



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Putnam County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Putnam 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 Lisa C Wright, LLC, Certified Public Accountant, is attached.

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

Nicole R. Galloway, CPA
State Auditor

September 2016
Report No. 2016-101

Putnam County, Missouri
December 31, 2015
Financial Statements

Prepared by:
Lisa C. Wright, CPA, LLC
Certified Public Accountant
Columbia, MO

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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Putnam County
Unionville, Missouri

I have audited the accompanying financial statements of Putnam County, Missouri as of December 31, 2015 for the year then ended, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government 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, which practice differs from accounting principles generally accepted in the United States of America. 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

My responsibility is to express an opinion on these financial statements based upon my audit. I conducted my audit 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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

As described in Note 1, the financial statements are prepared by Putnam County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. The effects of 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 my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County, as of and for year ended December 31, 2015 or changes in the financial position for the year ended then.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investments balances of each fund of the County, as of the year ended December 31, 2015, and their respective cash receipts and disbursements and the budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Other Matters

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Putnam County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 13, 2016, on my consideration of the County's internal control over financial reporting and on my 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 my 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 the County's internal control over financial reporting and compliance.

Lisa C. Wynn, CPA, LLC
Columbia, MO
July 13, 2016



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Putnam 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			Cash and Investments December 31, 2015
	January 1, 2015	Receipts	Disbursements	
General Revenue Fund	\$ 612,375	\$ 1,071,389	\$ 987,974	\$ 695,790
Special Road and Bridge Fund	262,900	1,964,096	2,179,859	\$ 47,137
Assessment Fund	18,947	124,986	120,396	23,537
Law Enforcement Fund	37,926	317,382	277,916	77,392
K-9 Fund	1,477	2	379	1,100
Juvenile Restitution Fund	2,514	55	-	2,569
LEPC Fund	5,319	2,222	931	6,610
911 Fund	34,650	286,735	224,089	97,296
Election Services Fund	2,536	382	-	2,918
Tax Maintenance Fund	14,859	9,836	9,030	15,665
Senior Citizens Fund	27,464	35,987	43,651	19,800
Sheriff Revolving Fund	2,299	8,731	2,303	8,727
Law Enforcement Restitution Fund	1,040	4,650	2,400	3,290
Police Training Fund	1,267	730	687	1,310
Prosecuting Attorney Training Fund	3,170	189	-	3,359
Victims of Domestic Violence Fund	75	180	180	75
Record Preservation Fund	14,140	2,436	4,890	11,686
Technology Fund	11,972	1,451	-	13,423
Prosecuting Attorney Bad Check Fund	10,871	3,488	979	13,380
Sherriff Civil Fees Fund	13,159	1,814	200	14,773
Deputy Supplemental Salary Fund	80	1,774	1,467	387
Total	\$ 1,079,040	\$ 3,838,515	\$ 3,857,331	\$ 1,060,224

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments-Budget and Actual - General Revenue Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ 380,000	\$ 457,550	\$ 77,550
Taxes-Property	295,000	295,142	142
Intergovernmental Revenue	32,000	39,076	7,076
Charges for Services	222,075	182,475	(39,600)
Interest Income	250	638	388
Other	55,890	96,508	40,618
Total Receipts	985,215	1,071,389	86,174
Disbursements			
County Commission	77,205	76,734	(471)
County Clerk	109,023	105,360	(3,663)
Elections	57,800	48,956	(8,844)
Buildings and Grounds	212,179	125,283	(86,896)
Employee Fringe Benefits	24,722	22,856	(1,866)
County Treasurer	100,210	91,566	(8,644)
Recorder of Deeds	54,550	47,953	(6,597)
Circuit Clerk	20,400	11,204	(9,196)
Court Administration	8,246	3,523	(4,723)
Public Administrator	20,310	19,908	(402)
Prosecuting Attorney	89,513	85,663	(3,850)
Juvenile Officer	28,617	9,656	(18,961)
County Coroner	10,900	10,227	(673)
Emergency Fund	30,051	-	(30,051)
Miscellaneous/Gas Expense/Audit	19,000	10,196	(8,804)
Dues & Memberships	3,402	3,750	348
Publications/Plat Maps & Plat Books	5,500	2,639	(2,861)
Attorney Fees	20,000	5,791	(14,209)
PA Retirement	2,244	2,244	-
PC Extension	31,000	31,000	-
PC Soil	3,000	3,000	-
Senior Center	2,000	2,000	-
GHCAA/Ministerial Alliance	1,500	1,500	-
Autopsy	4,725	1,575	(3,150)
Assessor	12,877	12,877	-
Financial Institution Tax	-	3	3
Hospital Sales Tax	190,000	228,774	38,774
Bond Expense	1,000	406	(594)
Private Rail Car Tax	10,700	10,491	(209)
Elevator Phone	350	375	25
TIF Expense	1,000	432	(568)
Hospital Local Use Tax	9,000	11,893	2,893
Court Reporter	1,080	139	(941)
Total Disbursements	1,162,104	987,974	(174,130)
Excess (Deficiency) of Receipts Over Disbursements	(176,889)	83,415	260,304
Cash and Investments-January 1	612,375	612,375	-
Transfers In	16,500	-	(16,500)
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 451,986	\$ 695,790	\$ 243,804

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and Investments-
Budget and Actual - Special Road and Bridge Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ 100,715	\$ 100,715	\$ -
Taxes-Property	45,201	45,201	-
Intergovernmental Revenue	1,754,693	1,754,692	(1)
Charges for Services	-	-	-
Interest Income	225	225	-
Other	63,003	63,263	260
Total Receipts	1,963,837	1,964,096	259
Disbursements			
Annual Salaries for employees	\$ 94,900	94,900	-
Employee Fringe Benefits	7,260	7,260	-
Supplies	13,684	13,966	282
Insurance	2,453	2,454	1
Road and Bridge Materials	481,704	481,790	86
Equipment Repairs	55,000	54,998	(2)
80/20 Set Aside	1,335,199	1,335,198	(1)
Brush Removal	900	900	-
Mileage	-	-	-
FEMA Cart Expenditures	2,950	2,949	(1)
FEMA Structural Expenditures	185,444	185,444	-
Total Disbursements	2,179,494	2,179,859	365
Excess (Deficiency) of Receipts Over Disbursements	(215,657)	(215,763)	(106)
Cash and Investments-January 1	262,899	262,900	1
Transfers In	-	-	-
Transfers Out	16,500	-	(16,500)
Cash and Investments-December 31	\$ 30,742	\$ 47,137	\$ (16,605)

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and Investments-
Budget and Actual - Assessment Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenue	120,153	117,287	(2,866)
Charges for Services	5,245	5,520	275
Interest Income	23	30	7
Other	125	2,150	2,025
Total Receipts	125,546	124,987	(559)
Disbursements			
Assessor	128,339	120,396	(7,943)
Total Disbursements	128,339	120,396	(7,943)
Excess (Deficiency) of Receipts Over Disbursements	(2,793)	4,591	7,384
Cash and Investments-January 1	18,947	18,947	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 16,154	\$ 23,537	\$ 7,384

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and Investments-
Budget and Actual - Law Enforcement Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ 199,000	\$ 240,671	\$ 41,671
Charges for Services	7,800	10,927	\$ 3,127
Interest Income	10	75	65
Other	47,200	65,709	18,509
Total Receipts	254,010	317,382	63,372
Disbursements			
Sheriff	39,000	39,000	-
Chief Deputy	31,570	32,770	1,200
Secretary	27,570	27,570	-
Deputy	25,570	28,647	3,077
FICA	9,850	10,278	428
Reserve Deputy	5,000	6,360	1,360
Office Expenses	4,000	2,750	(1,250)
Equipment	4,000	4,396	396
Training	4,000	1,850	(2,150)
Uniforms	2,000	4,165	2,165
Postage	150	101	(49)
Telephone	5,000	5,323	323
Dues & Memberships	-	250	250
Radio Repair	3,000	-	(3,000)
Board of Prisoners	35,000	41,291	6,291
Prisoner Care	20,000	13,131	(6,869)
Jail Supplies & Repairs	2,000	3,036	1,036
Car Repairs	6,000	9,450	3,450
TIF Reimb to City	800	587	(213)
Car Insurance	3,677	3,677	-
Gas Expense	17,000	13,153	(3,847)
Misc	-	60	60
Extradition Costs	1,500	975	(525)
Liability Ins	5,096	5,096	-
Dispatching Costs to E911	24,000	24,000	-
Total Disbursements	275,783	277,916	2,133
Excess (Deficiency) of Receipts Over Disbursements	(21,773)	39,466	61,239
Cash and Investments-January 1	37,926	37,926	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 16,153	\$ 77,392	\$ 61,239

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and Investments-
Budget and Actual - K-9 Fund
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	2	2
Other	100	-	(100)
Total Receipts	<u>100</u>	<u>2</u>	<u>(98)</u>
Disbursements			
Publications	300	-	(300)
Misc	200	379	179
Total Disbursements	<u>500</u>	<u>379</u>	<u>(121)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(400)</u>	<u>(377)</u>	<u>23</u>
Cash and Investments-January 1	1,477	1,477	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 1,077</u>	<u>\$ 1,100</u>	<u>\$ 23</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and Investments-
Budget and Actual - Juvenile Restitution Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	4	4
Other	2,500	51	(2,449)
Total Receipts	<u>2,500</u>	<u>55</u>	<u>(2,445)</u>
Disbursements			
Misc	2,500	-	(2,500)
Total Disbursements	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>-</u>	<u>55</u>	<u>55</u>
Cash and Investments-January 1	2,513	2,514	1
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 2,513</u>	<u>\$ 2,569</u>	<u>\$ 56</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - LEPC Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	4	10	6
Other	3,000	2,212	(788)
Total Receipts	3,004	2,222	(782)
Disbursements			
Office Supplies	200	41	(159)
Telephone/Fax	300	240	(60)
Postage	100	3	(97)
Publications	100	18	(82)
Misc	1,100	600	(500)
Mileage	350	29	(321)
Training	2,000	-	(2,000)
Dues & Memberships	50	-	(50)
Meals	-	-	-
New Equipment	1,000	-	(1,000)
Equipment Repair	150	-	(150)
Total Disbursements	5,350	931	(4,419)
Excess (Deficiency) of Receipts Over Disbursements	(2,346)	1,291	3,637
Cash and Investments-January 1	5,319	5,319	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 2,973	\$ 6,610	\$ 3,637

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and
Changes in Cash and Investments - Budget and Actual - 911 Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Property	\$ -	\$ -	\$ -
Taxes-Sales	230,000	240,668	10,668
Intergovernmental Revenues	9,200	-	(9,200)
Charges for Services	40,500	44,400	3,900
Interest Income	500	56	(444)
Other	700	1,611	911
Total Receipts	280,900	286,735	5,835
Disbursements			
Salary	163,000	154,307	(8,693)
Office	4,000	3,731	(269)
Equipment	51,000	32,255	(18,745)
Mileage and Training	3,500	3,751	251
Telephone	25,000	26,097	1,097
Other	5,000	688	(4,312)
Insurance	6,500	3,260	(3,240)
Total Disbursements	258,000	224,089	(33,911)
Excess (Deficiency) of Receipts Over Disbursements	22,900	62,646	39,746
Cash and Investments-January 1	34,465	34,650	185
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 57,365	\$ 97,296	\$ 39,931

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments-Budget and Actual - Election Services Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	2	4	2
Other	400	378	(22)
Total Receipts	402	382	(20)
Disbursements			
Election Expense	150	-	(150)
Equipment Repairs	100	-	(100)
Part Time	150	-	(150)
Total Disbursements	400	-	(400)
Excess (Deficiency) of Receipts Over Disbursements	2	382	380
Cash and Investments-January 1	2,535	2,536	1
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 2,537	\$ 2,918	\$ 381

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Tax Maintenance Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	12	28	16
Other-Tax Maintenance 2/7 Add On	9,000	9,808	808
Total Receipts	9,012	9,836	824
Disbursements			
Tax Maintenance	14,000	9,030	(4,970)
Total Disbursements	14,000	9,030	(4,970)
Excess (Deficiency) of Receipts Over Disbursements	(4,988)	806	5,794
Cash and Investments-January 1	14,858	14,859	1
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 9,870	\$ 15,665	\$ 5,795

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Senior Citizens Fund
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	33,000	35,955	2,955
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	30	32	2
Other	-	-	-
Total Receipts	<u>33,030</u>	<u>35,987</u>	<u>2,957</u>
Disbursements			
Budgeted Allotments	38,000	43,590	5,590
Publications	100	-	(100)
Dues & Memberships	-	-	-
Mileage & Training	500	61	(439)
Total Disbursements	<u>38,600</u>	<u>43,651</u>	<u>5,051</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(5,570)</u>	<u>(7,664)</u>	<u>(2,094)</u>
Cash and Investments-January 1	27,464	27,464	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 21,894</u>	<u>\$ 19,800</u>	<u>\$ (2,094)</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Sheriff Revolving Fund
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	-	-
Other	4,000	8,731	4,731
Total Receipts	<u>4,000</u>	<u>8,731</u>	<u>4,731</u>
Disbursements			
MULES	1,500	2,303	803
Live Scan	-	-	-
Office Supplies	1,500	-	(1,500)
Total Disbursements	<u>3,000</u>	<u>2,303</u>	<u>(697)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>1,000</u>	<u>6,428</u>	<u>5,428</u>
Cash and Investments-January 1	2,299	2,299	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 3,299</u>	<u>\$ 8,727</u>	<u>\$ 5,428</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and
Investments - Budget and Actual - Law Enforcement Restitution Fund
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	3	3
Other	1,500	4,647	3,147
Total Receipts	<u>1,500</u>	<u>4,650</u>	<u>3,150</u>
Disbursements			
Office Supplies	-	-	-
Office Equip & Repairs	-	-	-
Dues & Memberships	2,400	2,400	-
Live Scan	-	-	-
Total Disbursements	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(900)</u>	<u>2,250</u>	<u>3,150</u>
Cash and Investments-January 1	1,040	1,040	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 140</u>	<u>\$ 3,290</u>	<u>\$ 3,150</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Police Training Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	2	2
Other	1,000	728	(272)
Total Receipts	<u>1,000</u>	<u>730</u>	<u>(270)</u>
Disbursements			
Sheriff Department Training	2,000	687	(1,313)
Total Disbursements	<u>2,000</u>	<u>687</u>	<u>(1,313)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,000)</u>	<u>43</u>	<u>1,043</u>
Cash and Investments-January 1	1,267	1,267	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 267</u>	<u>\$ 1,310</u>	<u>\$ 1,043</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and
Investments - Budget and Actual - Prosecuting Attorney Training Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	5	5
Other	250	184	(66)
Total Receipts	250	189	(61)
Disbursements			
Training	600	-	(600)
Total Disbursements	600	-	(600)
Excess (Deficiency) of Receipts Over Disbursements	(350)	189	539
Cash and Investments-January 1	3,169	3,170	1
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 2,819	\$ 3,359	\$ 540

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
 Comparative Statement of Receipts, Disbursements, and Changes in
 Cash and Investments-Budget and Actual - Victims of Domestic Violence Fund
 For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	-	-
Other	200	180	(20)
Total Receipts	200	180	(20)
Disbursements			
GHCAA Request for Funds	275	180	(95)
Total Disbursements	275	180	(95)
Excess (Deficiency) of Receipts Over Disbursements	(75)	-	75
Cash and Investments-January 1	75	75	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ -	\$ 75	\$ 75

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Record Preservation Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	20	16	(4)
Other	2,500	2,420	(80)
Total Receipts	2,520	2,436	(84)
Disbursements			
Clerical Help	-	-	-
Training & Mileage	500	-	(500)
Office Expenses	-	-	-
Equipment Expenses	5,000	4,890	(110)
Total Disbursements	5,500	4,890	(610)
Excess (Deficiency) of Receipts Over Disbursements	(2,980)	(2,454)	526
Cash and Investments-January 1	14,139	14,140	1
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 11,159	\$ 11,686	\$ 527

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in
Cash and Investments - Budget and Actual - Technology Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	10	18	8
Other	1,500	1,433	(67)
Total Receipts	<u>1,510</u>	<u>1,451</u>	<u>(59)</u>
Disbursements			
Equipment Miscellaneous	1,450	-	(1,450)
Total Disbursements	<u>1,450</u>	<u>-</u>	<u>(1,450)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>60</u>	<u>1,451</u>	<u>1,391</u>
Cash and Investments-January 1	11,972	11,972	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 12,032</u>	<u>\$ 13,423</u>	<u>\$ 1,391</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and
Investments - Budget and Actual - Prosecuting Attorney Bad Check Fund
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	13	13
Other	3,500	3,475	(25)
Total Receipts	<u>3,500</u>	<u>3,488</u>	<u>(12)</u>
Disbursements			
Computer Equipment	600	-	(600)
Child Support	-	-	-
Meeting & Training	50	-	(50)
Statutes & Law Books	-	-	-
Additional Bad Check Fees	-	-	-
Misc	-	979	979
Cell Phone	-	-	-
Meals	-	-	-
Office Equipment	-	-	-
Total Disbursements	<u>650</u>	<u>979</u>	<u>329</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>2,850</u>	<u>2,509</u>	<u>(341)</u>
Cash and Investments-January 1	10,871	10,871	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 13,721</u>	<u>\$ 13,380</u>	<u>\$ (341)</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and
Investments - Budget and Actual - Sheriff Civil Fees Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	17	17
Other	3,000	1,797	(1,203)
Total Receipts	3,000	1,814	(1,186)
Disbursements			
Training and Repairs, Uniforms	3,000	200	(2,800)
Total Disbursements	3,000	200	(2,800)
Excess (Deficiency) of Receipts Over Disbursements	-	1,614	1,614
Cash and Investments-January 1	13,159	13,159	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	\$ 13,159	\$ 14,773	\$ 1,614

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Statement of Receipts, Disbursements, and Changes in Cash and
Investments - Budget and Actual - Deputy Supplemental Salary Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance
Receipts			
Taxes-Sales	\$ -	\$ -	\$ -
Taxes-Property	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Interest Income	-	-	-
Other	2,500	1,774	(726)
Total Receipts	<u>2,500</u>	<u>1,774</u>	<u>(726)</u>
Disbursements			
Fees Collected by Sheriff	2,500	1,467	(1,033)
Total Disbursements	<u>2,500</u>	<u>1,467</u>	<u>(1,033)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>-</u>	<u>307</u>	<u>307</u>
Cash and Investments-January 1	80	80	-
Transfers In	-	-	-
Transfers Out	-	-	-
Cash and Investments-December 31	<u>\$ 80</u>	<u>\$ 387</u>	<u>\$ 307</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Putnam County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Collector/Treasurer, County Clerk, Circuit Clerk, Coroner, Prosecuting Attorney, Public Administrator, Recorder, and Sheriff.

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 use of the cash basis of accounting.

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 Putnam 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 and Sheriff, collect and hold monies in a trustee capacity as an agent of individual 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.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Putnam County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. 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, or the Senior Citizens Board. The General Revenue Fund is the county’s general operation fund, accounting for all financial resources except those whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo), the County adopts a budget for various County funds.
- 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 on a cash basis of accounting.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 9) Adoption of the 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 Special Road and Bridge Fund, Senior Citizens Fund, Law Enforcement Fund and the Prosecuting Attorney Bad Check Fund.

Long-Term Debt

Consistent with the regulatory basis of accounting, long-term debt is not reported in the financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents 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 principle and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Putnam County's name at third-party banking institutions.

Details of these cash balances are presented in Note 2.

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.

NOTE 2 - CASH AND INVESTMENTS

Investments and Custodial Credit Risk

The County's deposits were fully secured as of December 31, 2015. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,904,221 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2015.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - CASH AND INVESTMENTS (continued)

The County Collector deposits at December 31, 2015 were not exposed to custodial credit risk because they were entirely covered by federal depository insurance, by collateral securities held by the county or a custodial bank in the County's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

The County may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing or becoming payable not more than three years from the date of the purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by the U.S. Treasury obligations of the U.S. government agencies or instrumentalities of any maturity, as provided by law. As of December 31, 2015 the County had \$4,069,766 respectively invested in overnight repurchase agreements.

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. Putnam County's investment policy does not include custodial credit risk requirements. Putnam County's deposits were not exposed to custodial credit risk for the year ended December 31, 2015.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Putnam County or its agent but not in the government's name. Putnam County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Putnam County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Putnam County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

Concentration of credit risk is required to be disclosed by Putnam County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Putnam County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2015.

NOTE 3 - TAXES

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

The assessed valuation of the tangible taxable property, included within Putnam County's boundaries for the calendar year 2015 for the purposes of county taxation was as follows:

Real Estate	\$ 60,850,866
Personal Property	19,019,152
Railroad and Utilities	2,605,019
Total	\$ 82,475,037

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2015 for the purpose of County taxation was as follows:

General Revenue Fund	\$.4771
Senior Citizens Fund	.0477

The county also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 4– COUNTY EMPLOYEES’ RETIREMENT FUND (CERF)

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, county sheriffs covered under Sections 57.949 to 57.997, RSMo, circuit clerks and deputy circuit clerks covered under Missouri State Retirement System 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.

Pension Benefits

Beginning 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 amount, 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 at age fifty-five with reduced benefits is allowed. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees’ Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri 65101, or by calling 1-877-632-2373.

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to CERF. Eligible employees hired before February 2002 were not required to contribute, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2015, the County collected and remitted to CERF employee contributions of approximately \$27,082.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 5—LONG-TERM DEBT

Bonds Payable:

A summary of bond transactions for the year ended December 31, 2015 is as follows:

Bonds Payable, January 1, 2015	\$ 7,330,000
Add: Bonds Issued	-
Less: Bonds Retired	(300,000)
Bonds Payable, December 31, 2015	\$7,030,000

Debt service requirements to maturity are:

For the Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 310,000	\$ 277,556	\$ 587,556
2017	325,000	268,256	593,256
2018	330,000	258,506	588,506
2019	340,000	248,606	588,606
2020	350,000	238,406	588,406
2021-2025	1,935,000	1,010,888	2,945,888
2026-2030	2,340,000	608,500	2,948,500
2031-2032	1,100,000	83,250	1,183,250
Total	\$7,030,000	\$2,993,968	\$10,023,968

NOTE 6 – RISK MANAGEMENT

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.

Putnam County, Missouri
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – PRIOR PERIOD ADJUSTMENT

Beginning Cash balance of the County has been restated due to inclusion of all items related to the 911 Fund. The net effect of this adjustment will increase the beginning cash and investments of the County. This adjustment will have no material effect of the operation of the County.

Cash and Investment balance for 911 Fund stated – December 31, 2014	\$ 0
Prior Period Adjustment	34,650
Total Cash and Investment, as Restated – December 31, 2014	\$ 34,650

NOTE 8 – CLAIMS, COMMITMENTS AND CONTINGENCIES

Compensated Absences

The County provides full time employees with up to 20 days of sick time- to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked. Upon termination of employment, the employee will be compensated at \$10.00 per day of accrued sick time. Vacation time is accrued for full-time regular employees after a six month probationary period based on years of employment with the County. After one year of employment, one week may be taken. After two years, and each year thereafter, two weeks of eligibility is earned. Upon termination, the employee is compensated for accrued vacation time at the employee’s final rate of pay, up to a maximum of four weeks.

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.

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 July 13, 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.



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Accountants

Member of the Missouri
Society of Certified Public
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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 Putnam County
Unionville, Missouri

I 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 Putnam County, Missouri as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise Putnam County, Missouri's basic financial statements, and have issued my report thereon, dated July 13, 2016.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my testing disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 15-1.

Putnum County's Response to Findings

The County's response to a finding identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of the Report

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

Kevin C. Wyzar, CPA, LLC
Columbia, MO
July 13, 2016





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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
UNIFORM GUIDANCE

To the County Commission and Officeholders of
Putnam County, Missouri
Unionville, Missouri

Report on Compliance for A Major Federal Program

I have audited Putnam County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2015. Putnam County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility.

Management is responsible for the compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for the County's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, the County of Putnam, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.



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Report on Internal Control over Compliance

Management of the Putnam County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lisa C. Wright, CPA, LLC
Columbia, MO
July 13, 2016

Putnam County, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA Number	Pass-Through Entity Number	Federal Expenditures for Year Ended December 31, 2015
<u>U.S. Department of Transportation</u>			
Passed through: Missouri Highway and Transportation Commission			
Program Name: Highway Planning and Construction	20.205	BRO- (25)	\$ 818,373
	20.205	BRO- (26)	516,825
Total U.S. Department of Transportation			1,335,198
<u>U.S. Department of Homeland Security</u>			
Passed Through State Department of Public Safety Program Name: Disaster Grants-Public Assistance Grants			
	97.036		185,443
Total Expenditures of Homeland Security			185,443
Total Expenditures of Federal Awards			\$ 1,520,641

Putnam County, Missouri
Notes to Schedule of Expenditures of Federal Awards
December 31, 2015

Note 1- Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

Basis of Presentation

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

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

Matching Requirements

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

Subrecipients

The County provided no federal awards to subrecipients during the year ended December 31, 2015.

Putnam County, Missouri
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2015

Section 1 – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued	Unmodified Regulatory Basis		
Internal control over financial reporting			
Material weakness(es) identified?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that were not considered to be material weaknesses?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Any noncompliance material to financial Statements noted?	2015	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that were not considered to be material weaknesses?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Type of auditor’s report issued on Compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of Major Programs

<u>CFDA Number</u>	<u>Year</u>	<u>Name of Federal Program or Cluster</u>
20.205	2015	Highway Planning and Construction

Dollar threshold used to distinguish Between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?	2015	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Putnam County, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section 2-Financial Statement Findings

15-1 Condition: We noted an issue with the County's budgetary process. Special Road and Bridge Fund, Senior Citizens Fund, Law Enforcement Fund, and the Prosecuting Attorney Bad Check Fund all had actual expenditures greater than budgeted expenditures.

Effect: Section 50.740 RSMo prohibits expenditures in excess of approved budgets. Additionally, case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved including holding public hearings and filing the amended budget with the State Auditor's Office.

Cause: Oversight

Recommendation: We recommend that the County ensure compliance with State Statutes by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in public meeting and formally adopted by the County Commission.

Management's Response: We will continue to assess the situation.

Section 3:

This section contains no audit findings that *Uniform Guidance* requires to be reported for an audit of financial statements.