



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

To the County Commission  
and  
Officeholders of Pike County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pike 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 Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA  
State Auditor

September 2017  
Report No. 2017-096

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2016 AND 2015

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Pike, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Pike, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2016, and 2015, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

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

As described in Note I of the financial statements, the financial statements are prepared 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, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I 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 each fund of the County as of December 31, 2016, and 2015, or changes in financial position or cash flows thereof for the years then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County 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 described in Note I.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Pike’s basic financial statements. The schedule of expenditures of federal awards, 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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 have also issued our report dated August 9, 2017, on our consideration of the County of Pike's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Pike's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

August 9, 2017

## **FINANCIAL STATEMENTS**



THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH AND INVESTMENT BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 1,186,402.83	\$ 2,405,733.16	\$ 2,105,704.52	\$ 1,486,431.47
Special Road and Bridge Fund	(13,394.78)	3,630,738.00	3,279,640.33	337,702.89
Assessment Fund	84,456.64	327,512.14	320,868.63	91,100.15
Law Enforcement Sales Tax Fund	41,615.32	1,559,331.44	1,517,224.68	83,722.08
Law Enforcement Training Fund	2,589.68	3,881.69	1,547.69	4,923.68
Recorder Fund	17,285.15	12,035.16	10,905.06	18,415.25
Prosecuting Attorney Bad Check Fund	26,410.06	4,785.78	11,103.13	20,092.71
911 Fund	98,369.04	169,827.00	154,869.13	113,326.91
Prosecuting Attorney Training Fund	801.80	487.06	400.00	888.86
5% Statute Cost Election Fund	626.81	6,202.34	1,975.00	4,854.15
Special Election Fund	24,016.92	96,206.27	118,360.70	1,862.49
Domestic Violence Fund	4,116.00	4,609.00	5,346.50	3,378.50
Hospital Fund	1.98	865,596.94	865,594.32	4.60
Help America Vote Act Fund	872.05	123.80	-	995.85
Tax Maintenance Fund	112,450.95	24,477.60	27,281.85	109,646.70
Sheriff Revolving Fund	13,543.81	23,850.16	20,690.32	16,703.65
Inmate Security Fund	8,889.32	38,212.74	19,862.14	27,239.92
Law Enforcement Restitution Fund	21,249.64	8,974.52	-	30,224.16
Civil Fees Fund	500.00	28,811.09	20,321.88	8,989.21
TOTAL	<u>\$ 1,630,803.22</u>	<u>\$ 9,211,395.89</u>	<u>\$ 8,481,695.88</u>	<u>\$ 2,360,503.23</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2015	RECEIPTS 2015	DISBURSEMENTS 2015	CASH AND INVESTMENT BALANCES DECEMBER 31, 2015
General Revenue Fund	\$ 1,344,893.98	\$ 2,179,863.00	\$ 2,338,354.15	\$ 1,186,402.83
Special Road and Bridge Fund	163,373.23	2,386,396.99	2,563,165.00	(13,394.78)
Assessment Fund	97,119.98	322,481.00	335,144.34	84,456.64
Law Enforcement Sales Tax Fund	5,216.66	1,772,000.00	1,735,601.34	41,615.32
Law Enforcement Training Fund	1,821.89	4,106.80	3,339.01	2,589.68
Recorder Fund	17,067.10	10,638.08	10,420.03	17,285.15
Prosecuting Attorney Bad Check Fund	25,890.68	5,944.14	5,424.76	26,410.06
911 Fund	81,496.34	169,571.00	152,698.30	98,369.04
Prosecuting Attorney Training Fund	985.81	590.99	775.00	801.80
5% Statute Cost Election Fund	626.81	-	-	626.81
Special Election Fund	0.43	44,971.00	20,954.51	24,016.92
Domestic Violence Fund	228.00	3,888.00	-	4,116.00
Hospital Fund	5.67	855,357.81	855,361.50	1.98
Help America Vote Act Fund	840.60	31.45	-	872.05
Tax Maintenance Fund	109,902.97	24,210.39	21,662.41	112,450.95
Sheriff Revolving Fund	14,126.75	21,319.73	21,902.67	13,543.81
Inmate Security Fund	13,478.53	22,918.10	27,507.31	8,889.32
Law Enforcement Restitution Fund	23,614.10	9,960.54	12,325.00	21,249.64
Civil Fees Fund	-	500.00	-	500.00
TOTAL	<u>\$ 1,900,689.53</u>	<u>\$ 7,834,749.02</u>	<u>\$ 8,104,635.33</u>	<u>\$ 1,630,803.22</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	GENERAL REVENUE FUND			
	2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 791,500.00	\$ 806,347.30	\$ 773,000.00	\$ 788,122.00
Sales Taxes	855,000.00	862,267.12	820,000.00	854,929.00
Intergovernmental	54,350.00	46,807.61	56,000.00	45,736.00
Charges for Services	357,800.00	378,109.01	354,700.00	358,746.00
Interest	6,800.00	11,685.80	7,000.00	7,164.00
Other	158,644.00	138,516.32	107,582.00	125,166.00
Transfers In	142,000.00	162,000.00	-	-
TOTAL RECEIPTS	2,366,094.00	2,405,733.16	2,118,282.00	2,179,863.00
DISBURSEMENTS				
Buildings and Grounds	60,000.00	56,029.21	60,000.00	57,875.00
Capital Improvements	100,000.00	122,722.00	65,000.00	56,629.00
Child Support Enforcement Unit	20,053.00	19,610.63	20,180.00	19,878.00
Circuit Clerk	32,972.00	39,710.04	44,404.00	38,187.00
Circuit Court	29,300.00	13,895.29	19,500.00	28,341.00
Circuit Judge	60,650.00	27,696.04	60,300.00	54,350.00
Collector	109,071.00	97,316.05	112,165.00	100,773.00
Contracted Services	28,586.00	27,756.44	35,000.00	24,573.00
Coroner	37,884.00	33,628.28	37,110.00	39,688.00
County Clerk	130,536.00	108,011.50	131,459.00	129,758.00
County Commission	128,756.00	121,508.94	129,277.00	126,214.00
Economic Development	62,772.00	61,402.25	63,192.00	63,109.00
Elections	97,335.00	92,250.00	15,000.00	15,000.00
Emergency Management	96,000.00	21,060.17	88,000.00	22,299.00
Extension Office	58,729.00	58,439.63	58,653.00	57,673.00
Insurance	154,000.00	141,006.27	186,000.00	151,084.00
Janitor	50,320.00	29,264.31	40,754.00	31,234.00
Juvenile	59,711.00	48,896.50	85,250.00	59,176.00
Material and Supplies	39,000.00	27,280.13	48,500.00	42,116.00
Other	127,422.00	86,289.58	84,500.00	95,170.15
Prosecuting Attorney	350,220.00	327,935.64	320,615.00	309,716.00
Public Administrator	57,416.00	57,536.31	60,247.00	56,407.00
Recorder of Deeds	90,776.00	88,637.86	100,569.00	99,898.00
Security	25,378.00	4,115.95	18,193.00	14,127.00
Treasurer	91,203.00	87,334.03	93,014.00	92,421.00
Voter Registration	68,914.00	67,195.47	69,265.00	68,994.00
Transfers Out	299,676.00	239,176.00	345,164.00	483,664.00
TOTAL DISBURSEMENTS	2,466,680.00	2,105,704.52	2,391,311.00	2,338,354.15
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100,586.00)	300,028.64	(273,029.00)	(158,491.15)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,186,402.83	1,186,402.83	1,344,893.98	1,344,893.98
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,085,816.83	\$ 1,486,431.47	\$ 1,071,864.98	\$ 1,186,402.83

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	SPECIAL ROAD AND BRIDGE FUND			
	2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 605,500.00	\$ 638,748.20	\$ 620,000.00	\$ 605,451.00
Sales Taxes	936,000.00	936,387.86	952,518.00	935,958.00
Intergovernmental	2,154,616.00	2,035,468.19	1,570,832.00	804,113.00
Interest	2,500.00	3,358.54	1,000.00	2,710.00
Other	33,800.00	16,775.21	115,000.00	38,164.99
Transfers In	-	-	-	-
TOTAL RECEIPTS	3,732,416.00	3,630,738.00	3,259,350.00	2,386,396.99
DISBURSEMENTS				
Salaries	582,966.00	611,822.84	632,293.00	536,032.00
Employee Fringe Benefits	106,023.00	92,716.90	81,500.00	94,315.00
Materials and Supplies	882,200.00	1,038,844.77	730,000.00	775,590.00
Safety Materials	5,000.00	4,804.66	5,000.00	4,140.00
Insurance	142,155.00	124,170.08	126,222.00	151,769.00
Infrastructure	1,511,116.00	812,789.66	888,916.00	239,217.00
Vehicles and Autos	443,500.00	544,689.42	680,810.00	762,102.00
Equipment	46,000.00	49,802.00	27,000.00	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	3,718,960.00	3,279,640.33	3,171,741.00	2,563,165.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,456.00	351,097.67	87,609.00	(176,768.01)
CASH AND INVESTMENT BALANCES, JANUARY 1	(13,394.78)	(13,394.78)	163,373.23	163,373.23
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 61.22	\$ 337,702.89	\$ 250,982.23	\$ (13,394.78)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	ASSESSMENT FUND				LAW ENFORCEMENT SALES TAX FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 935,000.00	\$ 936,475.80	\$ 922,000.00	\$ 935,994.00
Intergovernmental	241,444.00	265,659.43	222,348.00	257,866.00	292,800.00	367,162.55	430,000.00	322,355.00
Charges for Services	-	-	-	-	600.00	5,015.64	32,100.00	25,935.00
Interest	350.00	394.26	400.00	412.00	100.00	129.70	500.00	171.00
Other	11,100.00	15,282.45	9,250.00	18,043.00	26,460.00	33,547.75	39,000.00	26,041.00
Transfers In	46,176.00	46,176.00	46,160.00	46,160.00	275,000.00	217,000.00	319,504.00	461,504.00
TOTAL RECEIPTS	299,070.00	327,512.14	278,158.00	322,481.00	1,529,960.00	1,559,331.44	1,743,104.00	1,772,000.00
DISBURSEMENTS								
Salaries	224,135.00	201,598.43	197,273.00	198,193.00	738,084.00	768,547.76	1,009,035.00	980,202.00
Employee Fringe Benefits	41,305.00	30,460.73	38,416.00	35,294.00	147,739.00	93,255.20	167,283.00	176,260.00
Program Fee	-	-	-	-	-	-	4,000.00	3,341.00
Prison Cost	-	-	-	-	120,000.00	119,510.56	99,000.00	130,611.00
Materials and Supplies	47,800.00	43,669.43	59,800.00	49,028.34	39,700.00	41,189.82	40,000.00	46,611.00
Safety Materials	-	-	-	-	-	3,767.25	2,000.00	2,335.00
Insurance	32,864.00	30,963.12	30,600.00	33,489.00	183,500.00	166,714.75	187,000.00	193,493.00
Infrastructure	-	-	-	-	66,925.00	71,610.25	81,000.00	69,708.00
Vehicles and Autos	-	-	-	-	69,700.00	67,159.26	115,000.00	99,580.00
Equipment	18,700.00	6,570.59	18,000.00	12,352.00	-	357.99	11,500.00	11,930.00
Mileage and Training	9,000.00	5,915.29	9,000.00	5,472.00	200.00	-	500.00	216.00
Other	7,000.00	1,691.04	9,000.00	1,316.00	22,109.00	23,111.84	32,000.00	21,314.34
Transfers Out	-	-	-	-	142,000.00	162,000.00	-	-
TOTAL DISBURSEMENTS	380,804.00	320,868.63	362,089.00	335,144.34	1,529,957.00	1,517,224.68	1,748,318.00	1,735,601.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	(81,734.00)	6,643.51	(83,931.00)	(12,663.34)	3.00	42,106.76	(5,214.00)	36,398.66
CASH AND INVESTMENT BALANCES, JANUARY 1	84,456.64	84,456.64	97,119.98	97,119.98	41,615.32	41,615.32	5,216.66	5,216.66
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,722.64	\$ 91,100.15	\$ 13,188.98	\$ 84,456.64	\$ 41,618.32	\$ 83,722.08	\$ 2.66	\$ 41,615.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	LAW ENFORCEMENT TRAINING FUND				RECORDER FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,200.00	2,881.69	3,700.00	3,106.80	10,000.00	12,001.00	9,000.00	10,604.00
Interest	-	-	-	-	-	34.16	-	34.08
Other	-	-	-	-	-	-	-	-
Transfers In	1,000.00	1,000.00	1,000.00	1,000.00	-	-	-	-
TOTAL RECEIPTS	4,200.00	3,881.69	4,700.00	4,106.80	10,000.00	12,035.16	9,000.00	10,638.08
DISBURSEMENTS								
Materials and Supplies	200.00	-	700.00	-	7,000.00	630.26	7,000.00	3,665.03
Mileage and Training	4,000.00	1,547.69	4,000.00	3,339.01	-	-	-	-
Contract Services	-	-	-	-	10,000.00	9,844.80	15,000.00	5,930.00
Equipment	-	-	-	-	3,000.00	430.00	3,000.00	825.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,200.00	1,547.69	4,700.00	3,339.01	20,000.00	10,905.06	25,000.00	10,420.03
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	2,334.00	-	767.79	(10,000.00)	1,130.10	(16,000.00)	218.05
CASH AND INVESTMENT BALANCES, JANUARY 1	2,589.68	2,589.68	1,821.89	1,821.89	17,285.15	17,285.15	17,067.10	17,067.10
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,589.68</u>	<u>\$ 4,923.68</u>	<u>\$ 1,821.89</u>	<u>\$ 2,589.68</u>	<u>\$ 7,285.15</u>	<u>\$ 18,415.25</u>	<u>\$ 1,067.10</u>	<u>\$ 17,285.15</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	PROSECUTING ATTORNEY BAD CHECK FUND				911 FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,500.00	4,742.35	8,500.00	5,897.00	170,000.00	169,613.15	170,000.00	169,390.00
Interest	30.00	43.43	40.00	47.14	-	213.85	-	181.00
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,530.00	4,785.78	8,540.00	5,944.14	170,000.00	169,827.00	170,000.00	169,571.00
DISBURSEMENTS								
Salaries	-	-	-	-	28,852.00	28,849.60	28,850.00	28,852.00
Fringe Benefits	-	-	-	-	4,486.00	4,444.30	4,717.00	4,678.00
Insurance	-	-	-	-	5,477.00	5,717.70	-	5,250.00
Mileage and Training	-	-	-	-	2,200.00	431.60	2,200.00	766.00
Other	-	-	-	-	130,000.00	90,425.93	105,000.00	88,152.30
Office	14,500.00	11,103.13	12,500.00	5,424.76	-	-	-	-
Transfers Out	-	-	-	-	25,000.00	25,000.00	50,000.00	25,000.00
TOTAL DISBURSEMENTS	14,500.00	11,103.13	12,500.00	5,424.76	196,015.00	154,869.13	190,767.00	152,698.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,970.00)	(6,317.35)	(3,960.00)	519.38	(26,015.00)	14,957.87	(20,767.00)	16,872.70
CASH AND INVESTMENT BALANCES, JANUARY 1	26,410.06	26,410.06	25,890.68	25,890.68	98,369.04	98,369.04	81,496.34	81,496.34
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 15,440.06</u>	<u>\$ 20,092.71</u>	<u>\$ 21,930.68</u>	<u>\$ 26,410.06</u>	<u>\$ 72,354.04</u>	<u>\$ 113,326.91</u>	<u>\$ 60,729.34</u>	<u>\$ 98,369.04</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	PROSECUTING ATTORNEY TRAINING FUND			
	2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	500.00	487.06	700.00	590.99
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	500.00	487.06	700.00	590.99
DISBURSEMENTS				
Materials and Supplies	-	-	200.00	-
Mileage and Training	500.00	400.00	1,000.00	775.00
Court Cost	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
TOTAL DISBURSEMENTS	500.00	400.00	1,200.00	775.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	87.06	(500.00)	(184.01)
CASH AND INVESTMENT BALANCES, JANUARY 1	801.80	801.80	985.81	985.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 801.80	\$ 888.86	\$ 485.81	\$ 801.80

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	5% STATUTE COST ELECTION FUND				SPECIAL ELECTION FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	25,000.00	21,036.73	4,450.00	1,982.00
Charges for Services	7,245.00	6,202.34	1,000.00	-	118,310.00	75,132.09	36,000.00	42,943.00
Interest	-	-	-	-	-	37.45	-	46.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,245.00	6,202.34	1,000.00	-	143,310.00	96,206.27	40,450.00	44,971.00
DISBURSEMENTS								
Contracted Services	-	-	-	-	2,700.00	1,875.00	725.00	675.00
Service - Poll Workers	-	-	-	-	32,000.00	31,054.15	8,250.00	7,410.00
Materials and Supplies	3,622.50	1,975.00	500.00	-	96,250.00	65,027.59	14,275.00	10,649.00
Equipment	3,622.50	-	500.00	-	-	-	-	-
Other	-	-	-	-	15,170.00	20,403.96	3,750.00	2,220.51
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,245.00	1,975.00	1,000.00	-	146,120.00	118,360.70	27,000.00	20,954.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	4,227.34	-	-	(2,810.00)	(22,154.43)	13,450.00	24,016.49
CASH AND INVESTMENT BALANCES, JANUARY 1	626.81	626.81	626.81	626.81	24,016.92	24,016.92	0.43	0.43
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 626.81	\$ 4,854.15	\$ 626.81	\$ 626.81	\$ 21,206.92	\$ 1,862.49	\$ 13,450.43	\$ 24,016.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	DOMESTIC VIOLENCE FUND				HOSPITAL FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ 861,028.00	\$ 861,700.60	\$ 810,000.00	\$ 854,654.25
Charges for Services	4,000.00	4,609.00	7,500.00	3,888.00	-	-	-	-
Interest	-	-	-	-	710.00	3,896.34	730.00	703.56
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,000.00	4,609.00	7,500.00	3,888.00	861,738.00	865,596.94	810,730.00	855,357.81
DISBURSEMENTS								
Program Fee	7,888.00	5,346.50	7,500.00	-	431,728.00	433,866.82	360,730.00	431,916.00
Bond Payment	-	-	-	-	430,000.00	431,727.50	450,000.00	423,445.50
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,888.00	5,346.50	7,500.00	-	861,728.00	865,594.32	810,730.00	855,361.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,888.00)	(737.50)	-	3,888.00	10.00	2.62	-	(3.69)
CASH AND INVESTMENT BALANCES, JANUARY 1	4,116.00	4,116.00	228.00	228.00	1.98	1.98	5.67	5.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 228.00	\$ 3,378.50	\$ 228.00	\$ 4,116.00	\$ 11.98	\$ 4.60	\$ 5.67	\$ 1.98

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	HELP AMERICA VOTE ACT FUND				TAX MAINTENANCE FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	20,000.00	24,196.92	20,000.00	23,902.18
Interest	-	-	-	-	-	280.68	-	308.21
Other	100.00	123.80	100.00	31.45	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	100.00	123.80	100.00	31.45	20,000.00	24,477.60	20,000.00	24,210.39
DISBURSEMENTS								
Program Fee	872.05	-	837.00	-	-	-	-	-
Office	-	-	-	-	22,000.00	27,281.85	21,000.00	21,662.41
TOTAL DISBURSEMENTS	872.05	-	837.00	-	22,000.00	27,281.85	21,000.00	21,662.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(772.05)	123.80	(737.00)	31.45	(2,000.00)	(2,804.25)	(1,000.00)	2,547.98
CASH AND INVESTMENT BALANCES, JANUARY 1	872.05	872.05	840.60	840.60	112,450.95	112,450.95	109,902.97	109,902.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 100.00	\$ 995.85	\$ 103.60	\$ 872.05	\$ 110,450.95	\$ 109,646.70	\$ 108,902.97	\$ 112,450.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	SHERIFF REVOLVING FUND				INMATE SECURITY FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 20,500.00	\$ 23,850.16	\$ -	\$ 21,319.73	\$ 45,000.00	\$ 38,212.74	\$ -	\$ 22,918.10
Interest	-	-	-	-	-	-	-	-
Other	25.00	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,525.00	23,850.16	-	21,319.73	45,000.00	38,212.74	-	22,918.10
DISBURSEMENTS								
Office	20,000.00	20,690.32	-	21,902.67	51,000.00	19,862.14	-	27,507.31
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	20,690.32	-	21,902.67	51,000.00	19,862.14	-	27,507.31
RECEIPTS OVER (UNDER) DISBURSEMENTS	525.00	3,159.84	-	(582.94)	(6,000.00)	18,350.60	-	(4,589.21)
CASH AND INVESTMENT BALANCES, JANUARY 1	13,543.81	13,543.81	14,126.75	14,126.75	8,889.32	8,889.32	13,478.53	13,478.53
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 14,068.81</u>	<u>\$ 16,703.65</u>	<u>\$ 14,126.75</u>	<u>\$ 13,543.81</u>	<u>\$ 2,889.32</u>	<u>\$ 27,239.92</u>	<u>\$ 13,478.53</u>	<u>\$ 8,889.32</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

	LAW ENFORCEMENT RESTITUTION FUND				CIVIL FEES FUND			
	2016		2015		2016		2015	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 8,800.00	\$ 8,922.00	\$ 31,114.00	\$ 9,919.08	\$ -	\$ 28,811.09	\$ -	\$ -
Interest	30.00	52.52	35.00	41.46	-	-	-	-
Other	-	-	-	-	-	-	-	500.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,830.00	8,974.52	31,149.00	9,960.54	-	28,811.09	-	500.00
DISBURSEMENTS								
Program Fee	25,000.00	-	20,000.00	12,325.00	-	-	-	-
Other	-	-	-	-	-	20,321.88	-	-
TOTAL DISBURSEMENTS	25,000.00	-	20,000.00	12,325.00	-	20,321.88	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,170.00)	8,974.52	11,149.00	(2,364.46)	-	8,489.21	-	500.00
CASH AND INVESTMENT BALANCES, JANUARY 1	21,249.64	21,249.64	23,614.10	23,614.10	500.00	500.00	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 5,079.64</u>	<u>\$ 30,224.16</u>	<u>\$ 34,763.10</u>	<u>\$ 21,249.64</u>	<u>\$ 500.00</u>	<u>\$ 8,989.21</u>	<u>\$ -</u>	<u>\$ 500.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2016

	<u>Collector</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Holding Account</u>	<u>Fines Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 13,482,342.00	\$ 4.00	\$ 18,295.62	\$ 14,741.69	\$ 50,611.59	\$ 13,565,994.90
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	13,482,342.00	4.00	18,295.62	14,741.69	50,611.59	13,565,994.90
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	<u>13,482,342.00</u>	<u>4.00</u>	<u>18,295.62</u>	<u>14,741.69</u>	<u>50,611.59</u>	<u>13,565,994.90</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,482,342.00</u>	<u>\$ 4.00</u>	<u>\$ 18,295.62</u>	<u>\$ 14,741.69</u>	<u>\$ 50,611.59</u>	<u>\$ 13,565,994.90</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2015

	<u>Collector</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Holding Account</u>	<u>Fines Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 12,887,152.17	\$ 16.50	\$ 32,012.42	\$ 5,881.35	\$ 44,447.74	\$ 12,969,510.18
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	12,887,152.17	16.50	32,012.42	5,881.35	44,447.74	12,969,510.18
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	<u>12,887,152.17</u>	<u>16.50</u>	<u>32,012.42</u>	<u>5,881.35</u>	<u>44,447.74</u>	<u>12,969,510.18</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,887,152.17</u>	<u>\$ 16.50</u>	<u>\$ 32,012.42</u>	<u>\$ 5,881.35</u>	<u>\$ 44,447.74</u>	<u>\$ 12,969,510.18</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Pike, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, Surveyor, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

The financial statements referred to above include only the primary government of Pike County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm, and therefore, is not included in this report. To receive information regarding the Senate Bill 40 Board Fund audit, the administration of this board will need to be contacted.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.



THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of using 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 the 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 financials would be presented on the accrual basis of accounting.

D. Budget 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 adopts a budget for each governmental fund.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments 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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 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 COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2016 and 2015, for purposes of taxation, was:

	<u>2016</u>	<u>2015</u>
Real Estate	\$ 148,480,420	\$ 146,150,920
Personal Property	75,114,832	63,625,972
Railroad and Utilities	<u>69,540,153</u>	<u>71,188,292</u>
	<u>\$ 293,135,405</u>	<u>\$ 280,965,184</u>

During 2016 and 2015, the County Commission approved a \$0.8097 and \$0.8057 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2016</u>	<u>2015</u>
General Revenue Fund	\$ 0.2815	\$ 0.2822
Special Road and Bridge Fund	0.3132	0.3104
Hospital Fund	<u>0.2150</u>	<u>0.2131</u>
	<u>\$ 0.8097</u>	<u>\$ 0.8057</u>

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 such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 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, provided, however, that no such investment 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 the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
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II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - 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 \$2,360,503.23 and \$1,630,803.22, and the bank balances were \$10,660,240.17 and \$11,358,882.21, respectively. The total bank balances as of December 31, 2016, and December 31, 2015, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2016, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 1,599,192.81
Investments	<u>761,310.42</u>
Total Governmental Funds	2,360,503.23
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	<u>13,565,994.90</u>
Total Agency Funds	<u>13,565,994.90</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 15,926,498.13</u>

The carrying values of deposits and investments at December 31, 2015, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 872,899.69
Investments	<u>757,903.53</u>
Total Governmental Funds	1,630,803.22
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	<u>12,969,510.18</u>
Total Agency Funds	<u>12,969,510.18</u>
Total Deposits and Investments as of December 31, 2015	<u>\$ 14,600,313.40</u>

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 to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2016, and 2015.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
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II. DEPOSITS AND INVESTMENTS (concluded)

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 who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

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. The 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.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the 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). The 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 years ended December 31, 2016, and 2015.

III. LONG-TERM DEBT

On December 18, 2003, the County of Pike approved issues of \$5,000,000 in certificate of participation with U.S. Bank for Pike County Memorial Hospital. The proceeds are used to finance the cost of constructing, furnishing and equipment improvements to the Hospital.

The County makes the principal and interest payments on the certificate of participation from a local sales tax that was passed on November 6, 2001, of one-half cent. Sales tax in excess of principal and interest payments is submitted to the Hospital. During the years ended December 31, 2016, and 2015, the County received \$861,700.60 and \$854,654.25, respectively, from this sales tax.

On August 16, 2012, the County issued \$3,655,000 refunding certificate of participation Series 2012 with Bank of Nevada. The refunding certificate of participation calls for annual principal and semi-annual interest payments starting on December 1, 2012, with a maturity date of December 1, 2021. The refunding certificate of participation calls for interest of 2.870%.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
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III. LONG-TERM DEBT (concluded)

The following is a schedule of payments made under the agreement as of December 31, 2016.

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Series 2012	\$ 2,325,000.00	\$ -	\$ 365,000.00	\$ 1,960,000.00	\$ 66,727.50
TOTAL	<u>\$ 2,325,000.00</u>	<u>\$ -</u>	<u>\$ 365,000.00</u>	<u>\$ 1,960,000.00</u>	<u>\$ 66,727.50</u>

The future payments for the certificate of participation as of December 31, 2016, are as follows:

Year Ending December 31,	Interest	Principal	Total
2017	\$ 56,252.00	\$ 375,000.00	\$ 431,252.00
2018	45,489.50	385,000.00	430,489.50
2019	34,440.00	395,000.00	429,440.00
2020	23,103.50	405,000.00	428,103.50
2021	11,480.00	400,000.00	411,480.00
	<u>\$ 170,765.00</u>	<u>\$ 1,960,000.00</u>	<u>\$ 2,130,765.00</u>

The following is a schedule of payments made under the agreement as of December 31, 2015.

Description	Balance 12/31/2014	Additions	Payments	Balance 12/31/2015	Interest Paid
Series 2012	\$ 2,680,000.00	\$ -	\$ 355,000.00	\$ 2,325,000.00	\$ 76,916.00
TOTAL	<u>\$ 2,680,000.00</u>	<u>\$ -</u>	<u>\$ 355,000.00</u>	<u>\$ 2,325,000.00</u>	<u>\$ 76,916.00</u>

The future payments for the certificate of participation as of December 31, 2015, are as follows:

December 31,	Interest	Principal	Total
2016	\$ 66,727.50	\$ 365,000.00	\$ 431,727.50
2017	56,252.00	375,000.00	431,252.00
2018	45,489.50	385,000.00	430,489.50
2019	34,440.00	395,000.00	429,440.00
2020	23,103.50	405,000.00	428,103.50
2021	11,480.00	400,000.00	411,480.00
	<u>\$ 237,492.50</u>	<u>\$ 2,325,000.00</u>	<u>\$ 2,562,492.50</u>

THE COUNTY OF PIKE  
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IV. CAPITAL LEASES

On May 23, 2014, the County of Pike entered into a lease purchase agreement with CBC Bank for a 2014 Ford Police Interceptor Explorer. The financing agreement calls for two payments of \$9,920.68. The interest rate is 2.25% per annum.

The following is a schedule of payments made under the agreement as of December 31, 2016.

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
2014 Ford Interceptor	\$ 9,698.86	\$ -	\$ 9,698.86	\$ -	\$ 221.82
TOTAL	<u>\$ 9,698.86</u>	<u>\$ -</u>	<u>\$ 9,698.86</u>	<u>\$ -</u>	<u>\$ 221.82</u>

The following is a schedule of payments made under the agreement as of December 31, 2015.

Description	Balance 12/31/2014	Additions	Payments	Balance 12/31/2015	Interest Paid
2014 Ford Interceptor	\$ 19,171.37	\$ -	\$ 9,472.51	\$ 9,698.86	\$ 448.17
TOTAL	<u>\$ 19,171.37</u>	<u>\$ -</u>	<u>\$ 9,472.51</u>	<u>\$ 9,698.86</u>	<u>\$ 448.17</u>

The future payments for the capital lease as of December 31, 2015, are as follows:

Year Ending December 31,	Interest	Principal	Total
2016	\$ 221.82	\$ 9,698.86	\$ 9,920.68
	<u>\$ 221.82</u>	<u>\$ 9,698.86</u>	<u>\$ 9,920.68</u>

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
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V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2016, and 2015 are as follows:

	2016		2015	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 162,000.00	\$ 239,176.00	\$ -	\$ 483,664.00
Assessment Fund	46,176.00	-	46,160.00	-
Law Enforcement Sales Tax Fund	217,000.00	162,000.00	461,504.00	-
Law Enforcement Training Fund	1,000.00	-	1,000.00	-
911 Fund	-	25,000.00	-	25,000.00
TOTAL	<u>\$ 426,176.00</u>	<u>\$ 426,176.00</u>	<u>\$ 508,664.00</u>	<u>\$ 508,664.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Pike County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Pike County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.



THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	<u>2016 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2016, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	43	14
Inactive employees entitled to but not yet receiving benefits	18	12
Active employees	65	9
	<u>126</u>	<u>35</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 9.6% (General) and 9.7% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Actuarial Assumptions

The total pension liability in the February 29, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 29, 2016, valuation were based on the results of an actuarial experience study for the period March 1, 2005, through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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NOTES TO THE FINANCIAL STATEMENTS  
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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

**Changes in the Net Pension Liability**

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 251,360	\$ 51,375
2 Interest on Total Pension Liability	597,847	122,575
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(272,009)	(125,793)
5 Changes of Assumptions	297,474	50,189
6 Benefit payments, including refunds of employee contributions	(385,730)	(99,666)
7 Net change in total pension liability	488,942	(1,320)
8 Total pension liability - beginning	8,312,181	1,714,409
9 Total pension liability - ending	<u>\$ 8,801,123</u>	<u>\$ 1,713,089</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 167,833	\$ 1,124
2 Contributions - employee	80,904	14,987
3 Net investment income	(28,168)	(5,433)
4 Benefit payments, including refunds of employee contributions	(385,730)	(99,666)
5 Pension plan administrative expense	(9,000)	(2,270)
6 Other (net transfer)	77,001	14,780
7 Net change in plan fiduciary net position	(97,160)	(76,478)
8 Plan fiduciary net position - beginning	9,254,605	2,343,220
9 Plan fiduciary net position - ending	<u>\$ 9,157,445</u>	<u>\$ 2,266,742</u>
C. Net Pension Liability / (Asset)	<u>\$ (356,322)</u>	<u>\$ (553,653)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.05%	132.32%
E. Covered-Employee Payroll	\$ 2,052,692	\$ 310,898
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-17.36%	-178.08%

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<b>General Division:</b>			
Total Pension Liability (TPL)	\$ 9,994,264	\$ 8,801,123	\$ 7,816,907
Plan Fiduciary Net Position	9,157,445	9,157,445	9,157,445
Net Pension Liability / (Asset) (NPL)	\$ 836,819	\$ (356,322)	\$ (1,340,538)
<b>Police Division:</b>			
Total Pension Liability (TPL)	\$ 1,987,679	\$ 1,713,089	\$ 1,492,519
Plan Fiduciary Net Position	2,266,742	2,266,742	2,266,742
Net Pension Liability / (Asset) (NPL)	\$ (279,063)	\$ (553,653)	\$ (774,223)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the employer would have recognized pension expense of \$332,746 under GAAP. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,231	\$ (56,466)	\$ 5,082	\$ (27,669)
Changes in assumptions	61,752	-	11,040	-
Net difference between projected and actual earnings on pension plan investments	236,600	-	59,276	-
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 330,583</u>	<u>\$ (56,466)</u>	<u>\$ 75,398</u>	<u>\$ (27,669)</u>

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2017	\$ 274,117	\$ 47,729
2018	274,117	47,729
2019	262,619	46,095
2020	143,655	25,470
2021	-	-
Thereafter	-	-
Total	<u>\$ 954,508</u>	<u>\$ 167,023</u>

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2016 and 2015, the County collected and remitted to CERF, employee contributions of \$22,229.24 and \$69,664.98, respectively, for the years then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$9,044.00 and \$7,752.00, respectively, for the years ended December 31, 2016, and 2015.

IX. 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. There was one participant at December 31, 2016, paying premiums of \$456.45 and two participants at December 31, 2015, paying premiums of \$5,922.57.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Full-time regular employees of the County accrue between 3 to 7 hours of vacation leave per pay period based on the numbers of years of service. As of January 1, 2014, the maximum number of hours of vacation leave an employee may carry or accrue at any time shall be 200 hours. Upon termination from county employment, an employee shall be compensated for unused vacation. Full-time regular employees accrue 4 hours of sick leave per pay period up to a maximum of 960 hours of sick leave. Employees may use up to 24 hours of sick leave each year as personal leave. Upon termination from county employment, the employee shall be compensated for unused sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. 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 created pursuant to state statute (Section 537.700 RSMo.). 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 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 also 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.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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XII. SUBSEQUENT EVENTS

There were no subsequent events as of the date of the audit report.



**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2016 AND 2015

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2015, no formal budget was adopted for the Sheriff Revolving Fund, Inmate Security Fund and Civil Fees Fund.
- II. For the year ended December 31, 2016, no formal budget was adopted for the Civil Fees Fund.
- III. For the year ended December 31, 2016, actual expenditures exceeded budgeted for the Hospital Fund, Tax Maintenance Fund and Sheriff Revolving Fund.
- IV. For the year ended December 31, 2015, actual expenditures exceeded budgeted for the Hospital Fund and Tax Maintenance Fund.
- V. For the year ended December 31, 2015, the Special Road and Bridge Fund had a negative balance of \$13,394.78.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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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*

Independent Auditor's Report

To the County Commission  
The County of Pike, 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 the County of Pike (County) 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, and have issued our report thereon dated August 9, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 questioned costs that we consider to be significant deficiencies. [FS 2016-001 and FS 2016-002]

## **Compliance and Other Matters**

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

## **The County's Response to Findings**

The County's response to the findings identified in our audit are 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, we express no opinion on it.

## **Purpose of this Report**

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

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

August 9, 2017



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Pike, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited County of Pike's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2016, and 2015. The County's major federal programs are 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 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 the County'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 the County'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 the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County 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 an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SA 2016-001. Our opinion on each major program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our 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 compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the County 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 the County'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 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.

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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2016-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our 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 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 purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

August 9, 2017

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2016 AND 2015

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	AMOUNT PASSED THROUGH	DECEMBER 31, 2015 EXPENDITURES	AMOUNT PASSED THROUGH	DECEMBER 31, 2016 EXPENDITURES	TOTAL FEDERAL EXPENDITURES
<b><u>U.S. Department of the Interior</u></b>							
Direct Program:							
Payment in Lieu of Taxes	15.226	N/A	\$ -	\$ 9,218.00	\$ -	\$ 9,388.00	\$ 18,606.00
Total U.S. Department of the Interior			-	9,218.00	-	9,388.00	18,606.00
<b><u>U.S. Department of Justice</u></b>							
Direct Program:							
Bulletproof Vest Grant Program	16.607	N/A	-	2,400.00	-	800.00	3,200.00
Total U.S. Department of Justice			-	2,400.00	-	800.00	3,200.00
<b><u>U.S. Department of Transportation</u></b>							
Passed Through the Missouri Highway and Transportation Commission							
Highway Planning and Construction	20.205	BRO-B082(28)	-	115,585.58	-	552,969.74	668,555.32
		BRO-B082(29)	-	14,707.15	-	4,209.25	18,916.40
		BRO-B082(30)	-	-	-	29,245.67	29,245.67
Total CFDA# 20.205.....			-	130,292.73	-	586,424.66	716,717.39
Passed Through the University of Central Missouri							
Drive Sober or Get Pulled Over	20.607	16-154-AL-141	-	-	-	475.35	475.35
July 4th DWI Enforcement Campaign	20.607	16-154-AL-141	-	-	-	600.00	600.00
Total CFDA# 20.607.....			-	-	-	1,075.35	1,075.35
Drive Sober or Get Pulled Over	20.616	15-MSHVE-03-035	-	294.70	-	-	294.70
July 4th DWI Enforcement Campaign	20.616	15-MSHVE-03-035	-	551.76	-	-	551.76
Youth Alcohol Enforcement Campaign	20.616	15-MSHVE-03-035	-	474.15	-	-	474.15
St. Patrick's DWI Enforcement Campaign	20.616	15-MSHVE-03-035	-	407.79	-	-	407.79
Holiday DWI Enforcement Campaign	20.616	17-MSHVE-03-022	-	-	-	322.20	322.20
Total CFDA# 20.616.....			-	1,728.40	-	322.20	2,050.60
Total U.S. Department of Transportation			-	132,021.13	-	587,822.21	719,843.34
<b><u>U.S. Department of Health and Human Services</u></b>							
Passed Through Missouri Department of Social Services							
Child Support Enforcement Program	93.563	N/A	-	9,231.78	-	9,224.82	18,456.60
Total U.S. Department of Health and Human Services			-	9,231.78	-	9,224.82	18,456.60
<b><u>U.S. Department of Homeland Security</u></b>							
Passed Through the State Emergency Management Agency							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4238-DR-MO	-	-	-	820,529.94	820,529.94
Total U.S. Department of Homeland Security			-	-	-	820,529.94	820,529.94
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ -</b>	<b>\$ 152,870.91</b>	<b>\$ -</b>	<b>\$ 1,427,764.97</b>	<b>\$ 1,580,635.88</b>

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

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

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NOTE I.      Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Pike under programs of the federal government 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). Because the Schedule presents only a selected portion of the operations of the County of Pike, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Pike.

NOTE II.     Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
  - a. Material weakness(es) identified?
 

2016	___ Yes	___ <u>X</u> No
2015	___ Yes	___ <u>X</u> No
  - b. Significant deficiency(ies) identified?
 

2016	___ <u>X</u> Yes	___ None Reported
2015	___ <u>X</u> Yes	___ None Reported
3. Noncompliance material to financial statements noted?
 

2016	___ Yes	___ <u>X</u> No
2015	___ Yes	___ <u>X</u> No

B. Federal Awards

1. Internal control over major federal programs:
  - a. Material weakness(es) identified?
 

2016	___ Yes	___ <u>X</u> No
2015	___ Yes	___ <u>X</u> No
  - b. Significant deficiency(ies) identified?
 

2016	___ <u>X</u> Yes	___ None Reported
2015	___ <u>X</u> Yes	___ None Reported
2. Type of auditor's report issued on compliance for major federal programs:
 

2016	- Unmodified
2015	- Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?
 

2016	___ <u>X</u> Yes	___ No
2015	___ <u>X</u> Yes	___ No
4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2016/2015	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2016 ☐ Yes ☒ No

2015 ☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS

FS 2016-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 324-2412.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-002     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the required risk assessment documentation. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 324-2412.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 and 2015

<b>SA 2016-001</b>	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2016, 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 324-2412.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. FOLLOW-UP PRIOR YEAR FINDINGS

**14/13-001 - Internal Controls and Risk Assessment**

**Condition:** The County's internal control procedures have not been documented. AU-C Section 325, Communicating Internal Control Related Matters Identified in an Audit, considers inadequate documentation of the components of internal control to be indicative of an internal control deficiency. Without documented internal controls the County may not be able to ensure that controls are in place, communicated and operating consistently and effectively.

In addition, the County has no formal risk assessment in place. Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

**Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the Committee of Sponsoring Organizations (COSO) internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively. We also recommend that the County address various risks in the environment, including risk of fraud occurring by performance assessments to identify, analyze and manage these risks.

**County Response:** The Commission will request each elected office holder to formally adopt an internal control policy. The Commission will also adopt a policy that assesses various risks in the environment to aid in managing these risks.

**Status:** This finding is repeated as FS 2016-001 and FS 2016-002.

**14/13-002 - Internal Controls for the Sheriff, Recorder, Road and Bridge and Assessor - Revenues Receipts**

**Condition:** During the course of our audit, it was noted that the Sheriff, Recorder, Road and Bridge and Assessor do not maintain pre-numbered receipt books for the receipt of cash. Revenues should be properly receipted for every office.

**Recommendation:** We recommend that every office that receives cash in its normal course of business obtain and use a pre-numbered receipt book. In addition, the proper sequence of receipt books should be monitored to make sure there are no unexplained breaks in the number sequence for cash received.

**County Response:** The Commission will request each elected office holder to obtain and utilize a pre-numbered receipt book for the receipt of cash.

**Status:** This finding has been resolved in the current audit period.



THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. FOLLOW-UP PRIOR YEAR FINDINGS (continued)

**14/13-003 - Internal Controls Sheriff - Procurement of Unauthorized Vehicle and or Equipment**

**Condition:** During the course of our audit, it was noted that the Sheriff had procured federal surplus property, which included a vehicle and a boat, without permission or authorization by the Board of Commissioners. The initial cost to the County was zero. However, by obtaining this vehicle and boat, the County is obligated to pay for transporting the equipment, licensing, insuring and maintaining this equipment.

**Recommendation:** We recommend that the County research for the proper procedures for the return, sale or donation of these items. Federal restrictions require state agencies and public organizations to start using surplus property items within one year of acquisition and to use the items for at least one year thereafter.

We recommend that all office holders request and obtain permission and authorization from the Board of Commissioners before any and all major purchases or obtaining free federal surplus property of any kind.

**County Response:** The Commission will request each elected office holder to obtain and receive authorization for all major purchases or procurements from the federal surplus equipment system.

**Status:** This finding has been resolved in the current audit period.

**14/13-004 - Internal Controls Road and Bridge**

**Condition:** Proper reconciliations for cash held on hand is not maintained or prepared. During the course of our audit, we were informed that the Road and Bridge Department maintains a cash drawer for cash on hand and does not report these funds to the Treasurer. However, when requested for the reconciliations of their cash on hand, they were not made available.

**Recommendation:** The Commission needs to establish a cash amount that would be sufficient for the Road and Bridge Department to function. Any amount received over and above this amount needs to be turned over to the Treasurer. Proper reconciliations of this cash drawer needs to be provided to the Treasurer on a weekly or monthly basis.

**County Response:** The Commission shall discuss this recommendation with the Road and Bridge Department and put into place adequate safeguards.

**Status:** This finding has been resolved in the current audit period.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. FOLLOW-UP PRIOR YEAR FINDINGS (continued)

**14/13-005 - Competitive Bidding Procedures**

**Condition:** Evidence documenting the solicitation of competitive bids for goods and services procured by the County was not always available. During our audit, it was noted that a Commissioner had given permission to the Road and Bridge supervisor to purchase a truck. However, it was noted that the item should have been subjected to the proper bidding process. It was further noted that the cost to the County may be in excess of the fair market value of the vehicle.

Section 50.660, RSMo, requires that the County obtain bids on any purchase in excess of \$4,500 and that the County advertise the notice for bids on any purchase in excess of \$6,000 from any one person, firm, or corporation during any period of ninety days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in County business. All contracts and purchases shall be let to the lowest and best bidder after due opportunity competition, including advertising the proposed letting in the newspaper in the county or township with a circulation of at least five hundred copies per issue. The County has adopted the bidding process for purchases of \$5,000 or more.

**Recommendation:** We recommend the County Commission solicit bids for all purchases in accordance with state statute and maintain adequate documentation of all bids obtained and justification for awards. All such bids should go through the Board of Commissioners, reviewed and approved.

**County Response:** During the auditors' visit, this transaction has not been approved or brought before the Board of Commissioners for action. The County will continue to solicit bids for all purchases in accordance with the state statute and maintain adequate documentation of all bids and justification for awards.

**Status:** This finding has been resolved in the current audit period.

**14/13-006 - Budgetary Compliance - Actual Expenditures Exceeding Budgeted Expenditures**

**Condition:** The County's actual expenditures exceeded budgeted expenditures for several funds as shown below. State statutes prohibit the County from approving expenditures in excess of budgeted amounts for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. The funds are as follows:

<u>Fund</u>	<u>2014</u>	<u>2013</u>
Domestic Violence	X	-
Special Election	X	-
Hospital	X	-
Law Enforcement Sales Tax	X	X

**Recommendation:** We recommend that when the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. FOLLOW-UP PRIOR YEAR FINDINGS (continued)

**14/13-006 - Budgetary Compliance - Actual Expenditures Exceeding Budgeted Expenditures**

**County Response:** Procedures will be put in place to ensure that budgetary amendments will be prepared and formally adopted by the County Commission.

**Status:** Please refer to the Schedule of State Findings on page 36.

**14/13-007 - Budgetary Compliance - Preparation of Budgets for all Funds**

**Condition:** County did not adopt a formal budget for the following funds for the years ended December 31, 2014, and 2013:

<u>Fund</u>	<u>2014</u>	<u>2013</u>
Hospital	-	X
Law Enforcement Restitution	-	X
Law Enforcement Training	-	X
Prosecuting Attorney Training	X	X
Prosecuting Attorney Bad Check	X	X
Sheriff Revolving	X	X
Tax Maintenance	X	X

**Recommendation:** We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds.

**County Response:** Procedures will be put into place to ensure compliance with State Statutes.

**Status:** Refer to the schedule of state findings on page 36.

**OTHER MATTERS**

In planning and performing our audit of the financial statements of Pike County, Missouri (the County) as of and for the years ended December 31, 2014 and 2013, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit, we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding these matters are summarized below. We previously reported on the County's internal control in our report dated August 7, 2015. This document does not affect our report dated August 7, 2015.

THE COUNTY OF PIKE  
BOWLING GREEN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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I. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

**14/13-008 - Accounting for Transfers**

**Condition:** The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers.

**Recommendation:** In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

**County Response:** The County will continue to ensure that the transfers are properly reported and are in balance. Further, the County will continue to ensure the transfers are clearly identified as transfers and presented in the budget within the Transfer category.

**Status:** This finding has been resolved in the current audit period.

**14/13-009 - Use of Approved Vendors and Suppliers**

**Condition:** During the course of our audit, we noted that the County had received a bid from a vendor to purchase the scrap metal of the County. We noted no other bidding information to purchase the scrap metal. We requested information from this vendor regarding the scrap metal transactions occurring in the name of the County or in the name of the Road and Bridge Department during the years covered by this audit. We made our first request and then followed it with our second request for information. As of the date of these financial statements, no information has been provided to us or the County Clerk. This vendor has numerous locations in Missouri and Illinois. A check to the State of Missouri and the State of Illinois websites proved that the vendor was not in good standing with either State. It was also noted that this vendor is outside of Pike County and is located in Ralls County.

**Recommendation:** The County should cease doing business with this vendor as it is not in good standing with the State of Missouri or the State of Illinois and is located outside of Pike County. All bidders for scrap metal should be fully vetted before any award is made and should be let out for bid each year. The County should make sure to receive a minimum of two bids from within the County. This will ensure that businesses located within the County will prosper and the funds will remain in the County. The Commission should require the Road and Bridge Department to inform them of any upcoming scrap sales so that they can monitor and secure these funds for proper inclusion in the Treasurer's accounts.

**County Response:** The County will continue to ensure that the transfers are properly reported and are in balance. Further, the County will continue to ensure the transfers are clearly identified as transfers and presented in the budget within the Transfer category.

**Status:** This finding has been resolved in the current audit period.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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August 9, 2017

To the Board of Commissioners  
County of Pike

In planning and performing our audit of the regulatory based financial statements of the County of Pike (the "County") as of and for the year ended December 31, 2016 and December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

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. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2016-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 324-2412.

FS 2016-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 2016-002 Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the required risk assessment documentation. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 324-2412.

SA 2016-001	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2016, 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 324-2412.

## II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2016 fiscal year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 9, 2017.



## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)**

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.