>	<u>\$ 30,786</u>	<u>\$ 32,992</u>	<u>\$ 33,242</u>	<u>\$ 36,870</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FUND				SHERIFF CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	17,200	16,091	17,200	16,600	-	-	-	-
Charges for services	-	-	-	-	32,000	29,500	32,000	26,512
Interest	70	37	40	16	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 17,270</u>	<u>\$ 16,128</u>	<u>\$ 17,240</u>	<u>\$ 16,616</u>	<u>\$ 32,000</u>	<u>\$ 29,500</u>	<u>\$ 32,000</u>	<u>\$ 26,512</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	100	79	90	103	-	-	-	-
Services and other	15,130	13,459	16,375	10,886	-	31	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	14,000	14,812	-	-	43,500	40,612	24,804	24,804
Total Disbursements	<u>\$ 29,230</u>	<u>\$ 28,350</u>	<u>\$ 16,465</u>	<u>\$ 10,989</u>	<u>\$ 43,500</u>	<u>\$ 40,643</u>	<u>\$ 24,804</u>	<u>\$ 24,804</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (11,960)	\$ (12,222)	\$ 775	\$ 5,627	\$ (11,500)	\$ (11,143)	\$ 7,196	\$ 1,708
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>14,892</u>	<u>14,892</u>	<u>2,670</u>	<u>2,670</u>	<u>47,760</u>	<u>47,760</u>	<u>36,617</u>	<u>36,617</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,932</u>	<u>\$ 2,670</u>	<u>\$ 3,445</u>	<u>\$ 8,297</u>	<u>\$ 36,260</u>	<u>\$ 36,617</u>	<u>\$ 43,813</u>	<u>\$ 38,325</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	D.A.R.E FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	30,500	23,664	32,100	34,994
Charges for services	-	-	-	-	-	-	-	-
Interest	12	1	5	4	101	100	150	152
Other	2,000	1,200	2,000	2,000	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,012</u>	<u>\$ 1,201</u>	<u>\$ 2,005</u>	<u>\$ 2,004</u>	<u>\$ 30,601</u>	<u>\$ 23,764</u>	<u>\$ 32,250</u>	<u>\$ 35,146</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,000	1,130	2,000	1,750	5,000	1,853	-	-
Services and other	-	-	-	-	15,500	11,695	16,500	9,911
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	12,000	12,000	5,000	5,000
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,130</u>	<u>\$ 2,000</u>	<u>\$ 1,750</u>	<u>\$ 32,500</u>	<u>\$ 25,548</u>	<u>\$ 21,500</u>	<u>\$ 14,911</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 12	\$ 71	\$ 5	\$ 254	\$ (1,899)	\$ (1,784)	\$ 10,750	\$ 20,235
CASH AND CASH								
EQUIVALENTS, JANUARY 1	<u>199</u>	<u>199</u>	<u>270</u>	<u>270</u>	<u>28,393</u>	<u>28,393</u>	<u>26,609</u>	<u>26,609</u>
CASH AND CASH								
EQUIVALENTS, DECEMBER 31	<u>\$ 211</u>	<u>\$ 270</u>	<u>\$ 275</u>	<u>\$ 524</u>	<u>\$ 26,494</u>	<u>\$ 26,609</u>	<u>\$ 37,359</u>	<u>\$ 46,844</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF INMATE SECURITY FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	707	1,300	343
Charges for services	16,300	16,296	16,000	22,963	-	-	-	-
Interest	50	17	75	73	-	-	-	-
Other	-	-	4,500	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 16,350</u>	<u>\$ 16,313</u>	<u>\$ 20,575</u>	<u>\$ 23,036</u>	<u>\$ 1,500</u>	<u>\$ 707</u>	<u>\$ 1,300</u>	<u>\$ 343</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,500	3,780	26,020	11,289	1,500	1,218	2,000	1,641
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,500</u>	<u>\$ 3,780</u>	<u>\$ 26,020</u>	<u>\$ 11,289</u>	<u>\$ 1,500</u>	<u>\$ 1,218</u>	<u>\$ 2,000</u>	<u>\$ 1,641</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 11,850	\$ 12,533	\$ (5,445)	\$ 11,747	\$ -	\$ (511)	\$ (700)	\$ (1,298)
CASH AND CASH								
EQUIVALENTS, JANUARY 1	<u>386</u>	<u>386</u>	<u>12,919</u>	<u>12,919</u>	<u>3,324</u>	<u>3,324</u>	<u>2,813</u>	<u>2,813</u>
CASH AND CASH								
EQUIVALENTS, DECEMBER 31	<u>\$ 12,236</u>	<u>\$ 12,919</u>	<u>\$ 7,474</u>	<u>\$ 24,666</u>	<u>\$ 3,324</u>	<u>\$ 2,813</u>	<u>\$ 2,113</u>	<u>\$ 1,515</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HELP AMERICA VOTE ACT FUND				GENERAL INVESTMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,000	4,512	9,969	4,534	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	1,424	1,500	1,659
Other	-	-	-	-	116,588	116,588	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,000</u>	<u>\$ 4,512</u>	<u>\$ 9,969</u>	<u>\$ 4,534</u>	<u>\$ 118,088</u>	<u>\$ 118,012</u>	<u>\$ 1,500</u>	<u>\$ 1,659</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	8,000	4,512	9,969	4,534	15,000	-	15,000	-
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 4,512</u>	<u>\$ 9,969</u>	<u>\$ 4,534</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 103,088	\$ 118,012	\$ (13,500)	\$ 1,659
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,814</u>	<u>322,814</u>	<u>440,826</u>	<u>440,826</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,902</u>	<u>\$ 440,826</u>	<u>\$ 427,326</u>	<u>\$ 442,485</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CART INVESTMENT FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	551,980	568,197	551,980	585,215	-	-	-	-
Charges for services	-	-	-	-	32,500	32,002	32,000	31,124
Interest	820	1,030	1,050	1,210	63	96	85	106
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 552,800</u>	<u>\$ 569,227</u>	<u>\$ 553,030</u>	<u>\$ 586,425</u>	<u>\$ 32,563</u>	<u>\$ 32,098</u>	<u>\$ 32,085</u>	<u>\$ 31,230</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,000	440	2,000	1,218
Services and other	-	-	-	-	36,800	27,381	21,900	3,829
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	552,800	568,584	570,100	588,033	-	6,580	10,000	12,620
Total Disbursements	<u>\$ 552,800</u>	<u>\$ 568,584</u>	<u>\$ 570,100</u>	<u>\$ 588,033</u>	<u>\$ 41,800</u>	<u>\$ 34,401</u>	<u>\$ 33,900</u>	<u>\$ 17,667</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ -	\$ 643	\$ (17,070)	\$ (1,608)	\$ (9,237)	\$ (2,303)	\$ (1,815)	\$ 13,563
<b>CASH AND CASH</b>								
<b>EQUIVALENTS, JANUARY 1</b>	<u>51,032</u>	<u>51,032</u>	<u>51,675</u>	<u>51,675</u>	<u>26,075</u>	<u>26,075</u>	<u>23,772</u>	<u>23,772</u>
<b>CASH AND CASH</b>								
<b>EQUIVALENTS, DECEMBER 31</b>	<u>\$ 51,032</u>	<u>\$ 51,675</u>	<u>\$ 34,605</u>	<u>\$ 50,067</u>	<u>\$ 16,838</u>	<u>\$ 23,772</u>	<u>\$ 21,957</u>	<u>\$ 37,335</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING COST FUND				SENIOR CITIZEN'S SERVICES TAX BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 122,550	\$ 121,658	\$ 122,550	\$ 115,818
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000	-	500	-	-	-	-	-
Interest	50	1	10	-	450	452	450	387
Other	-	-	-	-	-	15,751	500	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,050</u>	<u>\$ 1</u>	<u>\$ 510</u>	<u>\$ -</u>	<u>\$ 123,000</u>	<u>\$ 137,861</u>	<u>\$ 123,500</u>	<u>\$ 116,205</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	50	10	50	28
Services and other	1,000	-	-	-	126,571	135,525	133,837	141,144
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,621</u>	<u>\$ 135,535</u>	<u>\$ 133,887</u>	<u>\$ 141,172</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 50	\$ 1	\$ 510	\$ -	\$ (3,621)	\$ 2,326	\$ (10,387)	\$ (24,967)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>59,647</u>	<u>59,647</u>	<u>61,973</u>	<u>61,973</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ 511</u>	<u>\$ 1</u>	<u>\$ 56,026</u>	<u>\$ 61,973</u>	<u>\$ 51,586</u>	<u>\$ 37,006</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Benton County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector, County Clerk, Coroner, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, Surveyor and Treasurer.

As discussed further in Note 1, 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.

A. Reporting Entity

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

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

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk, Recorder and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

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.

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.

#### 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.
2. On or before the second Monday in January, each elected officer and 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.
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. 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.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is 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.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2015</u>	<u>2014</u>
E-911	✓	N/A
CART Investment	✓	✓
Senior Citizen's Services Tax Board	✓	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2015 and 2014, for purposes of taxation were:

	2015	2014
Real Estate	\$ 180,550,860	\$ 179,530,770
Personal Property	57,270,235	53,861,676
Railroad and Utilities	14,295,828	13,675,358
Total	<u>\$ 252,116,923</u>	<u>\$ 247,067,804</u>

For calendar years 2015 and 2014, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2015	2014
General Revenue	\$ 0.1350	\$ 0.1400
Special Road & Bridge	0.2074	0.2075
Senior Citizen's Services Tax Board	0.0500	0.0500

#### F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents 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 these balances 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. 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 and cash equivalents balances are presented in Note 2.

#### G. 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. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

## 2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents include both deposits and short-term investments with maturities less than 90 days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2015 and 2014, the carrying amounts of the County's deposits were \$3,293,139 and \$3,757,292, respectively, and the bank balances were \$3,785,595 and \$4,143,580, respectively. Of the bank balances, \$394,526 and \$417,072 at December 31, 2015 and December 31, 2014, respectively, were covered by federal depository insurance. The remainder of the balances at December 31, 2015 and December 31, 2014 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2015 and 2014, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$7,295,686 and \$7,068,187 at December 31, 2015 and 2014, respectively. The County Collector's deposits were covered by federal depository insurance of \$350,162 and \$250,000 as of December 31, 2015 and 2014, respectively. The remainder of the balances at December 31, 2015 and December 31, 2014 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

### A. County Employee's Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

#### 1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during 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

Beginning in January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. 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). A 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. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employee's 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.

## 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2015 and 2014 the County collected and remitted to CERF employee contributions of \$181,102 and \$165,578 respectively, for the years then ended.

## 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.

## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full-time employees with up to 40 days of sick time, to accrue at three-fourths day per complete calendar month of employment. Upon termination, employees are compensated for 25% to 50% of accrued sick time depending on the length of employment.

Vacation time is accrued for every full-time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. However, employees may only carry over ten vacation days from one year to the next. Any days accrued in excess of ten days will be forfeited at the end of the year. Employees are not compensated for unused vacation time at termination.

#### B. 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 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.

### 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 omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

### 7. LEASES

The County had the following leases outstanding at December 31, 2015:

- A. On February 26, 2014, the County entered into a \$110,820, seven year lease for a 2014 John Deere 672G Motorgrader for Road District #2. The lease is to be paid in annual payments of \$18,162, which include interest of 3.50%, with the final payment scheduled on February 27, 2021.

- B. On September 2, 2014, the County entered into a \$351,320, seven year lease/purchase for 911 communication equipment, 4 year maintenance agreement and security upgrades for the office. The lease/purchase is to be paid in annual payments of \$55,100, which includes interest of 2.39%, with the final payment scheduled on September 24, 2021.
- C. On October 14, 2014, the County entered into a \$108,850, five year capital lease for a 2014 John Deere 410K Backhoe Loader for Road District #2. The lease is to be paid in annual payments of \$21,435, after an initial payment on January 14, 2015 of \$10,833, which includes interest of 3.00%, with the final payment scheduled on October 14, 2019.
- D. On December 17, 2014, the County entered into a \$113,020, two year capital lease for a 2015 John Deere 524K Loader for Road District #1. The lease is to be paid in two annual payments of \$7,386, which includes interest of 2.89%, and a final payment of \$105,000 scheduled on January 1, 2017.
- E. On May 27, 2015, the County entered into a \$138,239, seven year capital lease for a 2016 Peterbilt 567 for Road District #1. The lease is to be paid in annual payments of \$21,882, which includes interest of 2.633%, with the final payment scheduled on May 27, 2022.

## 8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 11, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

## **COMPLIANCE SECTION**

**McBRIDE, LOCK & ASSOCIATES, LLC**

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

To the County Commission and  
Officeholders of Benton County, Missouri

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Benton County, Missouri as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Benton County, Missouri's basic financial statements and have issued our report thereon dated August 11, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Benton 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Benton 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 County'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 recommendations that we consider to be a significant deficiency as item 1.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Benton 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2.

We also noted two other matters that we reported to management of Benton County, Missouri in the accompanying schedule of findings and recommendations section as items 3 and 4.

## **Benton County, Missouri's Response to Findings**

Benton County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Benton 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 it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 11, 2016

## **FINDINGS AND RECOMMENDATIONS**

BENTON COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

**1. Treasurer's Account Bank Reconciliation**

Condition: At both December 31, 2015 and December 31, 2014, the Treasurer's Annual Settlement did not agree to the respective reconciled bank account balances for the Treasurer's main checking account. At December 31, 2015, the Treasurer's Annual Settlement had a stated cash balance of \$3,456,727, however, the bank reconciliation for December 31, 2015 showed a reconciled bank balance of \$2,863,119, a difference of \$593,608. The County Treasurer explained that the 2015 variance was caused by an error in the software used to reconcile the accounts that was causing the amount of some of the outstanding checks to be misstated. No attempt was made by the Treasurer to manually perform the reconciliation with the correct amounts. At December 31, 2014, the Treasurer's Annual Settlement had a stated cash balance of \$3,897,254, however, the bank reconciliation for December 31, 2014 showed a reconciled bank balance of \$3,901,957, a difference of \$4,703.

Recommendation: We recommend that the Treasurer implement the necessary procedures to ensure that the bank balances reconcile to the book balance of the County's funds when performing the bank reconciliations on a monthly basis.

County's Response: The discrepancy that was cited in December of 2015 was caused due to a glitch in the accounting program that is used by the Treasurer's office and the County Clerk's office. The program administrator was contacted and was unable to correct the issue with the reconciliation portion and recommended waiting to see if the program would correct itself the following month. This recommendation was followed and in January of 2016 it appeared that the problem had corrected itself. This program is still in place and is used monthly to reconcile the County's checking account.

Auditor's Response: December 2015 was not the only month in which the reconciliations were out of balance. In order to ensure the accountability of taxpayer funds, the reconciliations should be in balance each month.

**ITEMS OF NONCOMPLIANCE**

**2. Budgetary Controls**

Condition: Actual expenditures exceeded budgeted expenditures for the CART Investment Fund in 2014 and 2015, for the E-911 Fund in 2015 and for the Senior Citizen's Services Tax Board Fund in 2014 and 2015. RSMo 50.740 prohibits expenditures in excess of the approved budgets.



Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget and ensure funds are available to finance the expenditure.

County's Response: The County endeavors to, and will continue to adhere as strictly to the budget as possible, and do any and all budget amendments in a timely fashion.

Auditor's Response: The response is appropriate to correct the concern.

## **OTHER MATTERS**

### **3. Accounting for Transfers**

Condition: The financial statements of the County as presented in the annual budget documents present transfers between funds. The recorded transfers out did not equal the recorded transfers in for either 2015 or 2014. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. The transfers recorded as revenues were misclassified as intergovernmental revenue in each year. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2015 and 2014.

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified on the budget.

County's Response: The County will endeavor to more clearly identify transfers as recommended.

Auditor's Evaluation: The response is appropriate to correct the concern.

### **4. Lack of Investment Policy**

Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment in public funds, and other areas, and thus such a policy would be beneficial and also required for the County. RSMo Section 110.270, 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. Additionally, RSMo Section 30.950 requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the investment policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through

repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy that complies with the requirements of state statutes.

County's Response: The County may endeavor to adopt an investment policy that complies with state statute requirement RSMo 110.270, if funds become available not needed for current operations.

Auditor's Response: As the investment policy addresses topics such as collateralization, it should be adopted whether or not the County has excess funds to invest.

BENTON 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 action taken by Benton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011 and 2010.

1. The County Treasurer's Annual Settlement did not agree to the reconciled bank account balance at the end of 2011 and 2010.

*Status:* Not resolved. See Finding No. 1.

2. The County Collector's reconciled bank account balance and the cash-on-hand balance reported in the tax collection software system did not agree at the end of 2011 and 2010.

*Status:* Resolved.

3. The County Treasurer's and Collector's bank accounts yielded significantly lower interest rates than the negotiated 2.54% rate for years 2008, 2009, 2010 and 2011.

*Status:* Resolved.

4. The County approved expenditures in excess of budgeted amounts for several funds in 2011 and 2010.

*Status:* Not Resolved. See Finding No. 2.

5. The transfers reported in both 2011 and 2010 did not balance, in that transfers to other funds were not in agreement with transfers from other funds.

*Status:* Not resolved. See Finding No. 3.