



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Benton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Benton County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2015, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

September 2016
Report No. 2016-085

ANNUAL FINANCIAL REPORT

BENTON COUNTY, MISSOURI

For the Years Ended
December 31, 2015 and 2014

BENTON COUNTY, MISSOURI

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INTRODUCTORY SECTION

BENTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Michelle McLerran Kreisler

Northern Commissioner – Jim Hansen

Southern Commissioner – Steve Daleske

Other Elected Officials

Assessor – Rodger Reedy

Circuit Clerk – Cheryl Schultz

Collector – Donna Hart

County Clerk – Susan Porterfield

Coroner – J. Weston Miller

Prosecuting Attorney – Karen Woodley

Public Administrator – Lori Dunkin

Recorder – Beverly Burnett

Sheriff – Rick Fajen

Surveyor – Jesse Wininger

Treasurer – Rick Renno

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Benton County, Missouri

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Benton County, Missouri, as of December 31, 2015 and 2014, or the changes in its financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Benton County, Missouri, as of December 31, 2015 and 2014, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 11, 2016, on our consideration of Benton County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

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

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

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

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they

are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County’s policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

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

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

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

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

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

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------|-------------|
| General Revenue | \$ 0.1350 | \$ 0.1400 |
| Special Road & Bridge | 0.2074 | 0.2075 |
| Senior Citizen's Services Tax Board | 0.0500 | 0.0500 |

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalents balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

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

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

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

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employee's Retirement Fund (CERF)

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

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840 RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning in January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

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

3) Funding Policy

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

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

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

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

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

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

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

7. LEASES

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

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

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

8. SUBSEQUENT EVENTS

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

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

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

To the County Commission and
Officeholders of Benton County, Missouri

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency as item 1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Benton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2.

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

Benton County, Missouri's Response to Findings

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

Purpose of this Report

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

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

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

FINDINGS AND RECOMMENDATIONS

BENTON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Treasurer's Account Bank Reconciliation

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

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

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

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

ITEMS OF NONCOMPLIANCE

2. Budgetary Controls

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

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

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

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

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

OTHER MATTERS

3. Accounting for Transfers

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

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

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

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

4. Lack of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment in public funds, and other areas, and thus such a policy would be beneficial and also required for the County. RSMo Section 110.270, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. Additionally, RSMo Section 30.950 requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the investment policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through

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

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

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

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

BENTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Benton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011 and 2010.

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

Status: Not resolved. See Finding No. 1.

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

Status: Resolved.

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

Status: Resolved.

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

Status: Not Resolved. See Finding No. 2.

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

Status: Not resolved. See Finding No. 3.