



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Daviess County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Daviess 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 Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2017
Report No. 2017-105

**The County of Daviess
Gallatin, Missouri
Financial Statements, Independent Auditor's Reports and Supplementary Information
December 31, 2016 & 2015**



**The County of Daviess
Gallatin, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash- All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2016.....	3
For the year ended December 31, 2015.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash- Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2016 & 2015.....	5
Notes to the Financial Statements.....	22
<u>Supplementary Information</u>	
Schedule of the County's Proportionate Share of the Net Pension Liability.....	34
Schedule of Pension Contributions.....	35
<u>Compliance Section</u>	
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 <i>Government Auditing Standards</i>	36
Schedule of Findings and Responses.....	38
Follow-Up to Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Daviess County, Missouri

We have audited the accompanying financial statements of Daviess County, Missouri, as of and for the years ended December 31, 2016 and 2015, which collectively comprise the County's basic financial statements and the related notes to the 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 practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. 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 error or fraud.

Auditor's Responsibility

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

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

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

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

As described in Note 1, the financial statements are prepared by Daviess County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Daviess County, Missouri, as of December 31, 2016 and 2015, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Daviess County, Missouri, as of December 31, 2016 and 2015, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Daviess County, Missouri’s basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2017, on our consideration of Daviess 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 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 Daviess County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 11, 2017

The County of Daviess
Gallatin, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 1,556,431	\$ 968,669	\$ 1,047,145	\$ 1,477,955
Road and Bridge	111,838	1,112,048	926,218	297,668
Assessment	2,510	220,773	201,212	22,071
Law Enforcement Sales Tax	57,198	382,564	356,359	83,403
Prosecuting Attorney Training	460	721	200	981
Law Enforcement Training	640	2,866	2,952	554
Sheriff Civil Fees	12,028	6,967	18,471	524
Election Services	4,517	1,377	2,549	3,345
Tax Maintenance	14,042	13,927	17,229	10,740
Frazier Trust	15,158	85	-	15,243
Mays Estate	153,700	40	-	153,740
Care Center Lease	418,259	66,900	11,069	474,090
Domestic Violence	323	461	-	784
Jackson Township Grant Maintenance	131,606	11,901	-	143,507
Local Emergency Planning Commission	10,821	4,261	3,316	11,766
Capitol Improvement	208,430	298	248	208,480
Prosecuting Attorney Administrative Handling Cost	30,651	4,178	5,692	29,137
Law Enforcement Grant	2,097	13,372	12,989	2,480
Sheriff Revolving	12,426	10,821	10,000	13,247
Sheriff Forfeiture	-	-	-	-
Veterans Memorial	13,520	228	75	13,673
Senior Citizens' Services	28,046	60,761	60,674	28,133
Inmate Security	2,984	8,598	4,478	7,104
Deputy Sheriff Salary Supplementation	1,126	15,142	14,875	1,393
Recorder Tech	7,334	2,499	470	9,363
Recorder User Fee	24,005	4,110	6,230	21,885
Equitable Sharing NITRO	-	38,001	20,000	18,001
Senate Bill 40 Board	238,102	122,702	142,587	218,217
Total	\$ 3,058,252	\$ 3,074,270	\$ 2,865,038	\$ 3,267,484

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2015

<u>Fund</u>	Cash and Equivalents January 1, 2015	Receipts 2015	Disbursements 2015	Cash and Equivalents December 31, 2015
General Revenue	\$ 1,585,927	\$ 915,935	\$ 945,431	\$ 1,556,431
Road and Bridge	191,053	1,227,155	1,306,370	111,838
Assessment	25,154	202,220	224,864	2,510
Law Enforcement Sales Tax	13,184	391,369	347,355	57,198
Prosecuting Attorney Training	328	842	710	460
Law Enforcement Training	591	4,670	4,621	640
Sheriff Civil Fees	8,727	16,301	13,000	12,028
Election Services	5,801	1,823	3,107	4,517
Tax Maintenance	22,628	14,679	23,265	14,042
Frazier Trust	15,973	83	898	15,158
Mays Estate	3,305	150,395	-	153,700
Care Center Lease	345,886	72,373	-	418,259
Domestic Violence	392	323	392	323
Jackson Township Grant Maintenance	112,743	18,863	-	131,606
Local Emergency Planning Commission	4,861	8,302	2,342	10,821
Capitol Improvement	208,207	223	-	208,430
Prosecuting Attorney Administrative Handling Cost	28,180	8,228	5,757	30,651
Law Enforcement Grant	2,279	5,194	5,376	2,097
Sheriff Revolving	10,703	7,691	5,968	12,426
Sheriff Forfeiture	-	-	-	-
Veterans Memorial	13,455	65	-	13,520
Senior Citizens' Services	33,709	55,711	61,374	28,046
Inmate Security	11,984	10,363	19,363	2,984
Deputy Sheriff Salary Supplementation	1,018	11,801	11,693	1,126
Recorder Tech	5,671	2,119	456	7,334
Recorder User Fee	22,084	3,738	1,817	24,005
Equitable Sharing NITRO	-	-	-	-
Senate Bill 40 Board	290,233	103,953	156,084	238,102
Total	\$ 2,964,076	\$ 3,234,419	\$ 3,140,243	\$ 3,058,252

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	General Revenue Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 178,000	\$ 155,769	\$ 147,500	\$ 142,241
Sales Taxes	366,000	361,985	308,000	366,328
Intergovernmental	88,082	92,194	66,556	74,720
Charges for Services	301,100	329,295	309,450	300,067
Interest	6,500	7,300	7,000	6,792
Other	24,650	22,126	24,400	25,787
Transfers In	-	-	-	-
Total Receipts	\$ 964,332	\$ 968,669	\$ 862,906	\$ 915,935
Disbursements				
County Commission	\$ 95,997	\$ 93,550	\$ 93,776	\$ 92,831
County Clerk	94,540	87,875	90,500	86,710
Elections	74,727	69,150	51,868	44,226
Building and Grounds	80,538	87,265	91,700	79,213
Employee Fringe Benefits	92,191	93,008	94,535	92,527
County Treasurer	81,788	83,057	82,983	79,581
Recorder of Deeds	67,144	65,974	66,950	64,416
Circuit Clerk	33,660	18,294	33,660	18,863
Court Administration	19,020	12,133	24,490	32,961
Public Administrator	33,240	30,841	32,650	28,622
Sheriff	63,061	55,088	60,000	56,886
Prosecuting Attorney	94,598	88,006	96,796	84,596
Juvenile Officer	18,456	19,610	18,456	17,911
Coroner	30,901	21,722	30,900	21,211
Health and Welfare	2,000	-	2,000	-
Other	150,075	143,651	121,513	83,356
Transfers Out	65,042	65,042	83,038	61,521
Emergency Fund	100,000	12,879	200,000	-
Total Disbursements	\$ 1,196,978	\$ 1,047,145	\$ 1,275,815	\$ 945,431
Receipts Over (Under)				
Disbursements	\$ (232,646)	\$ (78,476)	\$ (412,909)	\$ (29,496)
Cash and Equivalents				
January 1	1,556,431	1,556,431	1,585,927	1,585,927
Cash and Equivalents				
December 31	<u>\$ 1,323,785</u>	<u>\$ 1,477,955</u>	<u>\$ 1,173,018</u>	<u>\$ 1,556,431</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Road and Bridge Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	2,655,000	1,103,488	1,678,400	1,218,709
Charges for Services	10,000	-	20,000	-
Interest	200	420	200	368
Other	15,500	8,140	4,750	8,078
Transfers In	-	-	21,517	-
Total Receipts	<u>\$ 2,680,700</u>	<u>\$ 1,112,048</u>	<u>\$ 1,724,867</u>	<u>\$ 1,227,155</u>
<u>Disbursements</u>				
Salaries	\$ 118,937	\$ 118,774	\$ 112,325	\$ 109,669
Employee Fringe Benefits	45,410	45,987	39,226	33,535
Supplies	24,000	19,175	27,000	17,831
Insurance	7,000	5,398	7,500	5,755
Road and Bridge Materials	578,500	407,292	599,849	508,820
Equipment Repairs	15,000	9,462	20,000	9,233
Rentals	10,000	-	5,000	-
Equipment Purchases	30,000	-	30,000	26,650
Road and Bridge Construction	1,942,000	305,858	1,043,000	577,364
Other	16,280	8,102	27,250	12,743
Transfers Out	4,770	6,170	4,770	4,770
Total Disbursements	<u>\$ 2,791,897</u>	<u>\$ 926,218</u>	<u>\$ 1,915,920</u>	<u>\$ 1,306,370</u>
Receipts Over (Under)				
Disbursements	\$ (111,197)	\$ 185,830	\$ (191,053)	\$ (79,215)
Cash and Equivalents				
January 1	<u>111,838</u>	<u>111,838</u>	<u>191,053</u>	<u>191,053</u>
Cash and Equivalents				
December 31	<u>\$ 641</u>	<u>\$ 297,668</u>	<u>\$ -</u>	<u>\$ 111,838</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Assessment Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	143,846	153,874	152,208	140,037
Charges for Services	750	694	-	659
Interest	2	2	4	3
Other	-	1,161	-	-
Transfers In	65,042	65,042	61,521	61,521
Total Receipts	<u>\$ 209,640</u>	<u>\$ 220,773</u>	<u>\$ 213,733</u>	<u>\$ 202,220</u>
<u>Disbursements</u>				
Salaries	\$ 129,624	\$ 129,549	\$ 127,082	\$ 127,047
Employee Fringe Benefits	28,766	30,803	27,555	27,404
Materials and Supplies	8,000	5,636	11,100	7,179
Services and Other	16,500	15,074	16,400	15,130
Capital Outlay	26,750	20,150	56,750	48,104
Debt Service				
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 209,640</u>	<u>\$ 201,212</u>	<u>\$ 238,887</u>	<u>\$ 224,864</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 19,561	\$ (25,154)	\$ (22,644)
Cash and Equivalents				
January 1	<u>2,510</u>	<u>2,510</u>	<u>25,154</u>	<u>25,154</u>
Cash and Equivalents				
December 31	<u>\$ 2,510</u>	<u>\$ 22,071</u>	<u>\$ -</u>	<u>\$ 2,510</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Law Enforcement Sales Tax Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	350,000	361,989	308,000	366,330
Intergovernmental	7,500	5,766	18,800	8,242
Charges for Services	10,350	13,844	12,700	11,236
Interest	1	8	2	4
Other	8,305	957	1,000	5,557
Transfers In	-	-	-	-
Total Receipts	<u>\$ 376,156</u>	<u>\$ 382,564</u>	<u>\$ 340,502</u>	<u>\$ 391,369</u>
<u>Disbursements</u>				
Salaries	\$ 226,741	\$ 228,186	\$ 229,746	\$ 225,947
Employee Fringe Benefits	61,605	65,910	53,441	56,760
Materials and Supplies	2,925	3,642	2,700	11,678
Services and Other	55,590	50,193	62,480	-
Capital Outlay	9,500	8,428	4,750	30,444
Debt Service	-	-	-	13,528
Transfers Out	-	-	-	8,998
Total Disbursements	<u>\$ 356,361</u>	<u>\$ 356,359</u>	<u>\$ 353,117</u>	<u>\$ 347,355</u>
Receipts Over (Under)				
Disbursements	\$ 19,795	\$ 26,205	\$ (12,615)	\$ 44,014
Cash and Equivalents				
January 1	<u>57,198</u>	<u>57,198</u>	<u>13,184</u>	<u>13,184</u>
Cash and Equivalents				
December 31	<u><u>\$ 76,993</u></u>	<u><u>\$ 83,403</u></u>	<u><u>\$ 569</u></u>	<u><u>\$ 57,198</u></u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Prosecuting Attorney Training Fund				Law Enforcement Training Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	760	721	800	842	5,000	2,866	5,000	3,372
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	1,298
Total Receipts	<u>\$ 760</u>	<u>\$ 721</u>	<u>\$ 800</u>	<u>\$ 842</u>	<u>\$ 5,000</u>	<u>\$ 2,866</u>	<u>\$ 5,000</u>	<u>\$ 4,670</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,160	200	800	710	5,000	2,952	5,000	4,621
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,160</u>	<u>\$ 200</u>	<u>\$ 800</u>	<u>\$ 710</u>	<u>\$ 5,000</u>	<u>\$ 2,952</u>	<u>\$ 5,000</u>	<u>\$ 4,621</u>
Receipts Over (Under)								
Disbursements	\$ (400)	\$ 521	\$ -	\$ 132	\$ -	\$ (86)	\$ -	\$ 49
Cash and Equivalents								
January 1	<u>460</u>	<u>460</u>	<u>328</u>	<u>328</u>	<u>640</u>	<u>640</u>	<u>591</u>	<u>591</u>
Cash and Equivalents								
December 31	<u>\$ 60</u>	<u>\$ 981</u>	<u>\$ 328</u>	<u>\$ 460</u>	<u>\$ 640</u>	<u>\$ 554</u>	<u>\$ 591</u>	<u>\$ 640</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Sheriff Civil Fees Fund				Election Services Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000	-	15,000	-	1,500	1,377	750	1,822
Charges for Services	10,000	6,967	10,000	8,600	-	-	-	-
Interest	1	-	-	1	1	-	-	1
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	7,700	-	-	-	-
Total Receipts	<u>\$ 20,001</u>	<u>\$ 6,967</u>	<u>\$ 25,000</u>	<u>\$ 16,301</u>	<u>\$ 1,501</u>	<u>\$ 1,377</u>	<u>\$ 750</u>	<u>\$ 1,823</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ 1,493	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	114	-	38	-	-	-	-
Materials and Supplies	-	193	-	465	-	49	-	107
Services and Other	25,000	1,547	25,000	4,648	250	210	400	-
Capital Outlay	-	5,124	-	7,349	3,000	2,290	3,000	3,000
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	10,000	-	-	-	-	-	-
Total Disbursements	<u>\$ 25,000</u>	<u>\$ 18,471</u>	<u>\$ 25,000</u>	<u>\$ 13,000</u>	<u>\$ 3,250</u>	<u>\$ 2,549</u>	<u>\$ 3,400</u>	<u>\$ 3,107</u>
Receipts Over (Under)								
Disbursements	\$ (4,999)	\$ (11,504)	\$ -	\$ 3,301	\$ (1,749)	\$ (1,172)	\$ (2,650)	\$ (1,284)
Cash and Equivalents								
January 1	<u>12,028</u>	<u>12,028</u>	<u>8,727</u>	<u>8,727</u>	<u>4,517</u>	<u>4,517</u>	<u>5,801</u>	<u>5,801</u>
Cash and Equivalents								
December 31	<u>\$ 7,029</u>	<u>\$ 524</u>	<u>\$ 8,727</u>	<u>\$ 12,028</u>	<u>\$ 2,768</u>	<u>\$ 3,345</u>	<u>\$ 3,151</u>	<u>\$ 4,517</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Tax Maintenance Fund				Frazier Trust Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	14,500	13,890	14,400	14,650	-	-	-	-
Interest	25	37	100	29	75	85	75	83
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,525</u>	<u>\$ 13,927</u>	<u>\$ 14,500</u>	<u>\$ 14,679</u>	<u>\$ 75</u>	<u>\$ 85</u>	<u>\$ 75</u>	<u>\$ 83</u>
<u>Disbursements</u>								
Salaries	\$ 2,500	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	300	-	6,890	140	-	-	-	-
Services and Other	10,480	4,413	15,490	8,447	1,250	-	1,000	898
Capital Outlay	13,500	12,816	6,500	14,678	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 26,780</u>	<u>\$ 17,229</u>	<u>\$ 30,880</u>	<u>\$ 23,265</u>	<u>\$ 1,250</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 898</u>
Receipts Over (Under)								
Disbursements	\$ (12,255)	\$ (3,302)	\$ (16,380)	\$ (8,586)	\$ (1,175)	\$ 85	\$ (925)	\$ (815)
Cash and Equivalents								
January 1	<u>14,042</u>	<u>14,042</u>	<u>22,628</u>	<u>22,628</u>	<u>15,158</u>	<u>15,158</u>	<u>15,973</u>	<u>15,973</u>
Cash and Equivalents								
December 31	<u>\$ 1,787</u>	<u>\$ 10,740</u>	<u>\$ 6,248</u>	<u>\$ 14,042</u>	<u>\$ 13,983</u>	<u>\$ 15,243</u>	<u>\$ 15,048</u>	<u>\$ 15,158</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Mays Estate Fund				Care Center Lease Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	72,000	66,400	72,000	72,000
Interest	20	40	20	30	150	500	500	373
Other	-	-	-	150,365	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20</u>	<u>\$ 40</u>	<u>\$ 20</u>	<u>\$ 150,395</u>	<u>\$ 72,150</u>	<u>\$ 66,900</u>	<u>\$ 72,500</u>	<u>\$ 72,373</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	105	20,000	-
Capital Outlay	153,720	-	3,250	-	250,000	10,964	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 153,720</u>	<u>\$ -</u>	<u>\$ 3,250</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 11,069</u>	<u>\$ 20,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (153,700)	\$ 40	\$ (3,230)	\$ 150,395	\$ (177,850)	\$ 55,831	\$ 52,500	\$ 72,373
Cash and Equivalents								
January 1	<u>153,700</u>	<u>153,700</u>	<u>3,305</u>	<u>3,305</u>	<u>418,259</u>	<u>418,259</u>	<u>345,886</u>	<u>345,886</u>
Cash and Equivalents								
December 31	<u>\$ -</u>	<u>\$ 153,740</u>	<u>\$ 75</u>	<u>\$ 153,700</u>	<u>\$ 240,409</u>	<u>\$ 474,090</u>	<u>\$ 398,386</u>	<u>\$ 418,259</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Domestic Violence Fund				Jackson Township Grant Maintenance Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,960	-
Charges for Services	300	461	300	323	6,980	6,980	6,000	13,960
Interest	-	-	-	-	100	151	125	133
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	4,770	4,770	4,770	4,770
Total Receipts	<u>\$ 300</u>	<u>\$ 461</u>	<u>\$ 300</u>	<u>\$ 323</u>	<u>\$ 11,850</u>	<u>\$ 11,901</u>	<u>\$ 12,855</u>	<u>\$ 18,863</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	623	-	692	392	130,000	-	10,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ 692</u>	<u>\$ 392</u>	<u>\$ 130,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (323)	\$ 461	\$ (392)	\$ (69)	\$ (118,150)	\$ 11,901	\$ 2,855	\$ 18,863
Cash and Equivalents								
January 1	<u>323</u>	<u>323</u>	<u>392</u>	<u>392</u>	<u>131,606</u>	<u>131,606</u>	<u>112,743</u>	<u>112,743</u>
Cash and Equivalents								
December 31	<u>\$ -</u>	<u>\$ 784</u>	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 13,456</u>	<u>\$ 143,507</u>	<u>\$ 115,598</u>	<u>\$ 131,606</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Local Emergency Planning Commission Fund				Capitol Improvement Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,612	2,861	2,612	8,302	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	200	298	250	223
Other	-	-	-	-	-	-	-	-
Transfers In	-	1,400	-	-	-	-	-	-
Total Receipts	<u>\$ 2,612</u>	<u>\$ 4,261</u>	<u>\$ 2,612</u>	<u>\$ 8,302</u>	<u>\$ 200</u>	<u>\$ 298</u>	<u>\$ 250</u>	<u>\$ 223</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	8	50	30	-	-	-	-
Services and Other	4,408	2,108	2,708	2,312	-	-	-	-
Capital Outlay	6,500	-	500	-	50,000	248	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,958</u>	<u>\$ 3,316</u>	<u>\$ 3,258</u>	<u>\$ 2,342</u>	<u>\$ 50,000</u>	<u>\$ 248</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (8,346)	\$ 945	\$ (646)	\$ 5,960	\$ (49,800)	\$ 50	\$ 250	\$ 223
Cash and Equivalents								
January 1	<u>10,821</u>	<u>10,821</u>	<u>4,861</u>	<u>4,861</u>	<u>208,430</u>	<u>208,430</u>	<u>208,207</u>	<u>208,207</u>
Cash and Equivalents								
December 31	<u>\$ 2,475</u>	<u>\$ 11,766</u>	<u>\$ 4,215</u>	<u>\$ 10,821</u>	<u>\$ 158,630</u>	<u>\$ 208,480</u>	<u>\$ 208,457</u>	<u>\$ 208,430</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Prosecuting Attorney Administrative Handling Cost Fund				Law Enforcement Grant Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	33,503	13,372	30,000	5,194
Charges for Services	5,200	4,175	7,500	8,225	-	-	-	-
Interest	-	3	2	3	-	-	2	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,200</u>	<u>\$ 4,178</u>	<u>\$ 7,502</u>	<u>\$ 8,228</u>	<u>\$ 33,503</u>	<u>\$ 13,372</u>	<u>\$ 30,002</u>	<u>\$ 5,194</u>
<u>Disbursements</u>								
Salaries	\$ 5,200	\$ 3,092	\$ 8,000	\$ 5,028	\$ -	\$ 4,486	\$ -	\$ 332
Employee Fringe Benefits	-	-	622	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	2,388	3,000	13	33,503	8,503	30,000	5,044
Capital Outlay	-	212	13,000	716	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,200</u>	<u>\$ 5,692</u>	<u>\$ 24,622</u>	<u>\$ 5,757</u>	<u>\$ 33,503</u>	<u>\$ 12,989</u>	<u>\$ 30,000</u>	<u>\$ 5,376</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (1,514)	\$ (17,120)	\$ 2,471	\$ -	\$ 383	\$ 2	\$ (182)
Cash and Equivalents								
January 1	<u>30,651</u>	<u>30,651</u>	<u>28,180</u>	<u>28,180</u>	<u>2,097</u>	<u>2,097</u>	<u>2,279</u>	<u>2,279</u>
Cash and Equivalents								
December 31	<u>\$ 30,651</u>	<u>\$ 29,137</u>	<u>\$ 11,060</u>	<u>\$ 30,651</u>	<u>\$ 2,097</u>	<u>\$ 2,480</u>	<u>\$ 2,281</u>	<u>\$ 2,097</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Sheriff Revolving Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	10,000	10,820	7,000	7,690
Interest	-	1	2	1
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 10,000</u>	<u>\$ 10,821</u>	<u>\$ 7,002</u>	<u>\$ 7,691</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	10,000	10,000	17,000	5,968
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 17,000</u>	<u>\$ 5,968</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 821	\$ (9,998)	\$ 1,723
Cash and Equivalents				
January 1	<u>12,426</u>	<u>12,426</u>	<u>10,703</u>	<u>10,703</u>
Cash and Equivalents				
December 31	<u><u>\$ 12,426</u></u>	<u><u>\$ 13,247</u></u>	<u><u>\$ 705</u></u>	<u><u>\$ 12,426</u></u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Sheriff Forfeiture Fund				Veterans Memorial Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,000	-	5,000	-	-	-	-	-
Interest	-	-	-	-	50	68	60	65
Other	-	-	-	-	-	160	100	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 228</u>	<u>\$ 160</u>	<u>\$ 65</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,000	-	5,000	-	500	75	500	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 75</u>	<u>\$ 500</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (450)	\$ 153	\$ (340)	\$ 65
Cash and Equivalents								
January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,520</u>	<u>13,520</u>	<u>13,455</u>	<u>13,455</u>
Cash and Equivalents								
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,070</u>	<u>\$ 13,673</u>	<u>\$ 13,115</u>	<u>\$ 13,520</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Senior Citizens' Services Fund				Inmate Security Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 62,000	\$ 60,760	\$ 59,375	\$ 55,709	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	10,000	8,598	10,000	10,362
Interest	-	1	1	2	-	-	-	1
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 62,000</u>	<u>\$ 60,761</u>	<u>\$ 59,376</u>	<u>\$ 55,711</u>	<u>\$ 10,000</u>	<u>\$ 8,598</u>	<u>\$ 10,000</u>	<u>\$ 10,363</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	62,000	60,674	58,000	61,374	12,000	4,478	10,000	19,363
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 62,000</u>	<u>\$ 60,674</u>	<u>\$ 58,000</u>	<u>\$ 61,374</u>	<u>\$ 12,000</u>	<u>\$ 4,478</u>	<u>\$ 10,000</u>	<u>\$ 19,363</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 87	\$ 1,376	\$ (5,663)	\$ (2,000)	\$ 4,120	\$ -	\$ (9,000)
Cash and Equivalents								
January 1	<u>28,046</u>	<u>28,046</u>	<u>33,709</u>	<u>33,709</u>	<u>2,984</u>	<u>2,984</u>	<u>11,984</u>	<u>11,984</u>
Cash and Equivalents								
December 31	<u>\$ 28,046</u>	<u>\$ 28,133</u>	<u>\$ 35,085</u>	<u>\$ 28,046</u>	<u>\$ 984</u>	<u>\$ 7,104</u>	<u>\$ 11,984</u>	<u>\$ 2,984</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Deputy Sheriff Salary Supplementation Fund				Recorder Tech Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	16,948	15,142	8,700	11,801	-	-	-	-
Charges for Services	-	-	-	-	2,000	2,498	2,100	2,118
Interest	-	-	-	-	1	1	1	1
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 16,948</u>	<u>\$ 15,142</u>	<u>\$ 8,700</u>	<u>\$ 11,801</u>	<u>\$ 2,001</u>	<u>\$ 2,499</u>	<u>\$ 2,101</u>	<u>\$ 2,119</u>
<u>Disbursements</u>								
Salaries	\$ 16,948	\$ 13,818	\$ 8,700	\$ 10,806	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	1,057	700	887	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	3,057	-
Services and Other	-	-	-	-	1,000	470	460	456
Capital Outlay	-	-	-	-	-	-	1,200	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,948</u>	<u>\$ 14,875</u>	<u>\$ 9,400</u>	<u>\$ 11,693</u>	<u>\$ 1,000</u>	<u>\$ 470</u>	<u>\$ 4,717</u>	<u>\$ 456</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 267	\$ (700)	\$ 108	\$ 1,001	\$ 2,029	\$ (2,616)	\$ 1,663
Cash and Equivalents								
January 1	<u>1,126</u>	<u>1,126</u>	<u>1,018</u>	<u>1,018</u>	<u>7,334</u>	<u>7,334</u>	<u>5,671</u>	<u>5,671</u>
Cash and Equivalents								
December 31	<u>\$ 1,126</u>	<u>\$ 1,393</u>	<u>\$ 318</u>	<u>\$ 1,126</u>	<u>\$ 8,335</u>	<u>\$ 9,363</u>	<u>\$ 3,055</u>	<u>\$ 7,334</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Recorder User Fee Fund				Equitable Sharing NITRO Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	20,000	28,000	-	-
Charges for Services	3,700	4,058	3,500	3,700	-	-	-	-
Interest	-	52	70	38	-	1	-	-
Other	4,459	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	10,000	-	-
Total Receipts	<u>\$ 8,159</u>	<u>\$ 4,110</u>	<u>\$ 3,570</u>	<u>\$ 3,738</u>	<u>\$ 20,000</u>	<u>\$ 38,001</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ 167	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	101	-	125	663	-	-	-	-
Capital Outlay	6,129	6,230	1,100	987	20,000	20,000	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,230</u>	<u>\$ 6,230</u>	<u>\$ 1,225</u>	<u>\$ 1,817</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 1,929	\$ (2,120)	\$ 2,345	\$ 1,921	\$ -	\$ 18,001	\$ -	\$ -
Cash and Equivalents								
January 1	<u>24,005</u>	<u>24,005</u>	<u>22,084</u>	<u>22,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents								
December 31	<u>\$ 25,934</u>	<u>\$ 21,885</u>	<u>\$ 24,429</u>	<u>\$ 24,005</u>	<u>\$ -</u>	<u>\$ 18,001</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 & 2015

	Senate Bill 40 Board Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 90,000	\$ 97,115	\$ 90,000	\$ 89,085
Sales Taxes	-	-	-	-
Intergovernmental	30,000	24,667	57,600	13,950
Charges for Services	-	-	-	-
Interest	700	920	1,081	918
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 120,700</u>	<u>\$ 122,702</u>	<u>\$ 148,681</u>	<u>\$ 103,953</u>
<u>Disbursements</u>				
Salaries	\$ 40,000	\$ 38,740	\$ 40,000	\$ 30,675
Employee Fringe Benefits	4,800	-	-	4,800
Materials and Supplies	20,000	8,721	20,000	9,931
Services and Other	107,860	94,501	107,860	110,678
Capital Outlay	1,000	625	1,000	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 173,660</u>	<u>\$ 142,587</u>	<u>\$ 168,860</u>	<u>\$ 156,084</u>
Receipts Over (Under)				
Disbursements	\$ (52,960)	\$ (19,885)	\$ (20,179)	\$ (52,131)
Cash and Equivalents				
January 1	<u>238,102</u>	<u>238,102</u>	<u>290,233</u>	<u>290,233</u>
Cash and Equivalents				
December 31	<u>\$ 185,142</u>	<u>\$ 218,217</u>	<u>\$ 270,054</u>	<u>\$ 238,102</u>

See Notes to the Financial Statements

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 1 - Summary of Significant Accounting Policies

Organized in 1836, the county of Daviess was named after Joseph H. Daviess, a Kentucky soldier in the War of 1812. Daviess County's government is a township-organized, third-class county. The county seat is Gallatin. Daviess County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, County Collector-Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Daviess County, Missouri, the Daviess County Senior Citizens' Service Board and the Daviess County Senate Bill 40 Board.

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

The financial statements referred to above include only the primary government of Daviess County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Daviess County's legal entity. The Daviess County Senior Citizens' Service Board and Daviess County Senate Bill 40 Board are controlled by separate boards and are also included under the control of Daviess County.

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

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Daviess County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Daviess County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Daviess County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

During the audit, it was noted that the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following fund had actual expenditures which exceeded the budgeted expenditures in 2016: Prosecuting Attorney Administrative Handling Cost Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2015: Senior Citizens' Services Fund, Inmate Security Fund, Deputy Sheriff Salary Supplementation Fund, and the Recorder User Fee Fund.

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

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

	<u>2016</u>	<u>2015</u>
Real Estate	\$ 90,466,441	\$ 87,093,019
Personal Property	30,778,205	29,470,567
Railroad and Utilities	10,799,214	10,350,665
	<u>\$ 132,043,860</u>	<u>\$ 126,914,251</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2016 and 2015 for the purpose of County taxation was as follows:

	<u>2016</u>	<u>2015</u>
General Revenue	\$ 0.1188	\$ 0.1188
Senior Citizens Service Board	0.0496	0.0496
Senate Bill 40 Board	0.0793	0.0793

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents 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, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Daviess County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions (continued)

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.

Note 2 - Deposits and Investments

Daviess County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

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

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 1,784,901	\$ 1,901,093
Investments	<u>1,482,583</u>	<u>1,484,776</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 3,267,484</u>	<u>\$ 3,385,869</u>

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2015, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 1,505,295	\$ 1,610,027
Investments	<u>1,552,957</u>	<u>1,552,957</u>
Total Deposits and Investments as of December 31, 2015	<u>\$ 3,058,252</u>	<u>\$ 3,162,984</u>

Note: The bank balances provided are inclusive of all funds of Daviess County, and as such, may also include balances of unaudited funds which are not included in the scope of this report.

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Daviess County does not have a policy for custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2016; all deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Daviess County or its agent but not in the government's name. Daviess County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Daviess County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Daviess County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Daviess County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Daviess County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2016 Balance	% of Portfolio	2015 Balance	% of Portfolio
Farmers Bank of Northern MO	Cert. of Deposit	\$ 580,400	39.15%	\$ 797,328	51.34%
BTC Bank	Cert. of Deposit	801,780	54.08%	666,948	42.95%
Home Exchange Bank	Cert. of Deposit	100,403	6.77%	88,681	5.71%

Note 3 - Long Term Debt

On June 15, 2015, the County entered into a lease purchase agreement for a 2015 Dodge Charger for \$25,715 payable by a down payment of \$1, payments of \$7,105 due in 3 annual installments, a fourth annual installment \$7,104, and a final payment of \$1 due at maturity on June 15, 2020. Interest is payable at 4.12%.

On June 15, 2015, the County entered into a lease purchase agreement for a second 2015 Dodge Charger for \$25,715 payable by a down payment of \$1, payments of \$7,105 due in 3 annual installments, a fourth annual installment \$7,104, and a final payment of \$1 due at maturity on June 15, 2020. Interest is payable at 4.12%.

On June 15, 2015, the County entered into a lease purchase agreement for a 2015 Ford Explorer for \$4,584 payable by a down payment of \$1, payments of \$1,267 due in 3 annual installments, a fourth annual installment \$1,265, and a final payment of \$1 due at maturity on June 15, 2020. Interest is payable at 4.12%.

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 3 - Long Term Debt (continued)

On March 5, 2011, the County entered into a contract to purchase voting equipment for a price of \$69,340, payable in equal annual installments at an interest rate of 0%.

<u>Debt</u>	<u>Balance at 1/1/2016</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2016</u>	<u>Interest Paid During Year</u>
Dodge Charger	\$ 25,714	\$ -	\$ (6,042)	\$ 19,672	\$ 1,063
Dodge Charger	25,714	-	(6,042)	19,672	1,063
Ford Explorer	4,583	-	(1,077)	3,506	189
Voting Equip.	-	-	-	-	-
Total	<u>\$ 56,011</u>	<u>\$ -</u>	<u>\$ (13,161)</u>	<u>\$ 42,850</u>	<u>\$ 2,315</u>

<u>Debt</u>	<u>Balance at 1/1/2015</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2015</u>	<u>Interest Paid During Year</u>
Dodge Charger	\$ -	\$ 25,715	\$ (1)	\$ 25,714	\$ -
Dodge Charger	-	25,715	(1)	25,714	-
Ford Explorer	-	4,584	(1)	4,583	-
Voting Equip.	16,584	-	(16,584)	-	-
Total	<u>\$ 16,584</u>	<u>\$ 56,014</u>	<u>\$ (16,587)</u>	<u>\$ 56,011</u>	<u>\$ -</u>

2016 Amortizations
Vehicle Lease Purchase Agreements

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 13,710	\$ 1,766	\$ 15,476
2018	14,276	1,200	15,476
2019	14,861	612	15,473
2020	3	-	3
Total	<u>\$ 42,850</u>	<u>\$ 3,578</u>	<u>\$ 46,428</u>

2015 Amortizations
Vehicle Lease Purchase Agreements

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,161	\$ 2,315	\$ 15,476
2017	13,710	1,766	15,476
2018	14,276	1,200	15,476
2019	14,861	612	15,473
2020	3	-	3
Total	<u>\$ 56,011</u>	<u>\$ 5,893</u>	<u>\$ 61,904</u>

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 4 - Interfund Transfers

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

Fund	2016		2015	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ -	\$ 65,042	\$ -	\$ 61,521
Road and Bridge	-	6,170	-	4,770
Assessment	65,042	-	61,521	-
Law Enforcement Sales Tax	-	-	-	8,998
Law Enforcement Training	-	-	1,298	-
Sheriff Civil Fees	-	10,000	7,700	-
Jackson Township Grant Maint.	4,770	-	4,770	-
Local Emergency Planning Comm.	1,400	-	-	-
Equitable Sharing NITRO	10,000	-	-	-
Total	<u>\$ 81,212</u>	<u>\$ 81,212</u>	<u>\$ 75,289</u>	<u>\$ 75,289</u>

Note 5 - State of Missouri County Employees Retirement Fund (CERF)

Plan Description

Benefit eligible employees of the County are provided with pensions through County Employees' Retirement Fund (CERF) – a mandatory cost-sharing, multiple-employer defined benefit pension plan established in 1994. Laws governing CERF are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes. As such, it is CERF'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 responsibility for the operations and administration of CERF is vested in the Board of Directors consisting of eleven members. CERF issues a publicly available Annual Financial Report that can be obtained at www.mocerf.org.

Benefits Provided

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost of living adjustments, not to exceed 1%, are provided for eligible retirees of survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

**The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015**

Note 5 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

The County's required contribution rate for the year ended December 31, 2016 and 2015, was 0% and 0% of annual payroll, respectively. Contributions and statutory charges remitted to the pension plan from the County were \$0 and \$53,301, respectively, for the year ended December 31, 2016, and \$0 and \$54,059, respectively, for the year ended December 31, 2015.

At December 31, 2016, the County reported a liability of \$531,171 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and was based on the most recent actuarial valuation by CERF's independent actuary as of December 31, 2014 projected forward to December 31, 2015, and financial information of the Plan as of December 31, 2015.

The County's proportion of the net pension liability was based on the County's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for CERF's plan year ended December 31, 2015. At December 31, 2015, the County's proportion was 0.27471%, which increased by 0.01491% from the percentage used to allocate the liability as of December 31, 2014.

There were no changes in benefit terms during the CERF plan year ended December 31, 2016, that affected the measurement of total pension liability.

For the year ended December 31, 2016 and 2015, the County recognized pension expense of \$0 and \$0, respectively.

**The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015**

Note 5 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation, which is also the date of measurement, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Compensation increases	2.5% plus merit
Inflation	2.5%
Investment rate of return	7.5%

Mortality rates were based on the RP-2000 Combined Mortality projected to 2010 using Scale AA.

The following actuarial assumptions and methods were changed for the actuarial valuation used for the reporting period: a) compensation increases were changed from inflation plus an age-graded allowance for merit, promotion, and seniority (total average increases, including inflation, were approximately 5.3% to 2.5%, plus merit, as indicated above; b) inflation was reduced from 3% to 2.5%, as indicated above; c) the investment rate of return was reduced from 8% to 7.5% as indicated above; and mortality rates were changed from the RP-2000 Separate Mortality projected to 2010 to the RP-2000 Combined Mortality projected to 2010, as indicated above.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2013.

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

Best estimates of arithmetic real rates of return for each major asset class included in CERF target asset allocation as of December 31, 2015 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Plus	15.00%	2.66%
Absolute Return	15.00%	4.18%
U.S. Large Cap Equity	25.00%	6.38%
U.S. Small Cap Equity	10.00%	6.96%
Non-U.S. Equity	15.00%	6.58%
Long/Short Equity	10.00%	6.85%
Private Equity	5.00%	7.34%
Core Real Estate	5.00%	5.10%

**The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015**

Note 5 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the Plan's current revenue sources (various fees and penalties collected by the counties). Such revenue was assumed to increase at the rate of 1% per year. This increase assumption has been used by the Plan in prior funding status projections. Historically, revenue increases have averaged more than 1% per year. Based on the assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the Plan's investments was applied to projected benefit payments.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	Current Single Discount		
	1% Decrease (6.5%)	Rate Assumption (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability	\$ 755,473	\$ 531,171	\$ 344,320

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERF Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Daviess County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Daviess County has contributed \$2,438 and \$3,366, respectively, for the years ended December 31, 2016 and 2015.

Note 7 - Post Employment Benefits

Daviess 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 Primary Government.

**The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015**

Note 8 - Claims, Commitments, and Contingencies

Litigation

Daviess County is not involved in pending litigation as of the audit report date. The County owes \$1,946 for previous legal services rendered as of December 31, 2016.

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation, if applicable. Employees earn 3.75 or 4 hours of sick leave per month depending on their normal day. The county allows employees to carry forward sick leave, however, an employee will not be reimbursed for unused sick leave. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 9 - 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. The county mitigates these risks through the purchase of commercial 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 also a member of the Missouri Association of Counties Self-Injured 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 \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 10 - Jointly Governed Organization

In 2005, the Daviess County and DeKalb County Commissions voted to form a regional jail district. The district is governed by the two counties Presiding Commissioners and Sheriffs. The District is funded by a 1/2 cent sales tax. There is no ongoing financial interest or responsibility by the participating governments.

Note 11 - Leases in the Statement of Lessors

On April 1, 2009, the County entered into a 10 year lease, renewable for 2 additional 5 year terms, for an intermediate care nursing facility ("Daviess County Care Center") owned by the County. Payments receivable by the County consist of \$1 per year for the first 2 years, \$72,000 per year for years 3 -10, \$75,600 per year for years 11-15, and \$79,390 per year for years 16-20.

The County of Daviess
Gallatin, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 & 2015

Note 12 - 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 have been evaluated through August 11, 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.

Note 13 - Prior Period Adjustment

Beginning cash and equivalents has been restated due to the exclusion of certain funds that are not included within the scope of the audit. This adjustment has no material effect on the operations of the County.

Cash and Equivalents, January 1, 2015, as previously stated	\$ 2,967,745
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Adjustments to exclude unaudited funds:

School Bond Forfeitures Fund	(1,500)
Law Enforcement Peace Officer Standards and Training Fund	(1,831)
Prosecutor's Delinquent Tax Fund	(2)
Prosecutor's Forfeitures Fund	<u>(336)</u>

Cash and Equivalents, January 1, 2015, as restated	<u><u>\$ 2,964,076</u></u>
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Supplementary Information

The County of Daviess
Gallatin, Missouri
Schedule of the County's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years
County Employees' Retirement Fund (CERF)

	2016	2015
County's proportion of the net pension liability	0.27471%	0.25980%
County's proportionate share of the net pension liability	\$ 531,171	\$ 303,142
County's covered-employee payroll	\$ 811,001	\$ 814,888
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	65.50%	37.20%
Plan fiduciary net position as a percentage of the total pension liability	69.11%	78.83%

Notes:

Information is not available for fiscal years prior to 2015.

The amounts noted above are as of the measurement date which is January 1 prior to the end of the fiscal year.

The County of Daviess
Gallatin, Missouri
Schedule of Pension Contributions - Last 10 Fiscal Years
County Employees' Retirement Fund (CERF)

	2016	2015
Required contribution	\$ 54,856	\$ 51,385
Contributions in relation to the required contribution	54,856	51,385
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 811,001	\$ 814,888
Contributions as a percentage of covered-employee payroll	6.76%	6.31%

Notes:

Information is not available for fiscal years prior to 2015.

The amounts noted above are as of the measurement date which is January 1 prior to the end of the fiscal year.

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 Daviess 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 accompanying financial statements of Daviess 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 Daviess County, Missouri's basic financial statements and have issued our report thereon dated August 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Daviess 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 Daviess County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Daviess County, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Daviess County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required

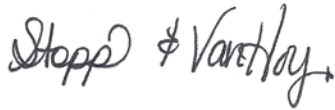
to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 16/15-001.

Daviess County, Missouri's Response to Findings

Daviess County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Daviess 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 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.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 11, 2017

**The County of Daviess
Gallatin, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2016 & 2015**

Section 2 - Financial Statement Findings

16/15-001 **Criteria:** Missouri statutes require Counties to prepare an annual budget and expenditures are not to exceed the budget.

Condition: During the audit, it was noted that the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following fund had actual expenditures which exceeded the budgeted expenditures in 2016: Prosecuting Attorney Administrative Handling Cost Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2015: Senior Citizens' Services Fund, Inmate Security Fund, Deputy Sheriff Salary Supplementation Fund, and the Recorder User Fee Fund.

Effect: Missouri statutes require Counties to prepare an annual balanced budget and expenditures are not to exceed the budget. Due to exceeding budgeted expenditures, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: All the payments in these noted funds followed the normal process and were approved by the appropriate personnel including the County Commission. The cash balance in these funds were never negative as receipts covered disbursements. Commissioners will review the budget to actual disbursements based on a revised and updated Accounting Policies and Internal Control Procedures manual that includes procedures for budget review and oversight. Budgets will be prospectively amended if funds become in excess of budgeted amounts per Chapter 50, RSMo.

**The County of Daviess
Gallatin, Missouri
Follow-Up to 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 auditor's follow-up on action taken by Daviess County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2014 and 2013.

Prior Year Financial Statement Findings

2014-001 - Financial Statement Preparation

Condition: The County engages CliftonLarsonAllen LLP to audit its financial statements and accompanying disclosures. However, as independent accountants, CliftonLarsonAllen LLP cannot be considered part of the County's internal control over financial reporting. Additionally, we recommended adjusting journal entries, primarily to correct the recording of transfers between funds, and to correct the way payroll was posting to the general ledger. Due to the small number of people employed in the administrative function, the County may not have sufficient personnel to prepare the County's financial statements and related disclosures.

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with generally accepted accounting principles.

Cause: Limited resources and personnel.

Effect: This condition increases the possibility that errors or irregularities may occur and not be detected on a timely basis.

Recommendation: To establish sufficient internal controls over the preparation of its financial statements, including disclosures, the County would need to design and implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures would be performed by an individual possessing a thorough understanding of the applicable generally accepted accounting principles and knowledge of the County's activities and operations.

Response: Daviess County is a small entity with very limited resources and personnel, in regards to the County Clerk's office and the Collector/Treasurer's office due to budgeting constraints. The County has developed and approved an Accounting Policies and Internal Control Procedures manual in May 2015 that is defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and standards adopted by the American Institute of Certified Public Accountants and the Federal Office of Management and Budget. Thus the county now has internal controls and review procedures for financial reporting of the county's financial statements.

Status: This is no longer considered a finding.

The County of Daviess
Gallatin, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

2014-002 - Bank Reconciliations

Condition: There were no bank reconciliations prepared for the Prosecuting Attorney's office for 2013 or 2014.

The individual fund ledgers are reconciled back to the pooled cash account. However, if an error is discovered where activity is posted to the incorrect fund, the balance on the reconciliation is not subsequently updated.

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with generally accepted accounting principles.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Effect: This condition increases the possibility that errors or irregularities may occur and not be detected on a timely basis.

Recommendation: We recommend that bank reconciliations be prepared for all accounts on a monthly basis. We also recommend that the individual fund balances on the reconciliations be updated for any errors that are found and corrected.

Response: Daviess County Prosecuting Attorney's office will ensure that the bank balance is properly reconciled and seek assistance with implementing new software if needed. Records will be kept in a manner where access is known to all staff. Given that this office has had recent changes in staffing, this office will have additional time to spend correcting issues. Should assistance be needed, this office will reach out to other offices or personnel.

Status: This is no longer considered a finding.

2014-003 - Timing of Cash Transactions

Condition: We noted several instances where bank deposits were clearly dated and deposited after year end, but were included on the year end reconciliation as outstanding.

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with generally accepted accounting principles.

Cause: Deposits postmarked prior to year-end, but received subsequently, were back dated to match the tax collection system records.

Effect: Cash is reported in the wrong accounting period.

Recommendation: We recommend that transactions be recorded in the period in which the cash receipt or disbursement actually takes place.

**The County of Daviess
Gallatin, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

2014-003 - Timing of Cash Transactions (continued)

Response: The bank depository that the County uses has a cut-off for deposits at 3:00 p.m. and therefore deposits made after this time do not show on the bank statements resulting in making those deposits an outstanding item when reconciling. The Treasurer's office processes the mail with the postmark of December 31 as being a December payment, therefore on the first business day of the new year the Treasurer's office deposits the mailed checks dated appropriately on December 31. This being one of the biggest deposit amounts, Daviess County strives to get all monies allocated to the correct political subdivisions as soon as possible.

Status: This is no longer considered a finding.

2014-004 - Lack of Segregation of Duties

Condition: Due to the small size of the County's accounting department, it is difficult to establish ideal segregation of duties over all accounting functions.

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with generally accepted accounting principles.

Cause: Limited resources and personnel.

Effect: This condition increases the possibility that errors or irregularities may occur and not be detected on a timely basis.

Recommendation: As part of the oversight function, we recommend assigned duties be reevaluated from time to time, in order to determine if the internal control system can be changed to better segregate duties.

Response: Daviess County is a small entity with very limited resources and personnel, in regards to the budgeting constraints. The County has developed and approved an Accounting Policies and Internal Control Procedures manual in May 2015 that is aligned with the 2013 report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and standards adopted by the American Institute of Certified Public Accountants and the Federal Office of Management and Budget. Thus the county now has internal controls to mitigate process where segregation of duties is not possible due to limited personnel which is reviewed on an annual basis.

Status: Management has corrected this issue, therefore, this finding will not be repeated in the current year.

2014-005 - Disbursements in Excess of Budgeted Amounts

Condition: Disbursements were in excess of budgeted amounts in the Law Enforcement Post Fund, Law Enforcement Grant Fund, Inmate Security Fund, and the Deputy Sheriff Supplemental Salary Fund for the year ending December 31, 2013. Disbursements were in excess of budgeted amount in the Law Enforcement Sales Tax Fund, Prosecutor's Training Fund, Law Enforcement Post Fund, School Bond Forfeitures Fund, and Deputy Sheriff Supplemental Salary Fund for the year ending December 31, 2014.

Criteria: The County adopts an annual budget in accordance with Chapter 50, RSMo.

**The County of Daviess
Gallatin, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

2014-005 - Disbursements in Excess of Budgeted Amounts (continued)

Cause: Management oversight

Effect: Certain disbursements were not authorized by the annual budget.

Recommendation: We recommend the annual budget be prospectively amended if additional receipts become available.

Response: All the payments in these noted funds followed the normal process and were approved by the appropriated personnel including the County Commission. The cash balance in these funds were never negative as receipts covered the disbursements. Commissioners will review the budget to actual disbursements based on the developed and approved an Accounting Policies and Internal Control Procedures manual. Budgets will be prospectively amended if funds become in excess of budgeted amounts per Chapter 50, RSMo.

Status: Management has not corrected this issue, therefore, this finding is repeated in the current year as finding 16/15-001.

Prior Year Findings - Major Federal Award Program Audit

None