



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Cedar County, Missouri

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

Nicole R. Galloway, CPA
State Auditor

October 2016
Report No. 2016-111

ANNUAL FINANCIAL REPORT

CEDAR COUNTY, MISSOURI

For the Years Ended
December 31, 2015 and 2014

CEDAR COUNTY, MISSOURI

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INTRODUCTORY SECTION

CEDAR COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Marlon Collins

Northern Commissioner – Don Boultinghouse

Southern Commissioner – John A. Fox

Other Elected Officials

Assessor – Chad Pyle

Circuit Clerk – Melinda Gumm

Collector – Joan Haines

Coroner – C.W. Neale

County Clerk – Peggy Kenney

Prosecuting Attorney – Ty Gaither

Public Administrator – Charlotte Haden

Recorder – Carole Wilkerson

Sheriff – D. Leon Dwerlkotte

Treasurer – Ronnie Miller

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Cedar County, Missouri

We have audited the accompanying financial statements of Cedar 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 identified in the table of contents.

Managements 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 Cedar 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 these 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 Cedar 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 Cedar 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 4, 2016, on our consideration of Cedar 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 4, 2016

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

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2014	2014	2014	December 31, 2014	2015	2015	December 31, 2015
General Revenue	\$ 1,652,997	\$ 1,341,913	\$ 2,453,289	541,621	\$ 1,191,089	\$ 1,641,922	\$ 90,788
Special Road & Bridge	448	1,061,824	1,051,752	10,520	781,714	654,977	137,257
Assessment	92,144	152,053	184,546	59,651	162,893	175,570	46,974
Law Enforcement Sales Tax	(116,081)	928,979	803,700	9,198	918,773	864,267	63,704
Prosecuting Attorney Training	336	405	502	239	392	191	440
Law Enforcement Training	1,176	2,597	3,456	317	8,877	6,419	2,775
Prosecuting Attorney Bad Check	2,427	7,006	8,972	461	8,166	5,139	3,488
DARE	2,727	1,010	160	3,577	100	614	3,063
Local Emergency Preparedness Commission	3,163	-	42	3,121	-	-	3,121
Recorder Technology	14,363	3,100	5,984	11,479	6,553	7,403	10,629
Recorder Preservation	9,526	5,066	8,331	6,261	4,976	5,204	6,033
HAVA	773	60	-	833	30	-	863
Election Service	31,438	22,227	5,470	48,195	18,445	25,294	41,346
Prosecuting Attorney Delinquent Tax	1,082	275	1,082	275	85	-	360
Senior Service Tax	68,777	77,302	81,117	64,962	82,086	78,190	68,858
County Law Enforcement Restitution	5,448	1,075	3,195	3,328	7,754	4,308	6,774
Sheriff Revolving	3,178	13,278	2,120	14,336	23,181	17,068	20,449
Collector Tax Maintenance	51,700	20,785	20,679	51,806	21,667	35,820	37,653
Public Administrator Emergency	1,000	1,557	1,807	750	1,089	519	1,320
DOJ Equitable Sharing	4,158	1,625	3,003	2,780	7	-	2,787
Jail	-	1,292,551	1,292,551	-	719,408	719,408	-
EMSALG	19	-	-	19	-	-	19
CDBG	-	27,500	27,500	-	6,669	2,500	4,169
Crime Victim Advocate	(986)	986	-	-	-	-	-
Inmate Security	1,269	14,079	4,074	11,274	29,587	17,638	23,223
Sheriff Civil	2,001	9,257	-	11,258	9,356	2,000	18,614
Web-GIS	-	-	-	-	2,250	-	2,250
Total	<u>\$ 1,833,083</u>	<u>\$ 4,986,510</u>	<u>\$ 5,963,332</u>	<u>\$ 856,261</u>	<u>\$ 4,005,147</u>	<u>\$ 4,264,451</u>	<u>\$ 596,957</u>

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

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

GENERAL REVENUE FUND				
Year Ended December 31,				
	2014		2015	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 350,000	\$ 243,867	\$ 380,000	\$ 264,852
Sales taxes	450,000	495,323	495,000	511,995
Intergovernmental	112,395	188,169	111,100	75,029
Charges for services	158,500	274,428	150,200	285,001
Interest	20,000	3,773	1,500	1,829
Other	69,375	47,328	76,650	50,237
Transfers in	-	89,025	-	2,146
Total Receipts	<u>\$ 1,160,270</u>	<u>\$ 1,341,913</u>	<u>\$ 1,214,450</u>	<u>\$ 1,191,089</u>
DISBURSEMENTS				
County Commission	\$ 87,480	\$ 85,342	\$ 86,280	\$ 85,874
County Clerk	113,000	112,969	113,000	112,577
Elections	75,300	55,558	26,560	24,659
Buildings and grounds	65,500	61,930	65,500	52,923
Employee fringe benefits	158,500	140,800	159,500	156,535
Treasurer	43,393	43,409	43,900	43,900
Collector	84,050	80,984	81,500	76,484
Recorder of Deeds	63,710	61,973	63,965	63,099
Public Administrator	47,400	46,880	25,150	48,404
Health / Welfare	11,342	11,342	12,000	11,342
Debt service	-	172	47,400	-
Other County Government	479,981	526,666	467,279	495,642
Transfers out	747,497	1,225,264	140,000	470,483
Emergency fund	34,809	-	36,434	-
Total Disbursements	<u>\$ 2,011,962</u>	<u>\$ 2,453,289</u>	<u>\$ 1,368,468</u>	<u>\$ 1,641,922</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (851,692)	\$ (1,111,376)	\$ (154,018)	\$ (450,833)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>1,652,997</u>	<u>1,652,997</u>	<u>541,621</u>	<u>541,621</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 801,305</u></u>	<u><u>\$ 541,621</u></u>	<u><u>\$ 387,603</u></u>	<u><u>\$ 90,788</u></u>

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

CEDAR COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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	\$ 170,000	\$ 183,380	\$ 175,000	\$ 182,798	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	843,270	847,385	954,000	597,552	158,816	142,466	34,164	152,403
Charges for services	-	-	-	-	-	-	-	-
Interest	1,500	125	-	287	-	351	250	219
Other	1,875	30,822	-	1,077	3,500	9,236	120,700	10,271
Transfers in	-	112	-	-	-	-	-	-
Total Receipts	\$ 1,016,645	\$ 1,061,824	\$ 1,129,000	\$ 781,714	\$ 162,316	\$ 152,053	\$ 155,114	\$ 162,893
DISBURSEMENTS								
Salaries	229,000	\$ 243,659	\$ 245,000	\$ 220,222	\$ 116,760	\$ 105,368	\$ 119,432	\$ 108,212
Employee fringe benefits	97,800	100,235	98,000	86,964	37,597	33,193	38,218	35,232
Materials and supplies	70,000	66,645	70,000	33,736	8,600	5,035	14,400	9,378
Services and other	27,000	45,949	46,000	40,475	19,000	20,107	42,600	3,847
Capital outlay	86,305	46,304	86,305	88,398	39,000	20,724	-	18,901
Construction	431,000	462,198	589,500	185,182	-	-	-	-
Transfers out	75,000	86,762	-	-	-	119	-	-
Total Disbursements	\$ 1,016,105	\$ 1,051,752	\$ 1,134,805	\$ 654,977	\$ 220,957	\$ 184,546	\$ 214,650	\$ 175,570
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 540	\$ 10,072	\$ (5,805)	\$ 126,737	\$ (58,641)	\$ (32,493)	\$ (59,536)	\$ (12,677)
CASH and CASH EQUIVALENTS, JANUARY 1	448	448	10,520	10,520	92,144	92,144	59,651	59,651
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 988	\$ 10,520	\$ 4,715	\$ 137,257	\$ 33,503	\$ 59,651	\$ 115	\$ 46,974

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

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

	LAW ENFORCEMENT SALES TAX FUND				PROSECUTING ATTORNEY TRAINING 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	495,000	547,521	550,000	561,502	-	-	-	-
Intergovernmental	293,187	309,724	299,183	268,323	-	-	-	-
Charges for services	83,000	51,560	222,000	71,474	-	405	400	392
Interest	(1,000)	(312)	-	36	-	-	-	-
Other	10,400	15,065	6,000	7,438	-	-	-	-
Transfers in	135,000	5,421	-	10,000	-	-	-	-
Total Receipts	<u>\$ 1,015,587</u>	<u>\$ 928,979</u>	<u>\$ 1,077,183</u>	<u>\$ 918,773</u>	<u>\$ -</u>	<u>\$ 405</u>	<u>\$ 400</u>	<u>\$ 392</u>
DISBURSEMENTS								
Salaries	\$ 424,000	\$ 463,441	\$ 408,000	\$ 487,630	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	133,500	130,026	132,300	164,356	-	-	-	-
Materials and supplies	70,000	77,543	23,500	23,637	-	-	-	-
Services and other	252,000	102,872	186,200	139,192	335	502	-	191
Capital outlay	20,000	29,810	20,000	23,000	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	8	315,400	26,452	-	-	-	-
Total Disbursements	<u>\$ 899,500</u>	<u>\$ 803,700</u>	<u>\$ 1,085,400</u>	<u>\$ 864,267</u>	<u>\$ 335</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 191</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 116,087	\$ 125,279	\$ (8,217)	\$ 54,506	\$ (335)	\$ (97)	\$ 400	\$ 201
CASH and CASH EQUIVALENTS, JANUARY 1	(116,081)	(116,081)	9,198	9,198	336	336	239	239
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6</u>	<u>\$ 9,198</u>	<u>\$ 981</u>	<u>\$ 63,704</u>	<u>\$ 1</u>	<u>\$ 239</u>	<u>\$ 639</u>	<u>\$ 440</u>

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

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

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,500	2,597	2,500	3,877	-	6,999	-	8,160
Interest	-	-	-	-	-	7	-	6
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	5,000	-	-	-	-
Total Receipts	\$ 2,500	\$ 2,597	\$ 2,500	\$ 8,877	\$ -	\$ 7,006	\$ -	\$ 8,166
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,400	446	-	2,130
Services and other	3,600	3,456	2,800	6,419	-	7,492	-	3,009
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	1,034	-	-
Total Disbursements	\$ 3,600	\$ 3,456	\$ 2,800	\$ 6,419	\$ 2,400	\$ 8,972	\$ -	\$ 5,139
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,100)	\$ (859)	\$ (300)	\$ 2,458	\$ (2,400)	\$ (1,966)	\$ -	\$ 3,027
CASH and CASH EQUIVALENTS, JANUARY 1	1,176	1,176	317	317	2,427	2,427	461	461
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 76	\$ 317	\$ 17	\$ 2,775	\$ 27	\$ 461	\$ 461	\$ 3,488

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

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DARE FUND				LOCAL EMERGENCY PREPAREDNESS COMMISSION 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	-	1,010	-	100	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 1,010	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,727	160	3,500	614	-	42	3,100	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,727	\$ 160	\$ 3,500	\$ 614	\$ -	\$ 42	\$ 3,100	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,727)	\$ 850	\$ (3,500)	\$ (514)	\$ -	\$ (42)	\$ (3,100)	\$ -
CASH and CASH EQUIVALENTS, JANUARY 1	2,727	2,727	3,577	3,577	3,163	3,163	3,121	3,121
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 3,577	\$ 77	\$ 3,063	\$ 3,163	\$ 3,121	\$ 21	\$ 3,121

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

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER TECHNOLOGY FUND				RECORDER PRESERVATION 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	4,300	3,060	3,300	6,526	5,600	5,040	5,200	4,960
Interest	-	40	50	27	-	26	26	16
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,300	\$ 3,100	\$ 3,350	\$ 6,553	\$ 5,600	\$ 5,066	\$ 5,226	\$ 4,976
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	18,663	5,971	10,688	1,206	11,626	4,525	3,828	3,611
Services and other	-	-	4,140	6,197	3,500	3,798	7,658	1,593
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	13	-	-	-	8	-	-
Total Disbursements	\$ 18,663	\$ 5,984	\$ 14,828	\$ 7,403	\$ 15,126	\$ 8,331	\$ 11,486	\$ 5,204
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (14,363)	\$ (2,884)	\$ (11,478)	\$ (850)	\$ (9,526)	\$ (3,265)	\$ (6,260)	\$ (228)
CASH and CASH EQUIVALENTS, JANUARY 1	14,363	14,363	11,479	11,479	9,526	9,526	6,261	6,261
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 11,479	\$ 1	\$ 10,629	\$ -	\$ 6,261	\$ 1	\$ 6,033

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

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

	HAVA 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	-	-	-	-	-	-	13,000	15,315
Charges for services	2,750	60	50	30	30,500	22,071	1,100	3,015
Interest	-	-	-	-	250	156	100	115
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,750</u>	<u>\$ 60</u>	<u>\$ 50</u>	<u>\$ 30</u>	<u>\$ 30,750</u>	<u>\$ 22,227</u>	<u>\$ 14,200</u>	<u>\$ 18,445</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	3,500	-	-	-	30,000	2,350	24,000	20,267
Services and other	-	-	840	-	6,000	3,070	16,250	3,973
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	50	-	1,054
Total Disbursements	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ 5,470</u>	<u>\$ 40,250</u>	<u>\$ 25,294</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (750)	\$ 60	\$ (790)	\$ 30	\$ (5,250)	\$ 16,757	\$ (26,050)	\$ (6,849)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>773</u>	<u>773</u>	<u>833</u>	<u>833</u>	<u>31,438</u>	<u>31,438</u>	<u>48,195</u>	<u>48,195</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 23</u>	<u>\$ 833</u>	<u>\$ 43</u>	<u>\$ 863</u>	<u>\$ 26,188</u>	<u>\$ 48,195</u>	<u>\$ 22,145</u>	<u>\$ 41,346</u>

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

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

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				SENIOR SERVICE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 77,302	\$ 78,000	\$ 82,086
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	275	250	85	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 275	\$ 250	\$ 85	\$ 80,000	\$ 77,302	\$ 78,000	\$ 82,086
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	500	-	-	-	-	-
Services and other	-	-	-	-	80,000	81,117	-	78,190
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	1,080	1,082	-	-	-	-	-	-
Total Disbursements	\$ 1,080	\$ 1,082	\$ 500	\$ -	\$ 80,000	\$ 81,117	\$ -	\$ 78,190
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,080)	\$ (807)	\$ (250)	\$ 85	\$ -	\$ (3,815)	\$ 78,000	\$ 3,896
CASH and CASH EQUIVALENTS, JANUARY 1	1,082	1,082	275	275	68,777	68,777	64,962	64,962
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 2	\$ 275	\$ 25	\$ 360	\$ 68,777	\$ 64,962	\$ 142,962	\$ 68,858

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

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

	COUNTY LAW ENFORCEMENT RESTITUTION 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	-	-	-	-	-	-	-	-
Charges for services	2,500	1,075	2,000	4,559	-	13,260	14,000	23,138
Interest	-	-	-	-	-	18	15	43
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	3,195	-	-	-	-
Total Receipts	\$ 2,500	\$ 1,075	\$ 2,000	\$ 7,754	\$ -	\$ 13,278	\$ 14,015	\$ 23,181
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	28,000	9,068
Services and other	7,500	-	-	4,308	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	3,195	-	-	-	2,120	-	8,000
Total Disbursements	\$ 7,500	\$ 3,195	\$ -	\$ 4,308	\$ -	\$ 2,120	\$ 28,000	\$ 17,068
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,000)	\$ (2,120)	\$ 2,000	\$ 3,446	\$ -	\$ 11,158	\$ (13,985)	\$ 6,113
CASH and CASH EQUIVALENTS, JANUARY 1	5,448	5,448	3,328	3,328	3,178	3,178	14,336	14,336
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 448	\$ 3,328	\$ 5,328	\$ 6,774	\$ 3,178	\$ 14,336	\$ 351	\$ 20,449

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

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

	COLLECTOR TAX MAINTENANCE FUND				PUBLIC ADMINISTRATOR EMERGENCY 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	21,048	20,603	20,600	21,536	-	-	-	-
Interest	500	182	100	131	-	-	-	-
Other	-	-	-	-	500	1,385	1,500	1,089
Transfers in	-	-	-	-	-	172	-	-
Total Receipts	\$ 21,548	\$ 20,785	\$ 20,700	\$ 21,667	\$ 500	\$ 1,557	\$ 1,500	\$ 1,089
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,672	6,866	7,628	17,650	-	-	-	-
Services and other	9,691	13,754	14,698	17,170	1,500	1,807	1,500	519
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	59	-	1,000	-	-	-	-
Total Disbursements	\$ 16,363	\$ 20,679	\$ 22,326	\$ 35,820	\$ 1,500	\$ 1,807	\$ 1,500	\$ 519
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,185	\$ 106	\$ (1,626)	\$ (14,153)	\$ (1,000)	\$ (250)	\$ -	\$ 570
CASH and CASH EQUIVALENTS, JANUARY 1	51,700	51,700	51,806	51,806	1,000	1,000	750	750
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 56,885	\$ 51,806	\$ 50,180	\$ 37,653	\$ -	\$ 750	\$ 750	\$ 1,320

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

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

	DOJ EQUITABLE SHARING FUND				JAIL 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	-	1,616	1,000	-	-	-	-	-
Charges for services	-	-	-	-	236,000	14,280	110,000	225,505
Interest	-	9	-	7	-	-	-	-
Other	-	-	-	-	121,000	52,678	-	-
Transfers in	-	-	-	-	1,200,486	1,225,593	515,400	493,903
Total Receipts	\$ -	\$ 1,625	\$ 1,000	\$ 7	\$ 1,557,486	\$ 1,292,551	\$ 625,400	\$ 719,408
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 144,000	\$ 180,724	\$ 157,000	\$ 229,277
Employee fringe benefits	-	-	-	-	64,800	54,962	54,200	79,654
Materials and supplies	-	-	-	-	18,000	8,729	9,000	20,392
Services and other	4,000	3,000	3,500	-	207,700	121,442	155,200	145,556
Capital outlay	-	-	-	-	987,497	926,694	250,000	244,529
Construction	-	-	-	-	-	-	-	-
Transfers out	-	3	-	-	135,000	-	-	-
Total Disbursements	\$ 4,000	\$ 3,003	\$ 3,500	\$ -	\$ 1,556,997	\$ 1,292,551	\$ 625,400	\$ 719,408
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (4,000)	\$ (1,378)	\$ (2,500)	\$ 7	\$ 489	\$ -	\$ -	\$ -
CASH and CASH EQUIVALENTS, JANUARY 1	4,158	4,158	2,780	2,780	-	-	-	-
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 158	\$ 2,780	\$ 280	\$ 2,787	\$ 489	\$ -	\$ -	\$ -

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

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

	EMSALG FUND				CDBG 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	-	-	-	-	-	27,500	25,000	6,669
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,500	\$ 25,000	\$ 6,669
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	27,500	25,000	2,500
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,500	\$ 25,000	\$ 2,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,169
CASH and CASH EQUIVALENTS, JANUARY 1	-	19	19	19	-	-	-	-
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 19	\$ 19	\$ 19	\$ -	\$ -	\$ -	\$ 4,169

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

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

	CRIME VICTIM ADVOCATE FUND				INMATE SECURITY 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	-	-	-	-	-	14,071	2,000	29,587
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	986	-	-	-	8	-	-
Total Receipts	\$ -	\$ 986	\$ -	\$ -	\$ -	\$ 14,079	\$ 2,000	\$ 29,587
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	844	-	8,118
Services and other	-	-	-	-	-	1,630	12,000	4,265
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	1,600	-	5,255
Total Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,074	\$ 12,000	\$ 17,638
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 986	\$ -	\$ -	\$ -	\$ 10,005	\$ (10,000)	\$ 11,949
CASH and CASH EQUIVALENTS, JANUARY 1	(986)	(986)	-	-	1,269	1,269	11,274	11,274
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ (986)	\$ -	\$ -	\$ -	\$ 1,269	\$ 11,274	\$ 1,274	\$ 23,223

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

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

	SHERIFF CIVIL FUND				Web-GIS			
	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	-	9,257	9,000	9,356	-	-	-	2,250
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 9,257	\$ 9,000	\$ 9,356	\$ -	\$ -	\$ -	\$ 2,250
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	20,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	2,000	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 20,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 9,257	\$ (11,000)	\$ 7,356	\$ -	\$ -	\$ -	\$ 2,250
CASH and CASH EQUIVALENTS, JANUARY 1	2,001	2,001	11,258	11,258	-	-	-	-
CASH and CASH EQUIVALENTS, DECEMBER 31	\$ 2,001	\$ 11,258	\$ 258	\$ 18,614	\$ -	\$ -	\$ -	\$ 2,250

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Cedar 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 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. However, the Crime Victim Advocate Fund budgeted a negative ending fund balance in 2014.
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. However, the County did not adopt formal budgets for the Sheriff Revolving, Inmate Security, and Sheriff Civil funds in 2014 and the Web-GIS Fund in 2015.

10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2015	2014
General Revenue	X	X
Special Road & Bridge	N/A	X
Prosecuting Attorney Training	X	X
Law Enforcement Training	X	N/A
Prosecuting Attorney Bad Check	X	X
Local Emergency Preparedness Commission	N/A	X
Prosecuting Attorney Delinquent Tax	N/A	X
Senior Service Tax	X	X
County Law Enforcement Restitution	X	N/A
Sheriff Revolving	N/A	X
Collector Tax Maintenance	X	X
Public Administrator Emergency	N/A	X
Jail	X	N/A
CDBG	N/A	X
Inmate Security	X	X

Also, the actual expenditures of the Sheriff Revolving and Inmate Security funds in 2014 exceeded budgetary authority to the extent that formal budgets were not adopted for these funds.

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

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

	2015	2014
Real Estate	\$ 115,947,956	\$ 114,967,500
Personal Property	45,348,923	41,555,477
Railroad and Utilities	5,548,795	5,250,542
Total	<u>\$ 166,845,674</u>	<u>\$ 161,773,519</u>

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

	2015	2014
General Revenue	\$ 0.1508	\$ 0.1600
Special Road & Bridge	0.2414	0.2412
Senior Service Tax	0.0496	0.0496

A portion of the Special Road & Bridge levy is distributed to each of the Special Road Districts within the County.

F. Cash and Cash Equivalents

Cash 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 \$596,957 and \$856,261, respectively, and the bank balances were \$697,374 and \$1,012,816, respectively. Of the bank balances, \$250,000 for both December 31, 2015 and December 31, 2014 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 \$4,592,993 and \$4,137,775 at December 31, 2015 and 2014, respectively. Of the bank balances, \$250,000 for both December 31, 2015 and December 31, 2014 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.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 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 \$126,892 and \$114,568, 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 thirty days of sick time, to accrue at one-half day per calendar month of employment. Upon termination accumulated sick leave is payable at a rate of fifty percent of the total accumulated. Vacation time is accrued for every full time employee, and accrues at a rate of zero days per year up to fifteen days per year depending on the length of employment. Vacation time shall be used in its entirety within the year earned. Unused vacation will be forfeited at the end of the calendar year.

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 purchases workers' compensation insurance through Midwest Public Risk (MPR), a member-driven organization in which member representatives participate in collective ownership by directing pool services and encouraging staff to solve member needs, and offers three distinct lines of coverage to its members: Health Benefits, Property and Liability, and Workers' Compensation. The fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

In 2012, the County issued Leasehold Revenue Bonds, Series 2012 in the amount of \$4,820,000 to provide funds for the construction, furnishing, and equipping of the new County jail and to repay the related bond anticipation notes. The County created the Jail Fund in which the activity for this project is recorded. The amount outstanding at December 31, 2015 was \$4,455,000. Principal payments are due on May 1 each year through 2032. Principal payments increase each year, with \$205,000 due May 1, 2016 up to \$345,000 due on May 1, 2032. Interest is due semiannually on April 15 and May 1 of each year with interest rates increasing each year from the initial rate of 0.750% to 4.200%.

8. CAPITAL LEASES

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

- A. On July 7, 2014, the County entered into a 48 month, \$71,574 capital lease for six Dodge Charger patrol vehicles for the Sheriff's Department. The lease is to be paid in annual payments of \$20,000 for the first three years and \$15,532 in the final year, which include interest of 2.9%. The final payment is scheduled for December 31, 2017. At the end of the lease, the County will have the option to purchase the vehicles.
- B. On August 10, 2012, the County entered into a 60 month, \$116,277 capital lease for two dump trucks. The lease is to be paid in annual payments of \$26,101, which include interest of 3.92%, with the final payment scheduled for August 10, 2017. At the end of the lease, the County will have the option to purchase the vehicles.
- C. On July 5, 2011, the County entered into a 96 month, \$125,012 capital lease for a Caterpillar Grader. The lease is to be paid in annual payments of \$20,203, which include interest at a rate of 6.00%, with the final payment scheduled for July 5, 2019. At the end of the lease, the County will have the option to purchase the vehicle.

- D. On March 17, 2014, the County entered into a 60 month, \$204,275 capital lease for a John Deere Grader. The lease is to be paid in annual payments of \$42,094, which include interest of 1.00%, with the final payment scheduled for April 17, 2019. At the end of the lease, the County will have the option to purchase the vehicle.

9. 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 4, 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 Cedar 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 Cedar 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 Cedar County, Missouri's basic financial statements and have issued our report thereon dated August 4, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies as items 1 through 3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cedar 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 4 and 5.

Cedar County, Missouri's Response to Findings

Cedar County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Cedar County, Missouri'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 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 4, 2016

FINDINGS AND RECOMMENDATIONS

CEDAR COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. 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, transfers in misclassified as revenues, and expenditures misclassified as a transfer out. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2015 and 2014.

Recommendation: In order to ensure that transfers are properly reported on the budgets and are in balance, we recommend 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 transfer category.

County's Response: The County agreed with the recommendation.

Auditor's Evaluation: No specific action was provided, however, the County agreement with the recommendation should assist in the process of correcting the concern.

2. Internal Controls Over Employee Timesheets and Rate of Pay

Condition: Review of employee timesheets and approved rates of pay found the following exceptions:

- Two out of ten timesheets tested were not signed by the employee's supervisor.
- Three Sheriff's employee timesheets were not signed by the employee.
- One employee received a rate of pay of \$12 per hour, however, the approved rate of pay for this employee was documented as \$11.95 per hour.

Recommendation: We recommend the County ensure all timesheets are signed by the employee and the employee's supervisor prior to distributing payroll. Additionally, we recommend the County implement a process to ensure all employee pay rates are adequately documented, and all changes in rates of pay are accompanied by a supporting document approved by an elected official or Commissioner.

County's Response: The County agreed with the recommendation.

Auditor's Response: No specific action was provided, however, the County agreement with the recommendation should assist in the process of correcting the concern.

3. Procurement Procedures

Condition: The County did not solicit bids and/or retain bid documentation for 8 out of 25 transactions tested from 2014 and one transaction tested from 2015. RSMo 50.660 states, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days...." RSMo 50.783.1 states, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies."

Recommendation: We recommend the County solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records.

County's Response: The County did not provide written responses, but did subsequently provide bid documentation for some of the items noted in the condition.

Auditor's Evaluation: The recommendation stands. Controls should be in place which allow documentation to be provided in a timely fashion.

ITEMS OF NONCOMPLIANCE

4. Budgetary Compliance

Condition: Actual expenditures exceeded budgeted expenditures for twelve funds in 2014 and nine funds in 2015. The detailed list of funds can be found at Note 1.D.10 to the financial statements. RSMo 50.740 prohibits expenditures in excess of approved budgets. State law requires that budgeted expenditures for each fund not exceed budgeted revenues plus the beginning fund balance. The County adopted a budget for the Crime Victim Advocate Fund in 2014 that budgeted a negative ending fund balance. Additionally, the County did not adopt a formal budget for the Sheriff Revolving, Inmate Security, and Sheriff Civil funds in 2014 and for the Web-GIS Fund in 2015.

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 ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts and approving budgets with negative anticipated ending fund balances. In the event that 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.

County's Response: The County agreed with the recommendation.

Auditor's Evaluation: No specific action was provided, however, the County agreement with the recommendation should assist in the process of correcting the concern.

5. 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. Section 110.270, RSMo, 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, Section 30.950, RSMo, 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 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 and review compliance with this policy at least annually.

County's Response: The County did not provide written responses, but provided their bank depository agreement as evidence of an investment policy.

Auditor's Evaluation: The depository agreement does not meet the requirements of the state statutes regarding the investment policy. A copy of the Model Investment Policy from the State Treasurer's office has been provided to the County.

CEDAR 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 Cedar County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011 and 2010.

1. Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Status – Resolved.

2. The County was not in compliance with the budgetary statute, Chapter 50, RSMo, as actual disbursements exceeded budgeted disbursements for several funds in 2011 and 2010.

Status – Not resolved. See finding No. 4.

3. During 2010, the County ended with a deficit fund balance for the Crime Victim Advocate Fund. During 2011, the County ended the year with a deficit fund balance in the Crime Victim Advocate Fund and the Law Enforcement Sales Tax Fund.

Status – Resolved.

4. Management is not reviewing bank reconciliations on all accounts on a monthly basis.

Status – Resolved.

5. The County does not require two signatures on checks from some of the County officer's designated funds bank accounts.

Status – Resolved.

6. Due to the absence of a centralized accounting system, receipts and disbursements are not maintained together for funds throughout the year.

Status – Resolved.