



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of St. Clair County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of St. Clair County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2016, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2017
Report No. 2017-075

ANNUAL FINANCIAL REPORT

ST. CLAIR COUNTY, MISSOURI

For the Years Ended
December 31, 2016 and 2015

ST. CLAIR COUNTY, MISSOURI

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INTRODUCTORY SECTION

ST. CLAIR COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Robert Salmon

North District Commissioner – Leroy Strobe

South District Commissioner – Gerald Williams

Other Elected Officials

Assessor – Gladys J. Smith

Circuit Clerk – Karen Hubbard

Collector – Pamela Guffey

Coroner – C. Randy Sheldon

County Clerk – Debbie Peden

Prosecuting Attorney – Josh Jones

Public Administrator – David Knight

Recorder of Deeds – Pat Terry

Sheriff – Scott A. Keeler

Treasurer – Rhonda Shelby

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of St. Clair County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of St. Clair County, Missouri, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of St. Clair County, Missouri, as of December 31, 2016 and 2015, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 27, 2017, on our consideration of St. Clair 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
June 27, 2017

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

Fund	Cash and Investments January 1, 2015	Receipts 2015	Disbursements 2015	Cash and Investments December 31, 2015	Receipts 2016	Disbursements 2016	Cash and Investments December 31, 2016
General Revenue	\$ 2,885,523	\$ 4,078,859	\$ 4,221,029	\$ 2,743,353	\$ 4,784,610	\$ 4,326,409	\$ 3,201,554
Special Road & Bridge	419,571	1,065,835	1,105,328	380,078	1,072,612	1,180,383	272,307
Assessment	36,610	136,483	141,241	31,852	131,461	138,931	24,382
Law Enforcement Training	6,488	3,611	906	9,193	5,010	1,323	12,880
Prosecuting Attorney Training	1,761	602	703	1,660	993	561	2,092
Recorder's Maintenance	42,876	7,451	6,667	43,660	6,795	6,685	43,770
Commissary	19,243	31,107	10,099	40,251	58,892	22,000	77,143
Administrative Costs	7,103	3,375	8,468	2,010	6,017	3,952	4,075
Tax Maintenance	42,279	13,865	18,296	37,848	13,993	10,656	41,185
Election Services	7,011	1,030	500	7,541	937	-	8,478
Sheriff Drug	655	394	500	549	2	500	51
Sheriff Revolving	11,589	11,470	2,823	20,236	18,364	1,000	37,600
Help America Vote Act	1	1,140	1,140	1	3,057	3,057	1
Sheriff 57.280	6,135	10,098	241	15,992	11,189	5,108	22,073
Local Emergency Planning Commission	11,173	2,316	2,017	11,472	2,331	676	13,127
Domestic Violence	517	754	872	399	859	839	419
U.S. Marshal	86	1	-	87	7,986	-	8,073
Inmate Security	107,869	132,448	93,139	147,178	246,566	121,213	272,531
Law Enforcement Restitution	463	5,600	-	6,063	12,180	7,000	11,243
St. Clair County Senior Center	1	218,206	218,206	1	75,544	75,545	-
Gerster Bridge	-	41,888	41,888	-	450,372	450,372	-
Total	<u>\$ 3,606,954</u>	<u>\$ 5,766,533</u>	<u>\$ 5,874,063</u>	<u>\$ 3,499,424</u>	<u>\$ 6,909,770</u>	<u>\$ 6,356,210</u>	<u>\$ 4,052,984</u>

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

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

GENERAL REVENUE FUND Year Ended December 31,				
	2015		2016	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 466,000	\$ 489,626	\$ 462,352	\$ 463,690
Sales taxes	280,000	330,309	320,000	335,728
Intergovernmental	121,160	83,850	213,344	133,738
Charges for services	3,126,350	2,884,056	3,352,333	3,483,896
Interest	36,100	45,254	31,100	48,727
Other	223,700	243,264	207,500	315,530
Transfers in	5,200	2,500	-	3,301
Total Receipts	<u>\$ 4,258,510</u>	<u>\$ 4,078,859</u>	<u>\$ 4,586,629</u>	<u>\$ 4,784,610</u>
DISBURSEMENTS				
County Commission	\$ 108,702	\$ 104,321	\$ 107,422	\$ 104,630
County Clerk	123,243	120,620	151,212	123,859
Elections	33,100	30,006	101,875	77,324
Buildings and grounds	88,962	80,558	293,856	77,780
County Treasurer	51,082	48,269	49,550	47,561
County Collector	109,386	98,833	104,650	94,266
Recorder of Deeds	75,969	74,146	75,383	74,186
Circuit Clerk	14,100	10,997	18,495	13,160
Court Administration	21,661	16,372	23,019	7,235
Public Administrator	30,915	29,088	30,920	28,668
Sheriff	616,889	460,169	595,792	477,935
Jail	3,098,620	2,872,225	3,099,643	2,874,954
Prosecuting Attorney	116,549	103,026	137,652	129,203
Juvenile Officer	45,965	41,092	47,095	46,713
County Coroner	19,241	18,828	19,166	19,986
Health and welfare	24,000	19,623	19,000	19,105
Transfers out	1,200	1,140	1,200	3,057
Emergency fund	127,755	-	137,599	-
Other	74,636	91,716	145,232	106,787
Total Disbursements	<u>\$ 4,781,975</u>	<u>\$ 4,221,029</u>	<u>\$ 5,158,761</u>	<u>\$ 4,326,409</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (523,465)	\$ (142,170)	\$ (572,132)	\$ 458,201
CASH AND INVESTMENTS, JANUARY 1	<u>2,885,523</u>	<u>2,885,523</u>	<u>2,743,353</u>	<u>2,743,353</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,362,058</u>	<u>\$ 2,743,353</u>	<u>\$ 2,171,221</u>	<u>\$ 3,201,554</u>

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

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

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 371,500	\$ 394,663	\$ 371,500	\$ 381,943	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	595,000	647,314	595,000	652,244	120,000	133,342	129,187	128,462
Charges for services	1,000	-	1,000	-	-	-	-	-
Interest	12,000	8,372	8,000	7,340	1,200	921	1,100	864
Other	26,500	15,486	71,000	31,085	2,100	2,220	2,200	2,135
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>1,006,000</u>	<u>1,065,835</u>	<u>1,046,500</u>	<u>1,072,612</u>	<u>123,300</u>	<u>136,483</u>	<u>132,487</u>	<u>131,461</u>
DISBURSEMENTS								
Salaries	\$ 293,000	\$ 291,236	\$ 301,420	\$ 305,595	\$ 92,645	\$ 91,573	\$ 94,001	\$ 91,578
Employee fringe benefits	107,375	89,983	104,684	95,552	25,600	21,684	25,353	22,988
Materials and supplies	322,100	257,356	320,100	295,376	14,350	9,795	15,050	10,353
Services and other	282,150	265,890	268,125	275,857	6,120	4,831	6,120	5,297
Capital outlay	160,000	196,070	180,000	195,279	14,500	13,358	15,300	8,715
Construction	77,500	4,793	52,500	12,724	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,242,125</u>	<u>\$ 1,105,328</u>	<u>\$ 1,226,829</u>	<u>\$ 1,180,383</u>	<u>\$ 153,215</u>	<u>\$ 141,241</u>	<u>\$ 155,824</u>	<u>\$ 138,931</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (236,125)	\$ (39,493)	\$ (180,329)	\$ (107,771)	\$ (29,915)	\$ (4,758)	\$ (23,337)	\$ (7,470)
CASH AND INVESTMENTS, JANUARY 1	<u>419,571</u>	<u>419,571</u>	<u>380,078</u>	<u>380,078</u>	<u>36,610</u>	<u>36,610</u>	<u>31,852</u>	<u>31,852</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 183,446</u>	<u>\$ 380,078</u>	<u>\$ 199,749</u>	<u>\$ 272,307</u>	<u>\$ 6,695</u>	<u>\$ 31,852</u>	<u>\$ 8,515</u>	<u>\$ 24,382</u>

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

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

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	1,246	3,500	1,260	-	-	-	-
Charges for services	4,500	2,258	2,500	3,600	750	579	500	968
Interest	125	107	120	150	25	23	25	25
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,625</u>	<u>\$ 3,611</u>	<u>\$ 6,120</u>	<u>\$ 5,010</u>	<u>\$ 775</u>	<u>\$ 602</u>	<u>\$ 525</u>	<u>\$ 993</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,600	906	3,600	1,323	1,500	703	1,500	561
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,600</u>	<u>\$ 906</u>	<u>\$ 3,600</u>	<u>\$ 1,323</u>	<u>\$ 1,500</u>	<u>\$ 703</u>	<u>\$ 1,500</u>	<u>\$ 561</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,025	\$ 2,705	\$ 2,520	\$ 3,687	\$ (725)	\$ (101)	\$ (975)	\$ 432
CASH AND INVESTMENTS, JANUARY 1	<u>6,488</u>	<u>6,488</u>	<u>9,193</u>	<u>9,193</u>	<u>1,761</u>	<u>1,761</u>	<u>1,660</u>	<u>1,660</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 7,513</u>	<u>\$ 9,193</u>	<u>\$ 11,713</u>	<u>\$ 12,880</u>	<u>\$ 1,036</u>	<u>\$ 1,660</u>	<u>\$ 685</u>	<u>\$ 2,092</u>

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

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

	RECORDER'S MAINTENANCE FUND				COMMISSARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,800	3,987	3,800	4,036	32,000	30,762	25,000	58,204
Interest	500	607	550	625	200	345	400	688
Other	2,340	2,857	2,300	2,134	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,640</u>	<u>\$ 7,451</u>	<u>\$ 6,650</u>	<u>\$ 6,795</u>	<u>\$ 32,200</u>	<u>\$ 31,107</u>	<u>\$ 25,400</u>	<u>\$ 58,892</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	3,000	805	-	-	-	-
Services and other	10,445	6,667	10,795	5,880	13,000	4,921	18,000	6,000
Capital outlay	3,000	-	-	-	6,000	5,178	6,000	16,000
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 13,445</u>	<u>\$ 6,667</u>	<u>\$ 13,795</u>	<u>\$ 6,685</u>	<u>\$ 19,000</u>	<u>\$ 10,099</u>	<u>\$ 24,000</u>	<u>\$ 22,000</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,805)	\$ 784	\$ (7,145)	\$ 110	\$ 13,200	\$ 21,008	\$ 1,400	\$ 36,892
CASH AND INVESTMENTS, JANUARY 1	<u>42,876</u>	<u>42,876</u>	<u>43,660</u>	<u>43,660</u>	<u>19,243</u>	<u>19,243</u>	<u>40,251</u>	<u>40,251</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 35,071</u>	<u>\$ 43,660</u>	<u>\$ 36,515</u>	<u>\$ 43,770</u>	<u>\$ 32,443</u>	<u>\$ 40,251</u>	<u>\$ 41,651</u>	<u>\$ 77,143</u>

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

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

	ADMINISTRATIVE COSTS FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,500	3,295	4,000	2,270	14,500	13,251	14,500	13,400
Interest	100	80	80	47	1,300	614	1,800	593
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	3,700	-	-	-	-
Total Receipts	\$ 4,600	\$ 3,375	\$ 4,080	\$ 6,017	\$ 15,800	\$ 13,865	\$ 16,300	\$ 13,993
DISBURSEMENTS								
Salaries	\$ 4,264	\$ 4,363	\$ 3,120	\$ 3,422	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	1,030	942	250	265	-	-	-	-
Materials and supplies	-	-	-	-	4,500	826	3,500	-
Services and other	7,300	3,163	4,024	265	3,500	2,067	4,500	1,272
Capital outlay	-	-	-	-	19,000	12,903	19,000	9,384
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	2,500	2,500	-	-
Total Disbursements	\$ 12,594	\$ 8,468	\$ 7,394	\$ 3,952	\$ 29,500	\$ 18,296	\$ 27,000	\$ 10,656
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,994)	\$ (5,093)	\$ (3,314)	\$ 2,065	\$ (13,700)	\$ (4,431)	\$ (10,700)	\$ 3,337
CASH AND INVESTMENTS, JANUARY 1	7,103	7,103	2,010	2,010	42,279	42,279	37,848	37,848
CASH AND INVESTMENTS, DECEMBER 31	\$ (891)	\$ 2,010	\$ (1,304)	\$ 4,075	\$ 28,579	\$ 37,848	\$ 27,148	\$ 41,185

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

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

	ELECTION SERVICES FUND				SHERIFF DRUG FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	926	900	820	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	104	100	117	10	9	10	2
Other	-	-	-	-	-	385	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 600</u>	<u>\$ 1,030</u>	<u>\$ 1,000</u>	<u>\$ 937</u>	<u>\$ 10</u>	<u>\$ 394</u>	<u>\$ 10</u>	<u>\$ 2</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	500	500	1,000	-	500	500	750	500
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 750</u>	<u>\$ 500</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 100	\$ 530	\$ -	\$ 937	\$ (490)	\$ (106)	\$ (740)	\$ (498)
CASH AND INVESTMENTS, JANUARY 1	<u>7,011</u>	<u>7,011</u>	<u>7,541</u>	<u>7,541</u>	<u>655</u>	<u>655</u>	<u>549</u>	<u>549</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 7,111</u>	<u>\$ 7,541</u>	<u>\$ 7,541</u>	<u>\$ 8,478</u>	<u>\$ 165</u>	<u>\$ 549</u>	<u>\$ (191)</u>	<u>\$ 51</u>

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

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

	SHERIFF REVOLVING FUND				HELP AMERICA VOTE ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	11,230	10,500	17,900	-	-	-	-
Interest	250	240	300	464	1	-	1	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,221	1,140	3,057	3,057
Total Receipts	<u>\$ 10,250</u>	<u>\$ 11,470</u>	<u>\$ 10,800</u>	<u>\$ 18,364</u>	<u>\$ 1,222</u>	<u>\$ 1,140</u>	<u>\$ 3,058</u>	<u>\$ 3,057</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	948	2,500	1,000	1,221	1,140	3,057	3,057
Capital outlay	10,000	1,875	8,000	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,000</u>	<u>\$ 2,823</u>	<u>\$ 10,500</u>	<u>\$ 1,000</u>	<u>\$ 1,221</u>	<u>\$ 1,140</u>	<u>\$ 3,057</u>	<u>\$ 3,057</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (750)	\$ 8,647	\$ 300	\$ 17,364	\$ 1	\$ -	\$ 1	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>11,589</u>	<u>11,589</u>	<u>20,236</u>	<u>20,236</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 10,839</u></u>	<u><u>\$ 20,236</u></u>	<u><u>\$ 20,536</u></u>	<u><u>\$ 37,600</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 1</u></u>

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

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

	SHERIFF 57.280 FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,000	9,949	10,000	10,907	-	-	-	-
Interest	150	149	200	282	140	160	180	153
Other	-	-	-	-	1,400	2,156	2,150	2,178
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,150</u>	<u>\$ 10,098</u>	<u>\$ 10,200</u>	<u>\$ 11,189</u>	<u>\$ 1,540</u>	<u>\$ 2,316</u>	<u>\$ 2,330</u>	<u>\$ 2,331</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	4,000	-	4,000	1,111	-	-	-	-
Services and other	1,000	241	2,500	3,997	3,745	2,017	17	676
Capital outlay	-	-	-	-	6,000	-	6,000	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 241</u>	<u>\$ 6,500</u>	<u>\$ 5,108</u>	<u>\$ 9,745</u>	<u>\$ 2,017</u>	<u>\$ 6,017</u>	<u>\$ 676</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 9,150	\$ 9,857	\$ 3,700	\$ 6,081	\$ (8,205)	\$ 299	\$ (3,687)	\$ 1,655
CASH AND INVESTMENTS, JANUARY 1	<u>6,135</u>	<u>6,135</u>	<u>15,992</u>	<u>15,992</u>	<u>11,173</u>	<u>11,173</u>	<u>11,472</u>	<u>11,472</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 15,285</u>	<u>\$ 15,992</u>	<u>\$ 19,692</u>	<u>\$ 22,073</u>	<u>\$ 2,968</u>	<u>\$ 11,472</u>	<u>\$ 7,785</u>	<u>\$ 13,127</u>

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

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

	DOMESTIC VIOLENCE FUND				U.S. MARSHAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	7,924
Charges for services	895	751	650	855	-	-	-	-
Interest	5	3	5	4	-	1	-	62
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 754</u>	<u>\$ 655</u>	<u>\$ 859</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 7,986</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	900	872	900	839	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 900</u>	<u>\$ 872</u>	<u>\$ 900</u>	<u>\$ 839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (118)	\$ (245)	\$ 20	\$ -	\$ 1	\$ -	\$ 7,986
CASH AND INVESTMENTS, JANUARY 1	<u>517</u>	<u>517</u>	<u>399</u>	<u>399</u>	<u>86</u>	<u>86</u>	<u>87</u>	<u>87</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 517</u>	<u>\$ 399</u>	<u>\$ 154</u>	<u>\$ 419</u>	<u>\$ 86</u>	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 8,073</u>

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

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

	INMATE SECURITY FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	9,400	-	13,462	-	-	-	-
Charges for services	115,750	123,048	110,000	233,104	3,000	5,550	15,000	12,106
Interest	-	-	-	-	20	50	100	74
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 115,750</u>	<u>\$ 132,448</u>	<u>\$ 110,000</u>	<u>\$ 246,566</u>	<u>\$ 3,020</u>	<u>\$ 5,600</u>	<u>\$ 15,100</u>	<u>\$ 12,180</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,500	6,005	17,500	9,838	-	-	-	-
Capital outlay	108,000	87,134	125,000	111,375	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	15,000	7,000
Total Disbursements	<u>\$ 115,500</u>	<u>\$ 93,139</u>	<u>\$ 142,500</u>	<u>\$ 121,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 7,000</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 250	\$ 39,309	\$ (32,500)	\$ 125,353	\$ 3,020	\$ 5,600	\$ 100	\$ 5,180
CASH AND INVESTMENTS, JANUARY 1	<u>107,869</u>	<u>107,869</u>	<u>147,178</u>	<u>147,178</u>	<u>463</u>	<u>463</u>	<u>6,063</u>	<u>6,063</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 108,119</u>	<u>\$ 147,178</u>	<u>\$ 114,678</u>	<u>\$ 272,531</u>	<u>\$ 3,483</u>	<u>\$ 6,063</u>	<u>\$ 6,163</u>	<u>\$ 11,243</u>

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

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

	ST. CLAIR COUNTY SENIOR CENTER FUND				GERSTER BRIDGE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2015		2016		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	218,206	75,544	75,544	550,000	41,888	460,000	450,372
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	293,749	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 293,749</u>	<u>\$ 218,206</u>	<u>\$ 75,544</u>	<u>\$ 75,544</u>	<u>\$ 550,000</u>	<u>\$ 41,888</u>	<u>\$ 460,000</u>	<u>\$ 450,372</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	4,500	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	293,749	218,206	75,545	71,044	550,000	41,888	460,000	450,372
Transfers out	-	-	-	1	-	-	-	-
Total Disbursements	<u>\$ 293,749</u>	<u>\$ 218,206</u>	<u>\$ 75,545</u>	<u>\$ 75,545</u>	<u>\$ 550,000</u>	<u>\$ 41,888</u>	<u>\$ 460,000</u>	<u>\$ 450,372</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ (1)	\$ (1)	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ST. CLAIR COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Clair County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, 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 St. Clair County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector, Sheriff, and Treasurer 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 County budgeted a negative fund balance for the Administrative Costs Fund in both 2015 and 2016 and the Sheriff Drug Fund in 2016.
 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 a formal budget for the U.S. Marshal Fund in 2015 and 2016.
 10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

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

	2016	2015
Real Estate	\$ 76,619,306	\$ 75,624,900
Personal Property	27,677,295	26,643,674
Railroad and Utilities	10,115,188	10,408,665
Total	<u>\$ 114,411,789</u>	<u>\$ 112,677,239</u>

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

	2016	2015
General Revenue	\$ 0.3242	\$ 0.3258
Special Road & Bridge	\$ 0.2803	\$ 0.2794

F. Cash Deposits and Investments

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

G. Interfund Activity

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

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2016 and 2015, the carrying amounts of the County's deposits were \$4,052,984 and \$3,499,424, respectively, and the bank balances were \$4,543,166 and \$4,193,489, respectively. Of the bank balances, \$250,002 for December 31, 2016 and \$250,003 for December 31, 2015 were covered by federal depository insurance. The remainder of the balances at December 31, 2016 and December 31, 2015 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2016 and 2015, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$3,349,526 and \$3,024,738 at December 31, 2016 and 2015, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,311 as of December 31, 2016 and \$250,076 as of December 31, 2015. The remainder of the balances at December 31, 2016 and December 31, 2015 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

St. Clair County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or at by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of St. Clair County contribute 4% to the pension plan. The June 30th statutorily required employer contribution rates were 0.2% (General) for both 2016 and 2015, and 2.4% and 2.9% (Police) of annual covered payroll for 2016 and 2015 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2016 and 2015, the County contributed \$91,362 and \$87,458 to LAGERS.

B. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2016 and 2015, the County collected and remitted to CERF employee contributions of \$95,411 and \$85,604, 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 regular full-time employees vacation leave after their probation period is met. However, their leave accrues from their hire date. The vacation time accrues at the rate of four hours per completed month for the first year. Then after the first year vacation time accrues at the rate of 8 hours per month from 1 to 10 years. After 10 years, the vacation time will accrue at the rate of 12 hours per month. The employees may accrue vacation leave up to a maximum of 160 hours. For part-time employees with benefits, vacation leave is credited at a percentage based on the hours worked. An employee with benefits that leaves the County for any reason is compensated for any vacation that was unused up until the date of termination. Full-time employees will earn 8 hours of paid sick leave per month, after the completion of the probationary period. Each part-time employee will earn a percentage of sick leave based on the hours worked with pay credit monthly. Employees may use up to 3 days per year of their accrued sick leave for personal days. Employees with benefits may accumulate sick leave with up to a maximum of 30 days. Upon termination of employment, accumulated sick leave is not reimbursable.

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.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

D. Check Error Liability

On December 28, 2016, a Sheriff's Deputy issued a check to the Treasurer from the Sheriff's Office Commissions of Turnkey account in the amount of \$124,031 for fees collected in December 2016. The check should have been issued for \$15,519, or a difference of \$108,512 which was owed back to the Sheriff by the Treasurer at year end. On January 16, 2017, the Treasurer issued a refund check back to the Sheriff's Office in the amount of \$108,512.

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

As of December 31, 2016, the County had the following obligations outstanding under lease agreements:

- A. \$83,080 remaining on a 60 month capital lease for four John Deere motor graders. The lease called for 5 annual payments of \$83,080 with the final payment scheduled for November 2017. The County has the option to purchase the equipment for \$1 at the end of the lease term.
- B. \$42,751 remaining on a 60 month capital lease for two John Deere tractors and two boom rotary mowers. The lease called for 5 annual payments of \$42,751 with the final payment scheduled for October 2017. The County has the option to purchase the equipment for \$1 at the end of the lease term.
- C. \$49,731 remaining on a 36 month loan for the purchase of two 2012 Freightliner dump trucks. The final payment of \$51,449, including \$1,718 of interest, is due in September 2017.
- D. \$17,177 remaining on a 36 month capital lease for two Dodge Chargers. The lease called for three annual payments of \$18,208 with the final payment (including \$1,031 of interest) scheduled for June 2017. The County has the option to purchase the vehicles for \$1 at the end of the lease term.
- E. \$19,726 remaining on a 36 month capital lease for three Chevy Tahoes. The lease called for three annual payments of \$20,909 with the final payment (including \$1,183 of interest) scheduled for June 2017. The County has the option to purchase the vehicles for \$1 at the end of the lease term.

Total future lease payments under the above obligations are as follows:

2017	\$ 216,397
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8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 27, 2017, 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 St. Clair 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 St. Clair County, Missouri as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise St. Clair County, Missouri's basic financial statements and have issued our report thereon dated June 27, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 1 to be a material weakness. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2 and 3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Clair County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and are described in the accompanying schedule of findings and recommendations as items 4 and 5.

St. Clair County, Missouri's Response to Findings

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

Purpose of this Report

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

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

McBride, Lock & Associates, LLC

Kansas City, Missouri

June 27, 2017

FINDINGS AND RECOMMENDATIONS

ST. CLAIR COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

1. Internal Controls Over the Sheriff's Cash Disbursement Process

Condition: The audit noted that a Sheriff's Deputy prepared checks, signed the checks on behalf of the Sheriff through a software system generated signature, and disbursed checks out of the Sheriff's Office Commissions of Turnkey account. Additionally, the same Sheriff's Deputy performed the monthly bank reconciliation for the Sheriff's Office Commissions of Turnkey account.

At the end of each quarter, 35 percent of the ending commissary balance is remitted from the Sheriff's Office Commissions of Turnkey account to the Treasurer. This amount is then allocated between the Commissary Fund and the Inmate Security Fund. The audit noted on December 28, 2016, a check in the amount of \$124,031 was issued by the aforementioned Sheriff's Deputy out of the Sheriff's Office Commissions of Turnkey account to the Treasurer. However, the check should have been issued for \$15,519 or 35 percent of \$44,340. Due to the check error, on January 18, 2017, a check in the amount \$108,512 was refunded back from the Treasurer to the Sheriff's Office Commissions of Turnkey account. Per inquiry of the Sheriff, the Sheriff's Deputy does not know why the error was made and the error was caught due to the resulting negative balance in the account.

Recommendation: We recommend that the Sheriff implement procedures to ensure that the duties of cash handling, record keeping, and account reconciliation are appropriately segregated among different individuals. We also recommend that the Sheriff implement a process to appropriately restrict access to his software system generated signature.

County's Response: In response to our internal audit concerning the Cash disbursement process, the person responsible for dispersing monies from the Turnkey Account made a human error in figuring the total to be dispersed for that month. Notes were written explaining how she made the error. The error was discovered after the check had already been sent up to the Treasurer Rhonda Shelby. Contact was made with Rhonda to see how we could correct the error.

Currently we have implemented a double check system, in which the person responsible for the Turnkey Account will determine the amount that is to be issued, then that amount will be verified by the Administrative Office. Once the amount has been verified and agreed upon, a check will be issued to the appropriate location for deposit. The software used for issuing checks for the Turnkey account, is located back in the jail, and access to the system is restricted to (4) persons.

This system will insure that the previous occurrence will not happen again.

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

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2. Internal Controls Over User Access to Assessed Valuations

Condition: The audit noted that the County Collector has unlimited access within the County's property tax software system. Specifically, the County Collector has access to change individual tax records, including assessed valuations of real and personal property. As the County Collector is responsible for collecting property tax monies, appropriate internal controls require that the County Collector has no access to change the amount of assessed valuations and the corresponding impact on property tax billings.

Per inquiry of the Collector, she is aware of this issue, and the Collector's office is in the process of switching to a software that does not allow access to change real and personal property assessed valuations.

Recommendation: We recommend that County officeholder's periodically review their respective software systems to ensure that user access rights are appropriately segregated in order to maintain effective internal controls.

County's Response: The Collector's Office has completed conversion to a new software system that will alleviate these concerns. With the new software system the Collector nor anyone in the Collector's Office has access or ability to change any assessed value. With that being said, there was a process in place for the County Clerk, County Commission and County Assessor to review the monthly reconciliations of the additions and abatements that were made by the Collector's Office with the prior software.

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

3. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, the transfers reported in both 2015 and 2016 did not balance, in that transfers to other funds were not in agreement with transfers from other funds. This was the result of revenues and expenditures being misclassified as transfers and transfers being misclassified as revenues and expenditures. This has the impact of overstating revenues and expenditures as recorded in the annual budget documents. All transfers in to County funds must be accompanied by a corresponding transfer out from a County fund. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2016 and 2015.

Recommendation: We recommend that the County ensure that transactions between County funds are recorded as transfers in and out and that they are in balance at all times.

County's Response: Transfers between funds whether it is revenues or expenditures, or between other taxing entities in our county have always been handled by this process. For example: CART monies come in to the Special Road & Bridge Fund and the Treasurer transfers the allotted portion to each Special Road District.

Auditor's Evaluation: The recommendation was not followed at all times during the audit period. For example, in both 2015 and 2016, money was moved from the General Revenue Fund to the HAVA Fund and was recorded as a Transfer Out of General Revenue and an Intergovernmental revenue of HAVA. Fees collected in the Administrative Costs Fund in 2016 and paid to the state were recorded as a transfer out. However, as the state is a separate entity from the County, there was no corresponding Transfers In.

ITEMS OF NONCOMPLIANCE

4. Lack of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. 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. 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.

Recommendation: We recommend the County adopt an investment policy in accordance with state statutes and review compliance with this policy at least annually.

County's Response: As of June 19, 2017 the County has adopted an Investment Policy as required by State Statute.

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

5. Budgetary Controls

Condition: Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the U.S. Marshal Fund in 2015 and 2016. Chapter 50, RSMo. requires the preparation and filing of annual budgets for all present funds to present a complete financial plan for the ensuing year. In addition, the County budgeted expenditures in excess of the beginning balance plus anticipated receipts for the Administrative Costs Fund in 2015 and 2016 and for the Sheriff Drug Fund in 2016.

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. We also recommend the County refrain from adopting a budget with a deficit fund balance.

County's Response: The County agrees that we did not adopt a formal budget for the U.S. Marshal Fund in 2015 and 2016. This fund is utilized by our Sheriff and he indicated that he did not want to submit a budget for this fund. The County will comply in the future with State Statutes by adopting a formal budget for this particular fund.

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

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for each governmental fund as of and for the years ended December 31, 2016 and 2015, we considered St. Clair County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated June 27, 2017. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Inaccurate Published Financial Statements

Financial data of the County, including a Financial Statement for the years ended December 31, 2016 and 2015, was published by The Appleton City Journal. The 2016 published Financial Statement agreed to the amounts presented in the annual budget document; however, the 2015 published Financial Statement included 2014 actual amounts for the following funds: Commissary, Sheriff Revolving, HAVA, Sheriff 57.280, Local Emergency Planning Commission, Law Enforcement Restitution, Inmate Security, U.S. Marshal, and St. Clair County Senior Center. We recommend that the County implement a process to ensure that the published Financial Statements present accurate financial information for each County fund.

ST. CLAIR 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 St. Clair County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2014.

1. For the year ended December 31, 2014, expenditures exceeded those budgeted for the Domestic Violence Fund.

Status: Resolved.

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

Status: Resolved.

3. The County has no formal fraud risk assessment in place.

Status: Resolved.