



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Morgan County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Morgan 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, 2016, 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

July 2017
Report No. 2017-066

ANNUAL FINANCIAL REPORT

MORGAN COUNTY, MISSOURI

For the Years Ended
December 31, 2016 and 2015

MORGAN COUNTY, MISSOURI

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INTRODUCTORY SECTION

MORGAN COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – James Bryant

Eastern Commissioner – Rodney Schad

Western Commissioner – Ryan Hoffa

Other Elected Officials

Assessor – Jim Anderson

Collector – Kathy Francis

County Clerk – Cathy Daniels

Circuit Clerk – Lori Moon

Recorder – Nancy Boles

Coroner – M.B. Jones

Prosecuting Attorney – Dustin Dunklee

Public Administrator – Amanda Huffman

Sheriff – Norman Dills

Treasurer – Kim Ingersoll

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Morgan County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Morgan County, Missouri, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as identified 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 from material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by Morgan 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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Morgan County, Missouri, as of December 31, 2016 and 2015, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Morgan County, Missouri, as of December 31, 2016 and 2015, 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 as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Morgan 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 our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated May 24, 2017, on our consideration of Morgan 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
May 24, 2017

MORGAN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2015 AND 2016

Fund	Cash and Investments January 1, 2015	Receipts 2015	Disbursements 2015	Cash and Investments December 31, 2015	Receipts 2016	Disbursements 2016	Cash and Investments December 31, 2016
General Revenue	\$ 1,471,421	\$ 2,767,131	\$ 2,530,949	\$ 1,707,603	\$ 2,872,657	\$ 2,632,965	\$ 1,947,295
Special Road & Bridge	481,451	2,870,929	3,050,331	302,049	2,074,105	1,804,999	571,155
Assessment	33,925	444,411	424,690	53,646	448,358	435,565	66,439
Law Enforcement Training	17,711	2,926	-	20,637	2,310	13,678	9,269
Prosecuting Attorney Training	2,719	742	775	2,686	545	1,540	1,691
Johnson Grass	144,994	418	3,708	141,704	432	3,213	138,923
911	-	677,093	677,093	-	705,958	705,958	-
Local Emergency Planning Committee	21,431	3,041	6,433	18,039	3,190	1,497	19,732
Prosecuting Attorney Delinquent Sales Tax	5,627	666	-	6,293	418	-	6,711
Recorder User Fees	42,368	20,350	39,622	23,096	22,767	31,227	14,636
Domestic Violence	4,876	4,521	4,876	4,521	4,735	4,520	4,736
Administrative Handling Cost	1,628	11,943	8,985	4,586	11,444	10,936	5,094
Law Enforcement Sales Tax	178,105	3,522,972	2,914,122	786,955	4,218,933	3,426,147	1,579,741
N.I.D. Debt Service Bond	55,867	54,249	51,301	58,815	46,991	84,205	21,601
N.I.D. Ongoing Maintenance and Construction	1,751,543	386,147	249,450	1,888,240	393,913	37,898	2,244,255
Sheriff Fees	1,841	34,390	36,231	-	19,644	19,644	-
Peace Officer Standards and Training	-	1,469	1,469	-	1,151	1,151	-
Election Services	3,953	2,944	-	6,897	6,271	5,811	7,357
Family Access	44,851	40,126	39,067	45,910	41,862	42,934	44,838
Sheriff's Revolving	51,582	35,047	20,019	66,610	44,074	80,589	30,095
Inmate Security	80,621	6,207	72,556	14,272	207,028	206,637	14,663
HAVA	2,980	3,762	2,237	4,505	10,786	4,394	10,897
Drug Task Force	18,233	334,997	346,598	6,632	238,503	245,135	-
Tax Maintenance	82,413	44,148	49,378	77,183	43,347	50,892	69,638
Law Library	1,557	7,544	7,134	1,967	7,995	4,066	5,896
Senior Services Tax Board	57,235	200,287	195,093	62,429	201,913	194,919	69,423
Morgan Co. Board for the Developmentally Disabled	197,120	450,497	411,065	236,552	519,004	486,568	268,988
Total	<u>\$ 4,756,052</u>	<u>\$ 11,928,957</u>	<u>\$ 11,143,182</u>	<u>\$ 5,541,827</u>	<u>\$ 12,148,334</u>	<u>\$ 10,537,088</u>	<u>\$ 7,153,073</u>

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

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

GENERAL REVENUE FUND Year Ended December 31,				
	2015		2016	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 710,000	\$ 714,674	\$ 715,000	\$ 569,508
Sales taxes	1,175,000	1,215,826	1,200,000	1,288,832
Intergovernmental	-	38,887	33,000	18,745
Charges for services	581,350	586,077	581,450	584,933
Interest	5,500	5,796	5,500	6,326
Other	117,550	121,425	63,900	150,913
Transfers in	57,025	84,446	354,950	253,400
Total Receipts	<u>\$ 2,646,425</u>	<u>\$ 2,767,131</u>	<u>\$ 2,953,800</u>	<u>\$ 2,872,657</u>
DISBURSEMENTS				
County Commission	\$ 126,607	\$ 125,922	\$ 127,025	\$ 127,602
County Clerk	110,349	110,346	176,058	115,508
Elections	10,500	5,428	79,200	99,921
Buildings and grounds	72,122	69,423	86,464	89,148
Employee fringe benefits	170,500	172,114	165,600	184,120
Treasurer	52,360	49,477	50,560	48,117
Collector	142,102	140,726	142,948	141,267
Recorder of Deeds	97,549	93,599	98,075	96,090
Circuit Clerk	46,788	37,929	50,892	39,991
Court administration	10,000	4,144	10,000	419
Public Administrator	86,446	83,704	88,764	81,975
Sheriff	33,000	33,075	30,000	13,950
Prosecuting Attorney	363,655	370,826	393,923	384,146
Juvenile Officer	80,244	57,384	80,024	52,377
Coroner	44,984	42,706	43,184	38,455
Other County Government	696,143	719,844	779,824	693,540
Transfers out	315,684	414,302	486,026	426,339
Emergency fund	79,393	-	88,000	-
Total Disbursements	<u>\$ 2,538,426</u>	<u>\$ 2,530,949</u>	<u>\$ 2,976,567</u>	<u>\$ 2,632,965</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 107,999	\$ 236,182	\$ (22,767)	\$ 239,692
CASH AND INVESTMENTS, JANUARY 1	<u>1,471,421</u>	<u>1,471,421</u>	<u>1,707,603</u>	<u>1,707,603</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 1,579,420</u></u>	<u><u>\$ 1,707,603</u></u>	<u><u>\$ 1,684,836</u></u>	<u><u>\$ 1,947,295</u></u>

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

MORGAN 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,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 470,000	\$ 498,933	\$ 500,000	\$ 501,567	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,156,100	2,321,608	1,730,000	1,487,486	472,543	435,388	461,027	438,909
Charges for services	-	-	-	-	-	-	-	-
Interest	1,700	1,655	1,500	1,831	500	532	581	581
Other	5,000	48,733	6,100	83,221	-	8,491	8,868	8,868
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,632,800</u>	<u>\$ 2,870,929</u>	<u>\$ 2,237,600</u>	<u>\$ 2,074,105</u>	<u>\$ 473,043</u>	<u>\$ 444,411</u>	<u>\$ 470,476</u>	<u>\$ 448,358</u>
DISBURSEMENTS								
Salaries	\$ 671,100	\$ 636,041	\$ 680,000	\$ 648,085	\$ 308,453	\$ 309,297	\$ 332,243	\$ 307,048
Employee fringe benefits	160,670	155,661	171,800	159,811	73,610	69,424	74,467	67,881
Materials and supplies	520,000	464,510	475,000	406,022	15,000	10,160	12,000	11,571
Services and Other	200,000	206,479	239,500	217,800	35,100	35,809	50,768	49,065
Capital Outlay	360,228	378,268	589,000	239,924	-	-	-	-
Construction	1,202,000	1,209,372	175,000	133,357	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,113,998</u>	<u>\$ 3,050,331</u>	<u>\$ 2,330,300</u>	<u>\$ 1,804,999</u>	<u>\$ 432,163</u>	<u>\$ 424,690</u>	<u>\$ 469,478</u>	<u>\$ 435,565</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (481,198)	\$ (179,402)	\$ (92,700)	\$ 269,106	\$ 40,880	\$ 19,721	\$ 998	\$ 12,793
CASH AND INVESTMENTS, JANUARY 1	<u>481,451</u>	<u>481,451</u>	<u>302,049</u>	<u>302,049</u>	<u>33,925</u>	<u>33,925</u>	<u>53,646</u>	<u>53,646</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 253</u>	<u>\$ 302,049</u>	<u>\$ 209,349</u>	<u>\$ 571,155</u>	<u>\$ 74,805</u>	<u>\$ 53,646</u>	<u>\$ 54,644</u>	<u>\$ 66,439</u>

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

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

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,200	2,873	3,000	2,201	800	734	660	537
Interest	50	53	50	109	7	8	7	8
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,250</u>	<u>\$ 2,926</u>	<u>\$ 3,050</u>	<u>\$ 2,310</u>	<u>\$ 807</u>	<u>\$ 742</u>	<u>\$ 667</u>	<u>\$ 545</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	10,000	-	18,000	13,678	800	775	800	1,540
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 13,678</u>	<u>\$ 800</u>	<u>\$ 775</u>	<u>\$ 800</u>	<u>\$ 1,540</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (6,750)	\$ 2,926	\$ (14,950)	\$ (11,368)	\$ 7	\$ (33)	\$ (133)	\$ (995)
CASH AND INVESTMENTS, JANUARY 1	<u>17,711</u>	<u>17,711</u>	<u>20,637</u>	<u>20,637</u>	<u>2,719</u>	<u>2,719</u>	<u>2,686</u>	<u>2,686</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 10,961</u>	<u>\$ 20,637</u>	<u>\$ 5,687</u>	<u>\$ 9,269</u>	<u>\$ 2,726</u>	<u>\$ 2,686</u>	<u>\$ 2,553</u>	<u>\$ 1,691</u>

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

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

	JOHNSON GRASS FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	126,442	123,704	98,582	97,905
Charges for services	-	-	-	-	255,065	237,059	243,140	205,918
Interest	370	418	400	432	10	1	-	-
Other	-	-	-	-	-	223	-	421
Transfers in	-	-	-	-	307,932	316,106	378,274	401,714
Total Receipts	<u>\$ 370</u>	<u>\$ 418</u>	<u>\$ 400</u>	<u>\$ 432</u>	<u>\$ 689,449</u>	<u>\$ 677,093</u>	<u>\$ 719,996</u>	<u>\$ 705,958</u>
DISBURSEMENTS								
Salaries	\$ 3,000	\$ 1,825	\$ 3,000	\$ 2,001	\$ 497,318	\$ 492,341	\$ 530,738	\$ 497,758
Employee fringe benefits	144	178	189	156	100,021	96,308	95,751	97,543
Materials and supplies	100	47	-	30	9,500	8,735	9,000	14,155
Services and other	2,100	1,658	2,250	1,026	60,250	63,706	55,250	66,330
Capital outlay	-	-	-	-	22,360	16,003	29,257	30,172
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,344</u>	<u>\$ 3,708</u>	<u>\$ 5,439</u>	<u>\$ 3,213</u>	<u>\$ 689,449</u>	<u>\$ 677,093</u>	<u>\$ 719,996</u>	<u>\$ 705,958</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,974)	\$ (3,290)	\$ (5,039)	\$ (2,781)	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>144,994</u>	<u>144,994</u>	<u>141,704</u>	<u>141,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 140,020</u></u>	<u><u>\$ 141,704</u></u>	<u><u>\$ 136,665</u></u>	<u><u>\$ 138,923</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,200	3,041	3,200	3,190	-	-	-	-
Charges for services	-	-	-	-	700	650	600	400
Interest	-	-	100	-	11	16	15	18
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,200</u>	<u>\$ 3,041</u>	<u>\$ 3,300</u>	<u>\$ 3,190</u>	<u>\$ 711</u>	<u>\$ 666</u>	<u>\$ 615</u>	<u>\$ 418</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	8,600	6,433	6,000	1,497	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,600</u>	<u>\$ 6,433</u>	<u>\$ 6,000</u>	<u>\$ 1,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,400)	\$ (3,392)	\$ (2,700)	\$ 1,693	\$ 711	\$ 666	\$ 615	\$ 418
CASH AND INVESTMENTS, JANUARY 1	<u>21,431</u>	<u>21,431</u>	<u>18,039</u>	<u>18,039</u>	<u>5,627</u>	<u>5,627</u>	<u>6,293</u>	<u>6,293</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 16,031</u>	<u>\$ 18,039</u>	<u>\$ 15,339</u>	<u>\$ 19,732</u>	<u>\$ 6,338</u>	<u>\$ 6,293</u>	<u>\$ 6,908</u>	<u>\$ 6,711</u>

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

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

	RECORDER USER FEES				DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	24,000	20,235	24,000	22,690	4,868	4,516	4,500	4,732
Interest	150	115	150	77	8	5	5	3
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,150</u>	<u>\$ 20,350</u>	<u>\$ 24,150</u>	<u>\$ 22,767</u>	<u>\$ 4,876</u>	<u>\$ 4,521</u>	<u>\$ 4,505</u>	<u>\$ 4,735</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	24,000	39,622	31,227	31,227	4,876	4,876	4,505	4,520
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 24,000</u>	<u>\$ 39,622</u>	<u>\$ 31,227</u>	<u>\$ 31,227</u>	<u>\$ 4,876</u>	<u>\$ 4,876</u>	<u>\$ 4,505</u>	<u>\$ 4,520</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 150	\$ (19,272)	\$ (7,077)	\$ (8,460)	\$ -	\$ (355)	\$ -	\$ 215
CASH AND INVESTMENTS, JANUARY 1	<u>42,368</u>	<u>42,368</u>	<u>23,096</u>	<u>23,096</u>	<u>4,876</u>	<u>4,876</u>	<u>4,521</u>	<u>4,521</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 42,518</u>	<u>\$ 23,096</u>	<u>\$ 16,019</u>	<u>\$ 14,636</u>	<u>\$ 4,876</u>	<u>\$ 4,521</u>	<u>\$ 4,521</u>	<u>\$ 4,736</u>

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

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

	ADMINISTRATIVE HANDLING COST FUND				LAW ENFORCEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	1,200,000	1,214,060	1,275,277	1,275,277
Intergovernmental	-	-	-	-	1,300,000	1,892,584	2,721,140	2,721,140
Charges for services	10,300	11,932	12,000	11,426	-	3,656	3,500	1,000
Interest	2	11	11	18	650	428	1,956	1,956
Other	-	-	-	-	268,700	333,427	204,908	193,976
Transfers in	-	-	-	-	7,500	78,817	30,900	25,584
Total Receipts	<u>\$ 10,302</u>	<u>\$ 11,943</u>	<u>\$ 12,011</u>	<u>\$ 11,444</u>	<u>\$ 2,776,850</u>	<u>\$ 3,522,972</u>	<u>\$ 4,237,681</u>	<u>\$ 4,218,933</u>
DISBURSEMENTS								
Salaries	\$ 6,000	\$ 7,500	\$ 8,250	\$ 8,250	\$ 1,563,236	\$ 1,511,314	\$ 1,684,697	\$ 1,611,787
Employee fringe benefits	600	601	750	631	327,200	313,344	346,054	326,538
Materials and supplies	-	844	2,000	2,000	59,000	70,458	65,799	60,246
Services and other	50	40	50	55	816,100	912,253	706,472	1,037,460
Capital outlay	-	-	-	-	98,500	89,253	180,462	184,355
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	17,500	17,500	207,500	205,761
Total Disbursements	<u>\$ 6,650</u>	<u>\$ 8,985</u>	<u>\$ 11,050</u>	<u>\$ 10,936</u>	<u>\$ 2,881,536</u>	<u>\$ 2,914,122</u>	<u>\$ 3,190,984</u>	<u>\$ 3,426,147</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,652	\$ 2,958	\$ 961	\$ 508	\$ (104,686)	\$ 608,850	\$ 1,046,697	\$ 792,786
CASH AND INVESTMENTS, JANUARY 1	<u>1,628</u>	<u>1,628</u>	<u>4,586</u>	<u>4,586</u>	<u>178,105</u>	<u>178,105</u>	<u>786,955</u>	<u>786,955</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,280</u>	<u>\$ 4,586</u>	<u>\$ 5,547</u>	<u>\$ 5,094</u>	<u>\$ 73,419</u>	<u>\$ 786,955</u>	<u>\$ 1,833,652</u>	<u>\$ 1,579,741</u>

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

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

	N.I.D. DEBT SERVICE BOND FUND				N.I.D. ONGOING MAINTENANCE AND CONSTRUCTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 50,100	\$ 54,184	\$ 40,400	\$ 46,949	\$ 230,500	\$ 384,208	\$ 416,796	\$ 391,817
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	40	65	30	42	1,615	1,939	1,681	2,096
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,140</u>	<u>\$ 54,249</u>	<u>\$ 40,430</u>	<u>\$ 46,991</u>	<u>\$ 232,115</u>	<u>\$ 386,147</u>	<u>\$ 418,477</u>	<u>\$ 393,913</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	51,310	51,301	74,982	84,205	-	-	-	-
Capital outlay	-	-	-	-	207,000	249,450	1,753,000	37,898
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 51,310</u>	<u>\$ 51,301</u>	<u>\$ 74,982</u>	<u>\$ 84,205</u>	<u>\$ 207,000</u>	<u>\$ 249,450</u>	<u>\$ 1,753,000</u>	<u>\$ 37,898</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,170)	\$ 2,948	\$ (34,552)	\$ (37,214)	\$ 25,115	\$ 136,697	\$ (1,334,523)	\$ 356,015
CASH AND INVESTMENTS, JANUARY 1	<u>55,867</u>	<u>55,867</u>	<u>58,815</u>	<u>58,815</u>	<u>1,751,543</u>	<u>1,751,543</u>	<u>1,888,240</u>	<u>1,888,240</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 54,697</u>	<u>\$ 58,815</u>	<u>\$ 24,263</u>	<u>\$ 21,601</u>	<u>\$ 1,776,658</u>	<u>\$ 1,888,240</u>	<u>\$ 553,717</u>	<u>\$ 2,244,255</u>

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

	SHERIFF FEES FUND				PEACE OFFICER STANDARDS AND TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000	34,379	19,000	19,635	-	-	-	-
Interest	50	11	10	9	-	-	-	-
Other	-	-	5,000	-	1,500	1,469	1,500	1,151
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 35,050</u>	<u>\$ 34,390</u>	<u>\$ 24,010</u>	<u>\$ 19,644</u>	<u>\$ 1,500</u>	<u>\$ 1,469</u>	<u>\$ 1,500</u>	<u>\$ 1,151</u>
DISBURSEMENTS								
Salaries	\$ 29,328	\$ 29,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	6,801	6,790	-	-	-	-	-	-
Materials and supplies	-	-	500	60	-	-	-	-
Services and other	-	-	-	-	1,500	1,469	1,500	1,151
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	23,400	19,584	-	-	-	-
Total Disbursements	<u>\$ 36,129</u>	<u>\$ 36,231</u>	<u>\$ 23,900</u>	<u>\$ 19,644</u>	<u>\$ 1,500</u>	<u>\$ 1,469</u>	<u>\$ 1,500</u>	<u>\$ 1,151</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,079)	\$ (1,841)	\$ 110	\$ -	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>1,841</u>	<u>1,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 762</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	ELECTION SERVICES FUND				FAMILY ACCESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	44,500	40,004	43,400	41,723
Interest	-	13	22	22	80	122	120	139
Other	1,000	2,931	6,249	6,249	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ 2,944</u>	<u>\$ 6,271</u>	<u>\$ 6,271</u>	<u>\$ 44,580</u>	<u>\$ 40,126</u>	<u>\$ 43,520</u>	<u>\$ 41,862</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	500	-	8,000	5,811	5,000	6,500	5,000	4,534
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	28,500	32,567	38,400	38,400
Total Disbursements	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 5,811</u>	<u>\$ 33,500</u>	<u>\$ 39,067</u>	<u>\$ 43,400</u>	<u>\$ 42,934</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 500	\$ 2,944	\$ (1,729)	\$ 460	\$ 11,080	\$ 1,059	\$ 120	\$ (1,072)
CASH AND INVESTMENTS, JANUARY 1	<u>3,953</u>	<u>3,953</u>	<u>6,897</u>	<u>6,897</u>	<u>44,851</u>	<u>44,851</u>	<u>45,910</u>	<u>45,910</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,453</u>	<u>\$ 6,897</u>	<u>\$ 5,168</u>	<u>\$ 7,357</u>	<u>\$ 55,931</u>	<u>\$ 45,910</u>	<u>\$ 46,030</u>	<u>\$ 44,838</u>

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

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

	SHERIFF'S REVOLVING FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	17,000	34,880	43,900	43,900	3,500	6,025	6,500	4,867
Interest	200	167	174	174	150	182	161	161
Other	4,000	-	-	-	75,000	-	202,000	190,000
Transfers in	-	-	-	-	-	-	-	12,000
Total Receipts	<u>\$ 21,200</u>	<u>\$ 35,047</u>	<u>\$ 44,074</u>	<u>\$ 44,074</u>	<u>\$ 78,650</u>	<u>\$ 6,207</u>	<u>\$ 208,661</u>	<u>\$ 207,028</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	5,885	-	-
Services and other	32,000	12,519	83,589	74,589	63,000	66,671	206,637	206,637
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	7,500	-	6,000	-	-	-	-
Total Disbursements	<u>\$ 32,000</u>	<u>\$ 20,019</u>	<u>\$ 83,589</u>	<u>\$ 80,589</u>	<u>\$ 63,000</u>	<u>\$ 72,556</u>	<u>\$ 206,637</u>	<u>\$ 206,637</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,800)	\$ 15,028	\$ (39,515)	\$ (36,515)	\$ 15,650	\$ (66,349)	\$ 2,024	\$ 391
CASH AND INVESTMENTS, JANUARY 1	<u>51,582</u>	<u>51,582</u>	<u>66,610</u>	<u>66,610</u>	<u>80,621</u>	<u>80,621</u>	<u>14,272</u>	<u>14,272</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 40,782</u>	<u>\$ 66,610</u>	<u>\$ 27,095</u>	<u>\$ 30,095</u>	<u>\$ 96,271</u>	<u>\$ 14,272</u>	<u>\$ 16,296</u>	<u>\$ 14,663</u>

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

	HAVA FUND				DRUG TASK FORCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	212,087	235,063	181,000	159,327
Charges for services	2,000	3,751	10,765	10,765	-	-	-	-
Interest	10	11	21	21	-	61	-	40
Other	-	-	-	-	48,000	55,494	65,973	50,750
Transfers in	-	-	-	-	17,500	44,379	17,500	28,386
Total Receipts	<u>\$ 2,010</u>	<u>\$ 3,762</u>	<u>\$ 10,786</u>	<u>\$ 10,786</u>	<u>\$ 277,587</u>	<u>\$ 334,997</u>	<u>\$ 264,473</u>	<u>\$ 238,503</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 187,081	\$ 190,003	\$ 172,964	\$ 169,219
Employee fringe benefits	-	-	-	-	39,529	45,150	39,509	34,207
Materials and supplies	-	-	-	2,595	-	-	-	-
Services and other	3,000	2,237	8,000	1,799	56,000	84,566	52,000	41,709
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	26,879	-	-
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 2,237</u>	<u>\$ 8,000</u>	<u>\$ 4,394</u>	<u>\$ 282,610</u>	<u>\$ 346,598</u>	<u>\$ 264,473</u>	<u>\$ 245,135</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (990)	\$ 1,525	\$ 2,786	\$ 6,392	\$ (5,023)	\$ (11,601)	\$ -	\$ (6,632)
CASH AND INVESTMENTS, JANUARY 1	<u>2,980</u>	<u>2,980</u>	<u>4,505</u>	<u>4,505</u>	<u>18,233</u>	<u>18,233</u>	<u>6,632</u>	<u>6,632</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,990</u>	<u>\$ 4,505</u>	<u>\$ 7,291</u>	<u>\$ 10,897</u>	<u>\$ 13,210</u>	<u>\$ 6,632</u>	<u>\$ 6,632</u>	<u>\$ -</u>

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

	TAX MAINTENANCE FUND				LAW LIBRARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	45,000	44,065	45,000	43,274	7,500	7,544	7,500	7,995
Interest	-	83	-	73	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 45,000</u>	<u>\$ 44,148</u>	<u>\$ 45,000</u>	<u>\$ 43,347</u>	<u>\$ 7,500</u>	<u>\$ 7,544</u>	<u>\$ 7,500</u>	<u>\$ 7,995</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	2,266	-	1,988	-	-	-	-
Services and other	37,800	20,116	40,664	11,061	7,500	7,134	7,000	4,066
Capital outlay	-	1,996	-	12,843	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	25,000	25,000	25,000	25,000	-	-	-	-
Total Disbursements	<u>\$ 62,800</u>	<u>\$ 49,378</u>	<u>\$ 65,664</u>	<u>\$ 50,892</u>	<u>\$ 7,500</u>	<u>\$ 7,134</u>	<u>\$ 7,000</u>	<u>\$ 4,066</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (17,800)	\$ (5,230)	\$ (20,664)	\$ (7,545)	\$ -	\$ 410	\$ 500	\$ 3,929
CASH AND INVESTMENTS,								
JANUARY 1	<u>82,413</u>	<u>82,413</u>	<u>77,183</u>	<u>77,183</u>	<u>1,557</u>	<u>1,557</u>	<u>1,967</u>	<u>1,967</u>
CASH AND INVESTMENTS,								
DECEMBER 31	<u>\$ 64,613</u>	<u>\$ 77,183</u>	<u>\$ 56,519</u>	<u>\$ 69,638</u>	<u>\$ 1,557</u>	<u>\$ 1,967</u>	<u>\$ 2,467</u>	<u>\$ 5,896</u>

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

	SENIOR SERVICES TAX BOARD FUND				MORGAN CO. BOARD FOR THE DEVELOPMENTALLY DISABLED FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 190,100	\$ 200,176	\$ 200,176	\$ 200,367	\$ 189,910	\$ 200,961	\$ 211,275	\$ 201,152
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	210,000	248,495	275,005	316,710
Charges for services	-	-	-	-	-	-	-	-
Interest	200	111	115	157	432	1,041	432	1,142
Other	-	-	-	1,389	-	-	-	-
Transfers in	-	-	-	-	20,000	-	36,000	-
Total Receipts	<u>\$ 190,300</u>	<u>\$ 200,287</u>	<u>\$ 200,291</u>	<u>\$ 201,913</u>	<u>\$ 420,342</u>	<u>\$ 450,497</u>	<u>\$ 522,712</u>	<u>\$ 519,004</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 173,050	\$ 165,311	\$ 228,815	\$ 216,185
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	6,846	6,414	11,621	11,502
Services and other	199,100	195,093	194,660	194,919	318,201	239,340	338,406	258,881
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 199,100</u>	<u>\$ 195,093</u>	<u>\$ 194,660</u>	<u>\$ 194,919</u>	<u>\$ 498,097</u>	<u>\$ 411,065</u>	<u>\$ 578,842</u>	<u>\$ 486,568</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,800)	\$ 5,194	\$ 5,631	\$ 6,994	\$ (77,755)	\$ 39,432	\$ (56,130)	\$ 32,436
CASH AND INVESTMENTS, JANUARY 1	<u>57,235</u>	<u>57,235</u>	<u>62,429</u>	<u>62,429</u>	<u>197,120</u>	<u>197,120</u>	<u>236,552</u>	<u>236,552</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 48,435</u>	<u>\$ 62,429</u>	<u>\$ 68,060</u>	<u>\$ 69,423</u>	<u>\$ 119,365</u>	<u>\$ 236,552</u>	<u>\$ 180,422</u>	<u>\$ 268,988</u>

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

MORGAN COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	2016	2015
Prosecuting Attorney Training	✓	n/a
Recorder User Fees	n/a	✓
Domestic Violence	✓	n/a
Administrative Handling Cost	n/a	✓
Law Enforcement Sales Tax	✓	✓
N.I.D. Debt Service Bond	✓	n/a
N.I.D. Ongoing Maintenance and Construction	n/a	✓
Sheriff Fees	n/a	✓
Family Access	n/a	✓
Inmate Security	n/a	✓
Drug Task Force	n/a	✓
Senior Services Tax Board	✓	n/a

- 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 2016 and 2015, for purposes of taxation were:

	2016	2015
Real Estate	\$ 393,856,660	\$ 405,235,890
Personal Property	79,139,822	78,522,796
Railroad and Utilities	25,085,538	25,007,061
Total	<u>\$ 498,082,020</u>	<u>\$ 508,765,747</u>

For calendar years 2016 and 2015, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2016	2015
General Revenue	\$ 0.1065	\$ 0.1191
Special Road & Bridge	0.1646	0.1641
Senior Services Tax Board	0.0417	0.0415
Morgan Co. Board for the Developmentally Disabled	0.0417	0.0415

In addition to the levies above, the County has several levies and fees assessed on property located in 15 Neighborhood Improvement Districts within the County. These include debt service levies for paying back N.I.D. bond debt, and maintenance levies and fees assessed to maintain the condition of the roads within the District.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from 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 investment 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 INVESTMENTS

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 Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety 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, 2016 and 2015, the carrying amounts of the County's deposits were \$7,153,073 and \$5,541,827, respectively, and the bank balances were \$7,761,977 and \$6,202,984, respectively. Of the bank balances, \$576,444 for December 31, 2016 and \$552,227 for December 31, 2015 were covered by federal depository insurance. The remainder of the balances at December 31, 2016 and December 31, 2015 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, 2016 and 2015, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$13,258,602 and \$12,662,618 at December 31, 2016 and 2015, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2016 and 2015. The remainder of the balances at December 31, 2016 and December 31, 2015 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 Employees' Retirement Fund (CERF)

The County Employees' 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 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 Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-573-632-9203, or by the following website, www.mocerf.org.

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. During 2016 and 2015, the County collected and remitted to CERF employee contributions and fees collected of \$340,193 and \$335,752, 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

Vacation time is accrued for every full-time employee, and accrues at the rate of six days per year for employees with three years of service time or less, 12 days for employees with four to nine years of service time, or 18 days for employees with ten years of service time or more. If an employee has reached the maximum amount of unused vacation (one and one-half times the annual vacation amount), vacation will stop accruing on a monthly basis until the employee is below the limit. Upon separation, employees with ninety days or more of continuous service will be compensated for unused vacation time. The County provides full-time employees with 12 days of sick time per year, up to a maximum of 36 days. Employees are not compensated for unused sick time upon separation.

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. LONG TERM DEBT

At December 31, 2016, the County had outstanding debt remaining on two of its twelve Neighborhood Improvement Districts with total principal outstanding of \$145,000. The final payment on the 135-3 East & West NID of \$8,000 was made in March 2017. The remaining \$137,000 outstanding on Saddle Road NID will be paid in variable annual payments including principal and interest at 4.875% through 2026. Future payments on NID bond debt are as follows:

Year Ended December 31,	Principal	Interest	Total
2017	\$ 19,000	\$ 6,899	\$ 25,899
2018	11,000	6,143	17,143
2019	12,000	5,606	17,606
2020	13,000	5,021	18,021
2021	13,000	4,388	17,388
2022-2026	77,000	11,603	88,603
Total	<u>\$ 145,000</u>	<u>\$ 39,660</u>	<u>\$ 184,660</u>

8. LEASES

At December 31, 2016, the County had \$184,601 outstanding for the lease/purchase of 911 equipment. The lease is payable in equal monthly installments of \$5,437 including principal and interest at 2.035% through November 2019.

Future lease payments under this agreement are as follows:

Year Ended December 31,	Principal	Interest	Total
2017	\$ 62,063	\$ 3,179	\$ 65,242
2018	63,337	1,905	65,242
2019	59,201	604	59,805
Total	<u>\$ 184,601</u>	<u>\$ 5,688</u>	<u>\$ 190,289</u>

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 24, 2017, the date the financial statements were available to be issued. In 2017, the County is no longer hosting the Mid-Missouri Multi-Jurisdictional Drug Task Force, therefore, the County will no longer have a Drug Task Force Fund. The Task Force has moved to Pettis County.

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 Morgan 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 Morgan County, Missouri as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Morgan County, Missouri's basic financial statements and have issued our report thereon dated May 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morgan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan 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 certain deficiencies in internal control described in the accompanying schedule of findings and recommendations as items 1 and 2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morgan 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 3 and 4.

Morgan County, Missouri's Response to Findings

Morgan County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Morgan County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
May 24, 2017

McBRIDE, LOCK & ASSOCIATES, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the County Commission and
Officeholders of Morgan County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Morgan County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morgan County, Missouri's major federal programs for the years ended December 31, 2016 and 2015. Morgan County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Morgan County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2016 and 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

Morgan County, Missouri's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001, that we consider to be a material weakness.

Morgan County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
May 24, 2017

MORGAN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,		Federal Awards Passed-Through to Subrecipients
			2015	2016	
U.S. DEPARTMENT OF JUSTICE					
Passed through -					
Missouri Department of Public Safety					
16.738	Edward Byrne Memorial Justice Assistance Grant	2013-JAG-020	96,304	-	-
		2014-JAG-019	94,345	86,747	-
		2015-JAG-020	-	88,119	-
	Total 16.738		190,649	174,866	
Direct Program -					
16.922	Equitable Sharing of Seized and Forfeited Property	n/a	37,354	-	-
U. S. DEPARTMENT OF TRANSPORTATION					
Passed through -					
Missouri Department of Transportation					
20.205	Highway Planning and Construction	BRO-B071(9)	591,688	-	-
		BRO-B071(10)	365,715	-	-
	Total 20.205 / Highway Planning and Construction Cluster		957,403	-	
GENERAL SERVICES ADMINISTRATION					
Direct Program -					
39.003	Donation of Federal Surplus Personal Property	n/a	96,593	-	-
U. S. DEPARTMENT OF HOMELAND SECURITY					
Passed through -					
State Department of Public Safety					
97.036	Disaster Grants - Public Assistance (Presidentially-declared Disasters)	n/a	-	119,871	-
	Total Expenditures of Federal Awards		\$ 1,281,999	\$ 294,737	\$ -

See accompanying Notes to the Schedule of Expenditures of Federal Awards

MORGAN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Morgan County, Missouri for the years ended December 31, 2016 and 2015. The information in this schedule is presented in accordance with the 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). Therefore, some amount presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

MORGAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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 Uniform Guidance section 200.516? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Internal Controls Over Credit and Fuel Card Usage
2. Accounting for Transfers
3. Budgetary Controls
4. Competitive Purchasing Procedures

Summary Schedule of Prior Audit Findings:

1. County Budget Documents
2. Accounting for Transfers
3. Budgetary Procedures

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2016-001. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Homeland Security

Pass-Through Grantor: Missouri Department of Public Safety, Missouri Department of Transportation
Federal CFDA Number: 16.738, 20.205, 97.036

Program Title: Edward Byrne Memorial Justice Assistance Grant, Highway Planning and Construction, Disaster Grants – Public Assistance (Presidentially-declared Disasters)

Pass-through Entity Identifying Number: 2013-JAG-020, 2014-JAG-019, 2015-JAG-020, BRO-B071(9), BRO-B071(10)

Award Year: 2015 and 2016

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2015 and 2016 annual budget documents did not report all federal awards expended. The 2015 SEFA reported total federal award expenditures of \$134,307, while the 2016 SEFA reported \$0. However, during the audit we discovered an additional \$1,147,692 of federal award expenditures in 2015 and \$294,737 in 2016. The County Drug Task Force fund received federal money from the Missouri Department of Public Safety in 2015 and 2016 that was not reported on the SEFA. The County carried out two BRO bridge projects that were reimbursed with federal money passed through the Missouri Department of Transportation that were not reported on the SEFA. In 2016, the County received reimbursements of federal funds from the Missouri State Emergency Management Agency for disaster assistance expenses that were not reported on the SEFA. Findings related to the preparation of the SEFA have been noted in several past audits of the County.

Cause: The County may not have known about the existence of these federal awards because the money was received from State level agencies rather than from the federal government.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2016 and 2015. The likelihood of non-compliance with federal award requirements applicable to certain awards is increased when the County is not aware that a grant is a federal award. The SEFA presented in this report has been corrected.

Recommendation: We recommend that the County implement procedures to ensure that the SEFA encompasses all federal awards received by the County. The County needs to be more diligent at identifying awards of federal funds that are passed through from State agencies.

County Response: Morgan County will work on establishing a procedure to ensure that the SEFA encompasses all federal awards received by the County.

2016-002. Cash Management Procedures

Federal Grantor: U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Transportation

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass-through Entity Identifying Number: BRO-B071(9), BRO-B071(10)

Award Year: 2015

Questioned Costs: None

Criteria: Federal award requirements state that recipients receiving advances of federal funds must implement procedures to minimize the time elapsing between the receipt of federal funds and the disbursement of the funds. BRO program regulations state that Local Public Agencies (Morgan County) must "develop cash management procedures to ensure payment is made to the contractor/consultant within two (2) business days of receipt of funds from MoDOT."

Condition: During our audit, we analyzed all receipts and disbursements on both BRO projects during 2015 and noted several instances where the County wrote checks to the consulting engineers and construction contractors on both BRO projects well after the reimbursement from MoDOT was received into the County's bank account. The County typically submitted invoices to MoDOT for reimbursement prior to making the payment on the invoice to the engineer or construction contractor. For BRO-B071(9), there were two checks totaling \$5,942 that were written 39 and 49 days after receipt of funds from MoDOT. For BRO-B071(10), there were seven checks totaling \$342,678 that were written between 8 and 46 days after receipt of funds from MoDOT.

Cause: The County does not have access to online banking, therefore, they are not aware of electronic receipts such as those from MoDOT until they receive notice from the bank. As some of the disbursements under this grant are quite large, the County preferred to wait until funds were received from MoDOT prior to paying vendors.

Effect: The grant is intended to be a reimbursement type grant, however, the County may have inappropriately earned interest on the federal funds due to the delay in payments.

Recommendation: We recommend that the County implement procedures to ensure that federal funds are disbursed in a timely manner in accordance with federal regulations and the terms and conditions of federal awards.

County Response: Morgan County will not be implementing online banking. At this point we have no choice until the Treasurer receives notification from our financial institution that funding has been received and then payment will be made. Morgan County records show that when notification of funds had been received, payments were made in a timely manner.

SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2012-04. Schedule of Expenditures of Federal Awards

The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County’s SEFA contained material errors and omissions of information required by the federal government. This condition has been noted in several past audit reports of the County.

Status – This finding has not been resolved. See finding 2016-001. The County Clerk indicated that she sends something out to officeholders during the budgeting process inquiring about any federal funds received, however, this process was not effective in preparing a more accurate SEFA during 2015 and 2016.

FINDINGS AND RECOMMENDATIONS

MORGAN COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Internal Controls Over Credit and Fuel Card Usage

Condition: During our audit, we noted that the County's internal controls over the use of its Visa credit cards, Walmart Community cards, and fuel cards were inadequate. During the audit period, there were five Visa credit cards issued and over a dozen Walmart Community cards, and access to these cards was not centrally controlled as the employees who were issued cards carried them with them at all times. Having a large number of credit cards issued without controls over access to the cards greatly increases the risk of inappropriate use or loss of the cards. During 2017, the County Commission has taken steps to reduce the number of cards outstanding. Three Walmart Community cards that had been issued could not be located when the Commission was in the process of collecting the outstanding cards. There are now only three Walmart Community cards issued to County employees (Sheriff, Jail Administrator, and 911 supervisor) and one Visa credit card which is kept in a locked drawer in the Commissioner's office. Advance approval is now required before using one of the Walmart credit cards.

The County Commission has also taken steps to improve controls over fuel card usage by employees of the Sheriff's office. The new cards issued in 2017 require card users to enter the vehicle mileage and a unique vehicle PIN number to be entered at the pump, allowing the Sheriff and 911 supervisor to compare fuel expenditures to actual miles driven.

Recommendation: We recommend that the County continue to take steps to ensure that proper controls are in place to prevent inappropriate use of County credit cards through physical control of the cards and requiring proper approvals prior to use.

County's Response: In addition to improved controls over fuel cards, all remaining County issued credit cards have been turned into the County Commission and distributed upon request and approval of purchases.

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

2. 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 2016 or 2015. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. In most instances, one side of the transfer would be booked to a "miscellaneous" revenue or expense account resulting in an imbalance between transfers in and out. 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, 2016 and 2015.

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 in the accounting system and on the annual budget.

County's Response: Morgan County accepts the recommendation and will make the necessary changes to ensure transfers are more clearly identified.

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

ITEMS OF NONCOMPLIANCE

3. Budgetary Controls

Condition: Actual expenditures exceeded budgeted expenditures for eight funds in 2015 and five funds in 2016. The detailed list of funds can be found in Note 1.D.10 to the financial statements. 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.

County's Response: Morgan County began amending the budget in 2016 and will continue to monitor spending limits and adhere to budget limits or amend as required.

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

4. Competitive Purchasing Procedures

Condition: During our audit, we noted two instances where the County purchased goods or services in excess of \$4,500 but no documentation of bidding or other competitive purchasing procedures could be provided. In 2015, the County purchased a piece of equipment for the Recorder's office for \$11,217. In 2016, the County purchased services for painting at the Justice Center for a total of \$8,966. In both cases, no documentation of bidding could be provided. RSMo 50.660 states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days...." RSMO 50.783.1 states that, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies."

Recommendation: We recommend the County Commission solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records in the County Clerk's office and include pertinent bid information in the Commission minutes.

County's Response: Morgan County recognizes that it failed to obtain bids on two separate occasions. While we feel only one single feasible source was available for the supplies, we did not attempt to solicit bids. Corrective action has been taken in the County Commission office to ensure that this will not happen in future purchases and that Morgan County follows the required bidding process as set forth in RSMo 50.783.1.

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

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2016 and 2015, we considered Morgan County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated May 24, 2017. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Payroll Process Controls

During our audit, we became aware of seven employees who were paid \$2,571 through the accounts payable process rather than through payroll checks in February and March 2017. Beginning January 1, 2017, the County switched to an outsourced payroll company which implemented an electronic fingerprint timeclock. The County experienced issues relating to this new process which resulted in some employees being underpaid for the month of January. Warrant requests were initiated by the County Clerk and the employees were paid through the accounts payable process rather than paying the supplemental amounts through the usual payroll processing procedures. We recommend that the County ensure that all employee compensation payments are run through the payroll process to ensure the accuracy of calculations for employee pay, payroll taxes, and deductions and to ensure that federal and state recordkeeping and reporting related to payroll are accurate.

MORGAN 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 Morgan County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012 and 2011.

1. The County's budget documents for the year ended December 31, 2012 and 2011 materially misstated the various receipt classifications in various county funds.

Status: Resolved. Although there were several reclassifications made in preparing the financial statements in this report, most of them were related to transfers (see 2 below).

2. The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the county funds.

Status: Not resolved. See Finding No. 2.

3. The County did not exercise adequate budgetary control over several funds during the audit period. Expenditures were approved for payment that exceeded the approved budget. The County did not prepare a budget for the County Law Enforcement Restitution Fund for the year ended December 31, 2011. Several errors were noted in the budgets for the Drug Task Force, Drug Task Force Supplemental and Senior Services Tax Board Funds.

Status: Partially resolved. See Finding No. 3 related to approving expenditures in excess of budgeted amounts.