



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County, Missouri

The Office of the State Auditor contracted for an audit of Monroe County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-071

THE COUNTY OF MONROE
PARIS, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

**THE COUNTY OF MONROE
PARIS, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-2

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2018.....	3
Year Ended December 31, 2017.....	4

Comparative Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2018 and 2017.....	5-16

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2018.....	17
As of December 31, 2017.....	18

Notes to the Financial Statements.....	19-35
--	-------

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings.....	36
---------------------------------	----

INTERNAL CONTROL AND COMPLIANCE SECTION

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>	37-38
Schedule of Findings and Responses	
Years Ended December 31, 2018 and 2017.....	39-40
Summary Schedule of Prior Year Findings and Responses.....	41-44

FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Monroe, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Monroe ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2019, on our consideration of the County of Monroe’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 solely 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 effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Monroe’s internal control over financial reporting and compliance.

Daniel Jones & Associates

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

August 1, 2019

FINANCIAL STATEMENTS

THE COUNTY OF MONROE
PARIS, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 175,374.55	\$ 2,069,851.10	\$ 1,980,803.05	\$ 264,422.60
Special Road and Bridge Fund	349,916.69	1,765,591.18	1,850,419.44	265,088.43
Assessment Fund	36,839.69	166,052.06	151,285.91	51,605.84
Collector's Tax Maintenance Fund	19,932.94	12,516.49	9,609.53	22,839.90
Recorder Fund	10,507.29	6,518.34	4,160.87	12,864.76
Election Services Fund	9,109.46	3,201.09	1,612.26	10,698.29
Prosecuting Attorney Training Fund	2,212.85	551.84	391.48	2,373.21
Prosecuting Attorney Administrative Handling Fund	3,847.59	500.24	452.41	3,895.42
Prosecuting Attorney Delinquent Sales Tax Fund	3,273.80	69.17	-	3,342.97
Sheriff Civil Fees Fund	20,487.36	9,735.97	11,728.17	18,495.16
Sheriff Revolving Fund	12,268.31	3,377.82	4,454.20	11,191.93
Inmate Detainee Fund	28,564.79	17,167.36	12,619.13	33,113.02
Law Enforcement Training Fund	2,241.36	4,125.85	4,617.50	1,749.71
DARE Donation Fund	3,696.46	1,310.59	2,128.92	2,878.13
County Law Enforcement Restitution Fund	22,690.65	10,628.58	8,303.77	25,015.46
Domestic Violence Fund	567.05	458.05	567.05	458.05
Local Emergency Planning Council Fund	11.28	5,282.07	2,703.72	2,589.63
Mark Twain Reservoir Fund	362,216.76	32,037.56	33,829.63	360,424.69
Pleasant View Economic Development Fund	3,660.31	12,819.41	12,596.25	3,883.47
County Health Insurance Fund	6,796.30	349,755.97	316,862.05	39,690.22
Senate Bill 40 Board Fund	141,587.30	125,987.39	158,592.67	108,982.02
TOTAL	\$ 1,215,802.79	\$ 4,597,538.13	\$ 4,567,738.01	\$ 1,245,602.91

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

THE COUNTY OF MONROE
 PARIS, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	\$ 148,439.02	\$ 1,951,073.73	\$ 1,924,138.20	\$ 175,374.55
Special Road and Bridge Fund	426,605.78	1,254,421.33	1,331,110.42	349,916.69
Assessment Fund	27,811.25	164,280.96	155,252.52	36,839.69
Collector's Tax Maintenance Fund	18,395.98	12,343.91	10,806.95	19,932.94
Recorder Fund	13,967.70	7,196.18	10,656.59	10,507.29
Election Services Fund	9,003.13	1,052.34	946.01	9,109.46
Prosecuting Attorney Training Fund	1,664.80	548.05	-	2,212.85
Prosecuting Attorney Administrative Handling Fund	3,457.21	739.71	349.33	3,847.59
Prosecuting Attorney Delinquent Sales Tax Fund	3,240.72	33.08	-	3,273.80
Sheriff Civil Fees Fund	24,978.43	8,858.11	13,349.18	20,487.36
Sheriff Revolving Fund	25,970.84	2,345.67	16,048.20	12,268.31
Inmate Detainee Fund	17,151.97	21,489.07	10,076.25	28,564.79
Law Enforcement Training Fund	785.32	4,336.91	2,880.87	2,241.36
DARE Donation Fund	2,239.18	1,457.28	-	3,696.46
County Law Enforcement Restitution Fund	28,596.03	13,041.62	18,947.00	22,690.65
Domestic Violence Fund	415.92	567.05	415.92	567.05
Local Emergency Planning Council Fund	2,845.25	2.20	2,836.17	11.28
Mark Twain Reservoir Fund	346,029.83	25,478.11	9,291.18	362,216.76
Pleasant View Economic Development Fund	3,457.28	12,778.03	12,575.00	3,660.31
County Health Insurance Fund	6,257.03	320,535.66	319,996.39	6,796.30
Senate Bill 40 Board Fund	157,365.24	126,882.32	142,660.26	141,587.30
TOTAL	\$ 1,268,677.91	\$ 3,929,461.32	\$ 3,982,336.44	\$ 1,215,802.79

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 405,400.00	\$ 383,966.99	\$ 372,000.00	\$ 397,359.90
Sales Taxes	734,000.00	781,777.64	539,000.00	560,351.19
Intergovernmental	498,216.06	479,354.00	502,855.00	491,389.13
Charges for Services	265,753.00	251,360.41	242,530.00	266,947.34
Interest	3,000.00	7,351.73	1,400.00	3,151.28
Other	122,190.00	80,507.49	97,640.00	139,187.48
Transfers In	92,085.09	85,532.84	105,040.41	92,687.41
TOTAL RECEIPTS	2,120,644.15	2,069,851.10	1,860,465.41	1,951,073.73
DISBURSEMENTS				
County Commission	123,098.88	118,191.80	118,334.03	118,017.41
County Clerk	126,875.23	117,258.87	130,070.80	126,796.12
Elections	68,234.74	57,883.38	53,938.97	43,174.71
Buildings and Grounds	106,762.09	75,964.09	85,790.42	73,628.45
Employee Fringe Benefits	2,500.00	2,136.14	2,500.00	-
County Treasurer	58,703.80	58,052.83	56,761.70	56,134.26
Collector	102,031.15	99,912.74	100,313.05	97,070.10
Recorder of Deeds	57,048.80	56,066.49	56,830.25	56,522.23
Circuit Clerk	17,850.00	10,873.13	16,450.00	14,926.63
Court Administration	5,170.00	4,391.45	5,100.00	4,503.87
Public Administrator	35,572.69	33,839.15	34,876.69	33,324.38
Sheriff	526,503.68	462,798.25	446,481.40	443,128.09
Jail	99,418.23	75,273.62	90,919.53	104,861.15
Prosecuting Attorney	107,380.74	111,414.51	106,533.73	100,235.33
Juvenile Officer	60,723.85	61,910.82	41,183.31	47,020.35
County Coroner	26,039.16	28,843.51	25,832.90	24,042.23
911 Salaries	244,170.00	230,543.92	228,670.00	226,830.04
911 Benefits	81,577.20	56,858.00	69,218.75	63,983.27
911 Operating Expenses	89,127.09	100,121.40	64,685.38	65,706.19
Other	171,661.52	144,322.19	170,257.90	141,399.43
Transfers Out	34,146.76	34,146.76	82,833.96	82,833.96
Emergency Fund	106,032.20	40,000.00	-	-
TOTAL DISBURSEMENTS	2,250,627.81	1,980,803.05	1,987,582.77	1,924,138.20
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(129,983.66)	89,048.05	(127,117.36)	26,935.53
CASH BALANCES, JANUARY 1	175,374.55	175,374.55	148,439.02	148,439.02
CASH BALANCES, DECEMBER 31	\$ 45,390.89	\$ 264,422.60	\$ 21,321.66	\$ 175,374.55

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

THE COUNTY OF MONROE
 PARIS, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 290,300.00	\$ 294,577.76	\$ 276,000.00	\$ 296,101.06
Sales Taxes	183,000.00	189,816.52	94,000.00	103,103.92
Intergovernmental	1,787,406.00	1,191,768.61	1,054,590.06	752,632.86
Charges for Services	110,198.11	39,795.76	13,000.00	23,931.18
Interest	5,000.00	10,077.63	1,000.00	5,074.97
Other	60,300.00	39,554.90	15,300.00	73,577.34
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,436,204.11	1,765,591.18	1,453,890.06	1,254,421.33
DISBURSEMENTS				
Salaries	339,318.40	325,908.40	330,478.40	312,332.34
Employee Fringe Benefits	187,172.22	174,923.20	174,768.49	165,208.12
Supplies	106,675.00	103,758.88	113,292.00	92,205.10
Insurance	20,731.00	20,731.00	19,000.00	17,665.00
Road and Bridge Materials	341,000.00	328,341.31	345,000.00	275,510.66
Equipment Repairs	45,000.00	67,397.31	50,000.00	39,358.63
Rentals	2,000.00	419.15	2,000.00	-
Equipment Purchases	260,000.00	252,791.99	200,000.00	299,138.07
Road and Bridge Construction	1,308,633.66	488,726.56	401,590.06	65,563.29
Transfers Out	93,973.89	87,421.64	77,129.21	64,129.21
TOTAL DISBURSEMENTS	2,704,504.17	1,850,419.44	1,713,258.16	1,331,110.42
RECEIPTS OVER (UNDER) DISBURSEMENTS	(268,300.06)	(84,828.26)	(259,368.10)	(76,689.09)
CASH BALANCES, JANUARY 1	349,916.69	349,916.69	426,605.78	426,605.78
 CASH BALANCES, DECEMBER 31	 <u>\$ 81,616.63</u>	 <u>\$ 265,088.43</u>	 <u>\$ 167,237.68</u>	 <u>\$ 349,916.69</u>

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 148,750.00	\$ 149,062.11	\$ 143,900.00	\$ 149,897.49	\$ -	\$ -	\$ -	\$ -
Charges for Services	330.00	1,971.50	800.00	331.00	11,800.00	11,616.75	11,000.00	11,937.28
Interest	550.00	1,518.45	730.00	552.47	400.00	899.74	90.00	406.63
Other	-	-	-	-	-	-	-	-
Transfers In	13,500.00	13,500.00	13,500.00	13,500.00	-	-	-	-
TOTAL RECEIPTS	163,130.00	166,052.06	158,930.00	164,280.96	12,200.00	12,516.49	11,090.00	12,343.91
DISBURSEMENTS								
Salaries	84,657.60	83,968.81	88,297.60	86,416.32	-	-	-	-
Employee Fringe Benefits	45,507.12	42,028.56	37,122.50	39,063.40	-	-	-	-
Office	10,500.00	10,577.52	11,500.00	10,318.42	4,200.00	1,981.33	3,340.00	2,897.04
Equipment	1,000.00	95.00	500.00	500.00	5,000.00	924.19	5,000.00	910.00
Training and Mileage	1,300.00	969.96	2,000.00	2,638.38	2,100.00	1,604.01	1,600.00	1,099.91
Computer Software	13,485.00	13,646.06	17,000.00	16,316.00	-	-	-	-
Professional Services	-	-	-	-	100.00	100.00	100.00	100.00
Transfers Out	-	-	-	-	5,000.00	5,000.00	5,800.00	5,800.00
TOTAL DISBURSEMENTS	156,449.72	151,285.91	156,420.10	155,252.52	16,400.00	9,609.53	15,840.00	10,806.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,680.28	14,766.15	2,509.90	9,028.44	(4,200.00)	2,906.96	(4,750.00)	1,536.96
CASH BALANCES, JANUARY 1	36,839.69	36,839.69	27,811.25	27,811.25	19,932.94	19,932.94	18,395.98	18,395.98
CASH BALANCES, DECEMBER 31	\$ 43,519.97	\$ 51,605.84	\$ 30,321.15	\$ 36,839.69	\$ 15,732.94	\$ 22,839.90	\$ 13,645.98	\$ 19,932.94

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	RECORDER FUND				ELECTION SERVICES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,800.00	3,000.44	1,000.00	958.10
Charges for Services	6,900.00	6,026.75	6,600.00	6,998.00	-	-	10.00	-
Interest	190.00	465.28	100.00	198.18	10.00	200.65	-	94.24
Other	-	26.31	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,090.00	6,518.34	6,700.00	7,196.18	2,810.00	3,201.09	1,010.00	1,052.34
DISBURSEMENTS								
Office	2,000.00	1,205.94	8,900.00	7,068.88	-	-	-	-
Computer Software	1,000.00	764.95	1,000.00	-	-	-	-	-
Training and Mileage	1,000.00	878.51	1,000.00	897.71	2,500.00	1,612.26	2,500.00	946.01
Equipment Maintenance	1,000.00	660.00	990.00	990.00	-	-	-	-
Supplies	1,500.00	651.47	1,000.00	1,000.00	-	-	-	-
Transfers Out	-	-	700.00	700.00	-	-	-	-
TOTAL DISBURSEMENTS	6,500.00	4,160.87	13,590.00	10,656.59	2,500.00	1,612.26	2,500.00	946.01
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	590.00	2,357.47	(6,890.00)	(3,460.41)	310.00	1,588.83	(1,490.00)	106.33
CASH BALANCES, JANUARY 1	10,507.29	10,507.29	13,967.70	13,967.70	9,109.46	9,109.46	9,003.13	9,003.13
CASH BALANCES, DECEMBER 31	<u>\$ 11,097.29</u>	<u>\$ 12,864.76</u>	<u>\$ 7,077.70</u>	<u>\$ 10,507.29</u>	<u>\$ 9,419.46</u>	<u>\$ 10,698.29</u>	<u>\$ 7,513.13</u>	<u>\$ 9,109.46</u>

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	500.00	477.33	450.00	528.07	600.00	345.00	1,000.00	670.00
Interest	19.00	74.51	5.00	19.98	60.00	155.24	20.00	69.71
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	519.00	551.84	455.00	548.05	660.00	500.24	1,020.00	739.71
DISBURSEMENTS								
Training	1,000.00	391.48	1,000.00	-	500.00	45.41	500.00	197.98
Mileage	-	-	-	-	400.00	-	400.00	33.30
State Fees	-	-	-	-	120.00	20.00	120.00	35.00
Office	-	-	-	-	900.00	-	900.00	83.05
Trial Preparation	-	-	-	-	1,250.00	387.00	1,250.00	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,000.00	391.48	1,000.00	-	3,170.00	452.41	3,170.00	349.33
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(481.00)	160.36	(545.00)	548.05	(2,510.00)	47.83	(2,150.00)	390.38
CASH BALANCES, JANUARY 1	2,212.85	2,212.85	1,664.80	1,664.80	3,847.59	3,847.59	3,457.21	3,457.21
CASH BALANCES, DECEMBER 31	<u>\$ 1,731.85</u>	<u>\$ 2,373.21</u>	<u>\$ 1,119.80</u>	<u>\$ 2,212.85</u>	<u>\$ 1,337.59</u>	<u>\$ 3,895.42</u>	<u>\$ 1,307.21</u>	<u>\$ 3,847.59</u>

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND				SHERIFF CIVIL FEES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	8,500.00	8,696.55	9,600.00	8,577.57
Interest	30.00	69.17	12.00	33.08	200.00	433.73	90.00	218.54
Other	-	-	-	-	60.00	605.69	60.00	62.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30.00	69.17	12.00	33.08	8,760.00	9,735.97	9,750.00	8,858.11
DISBURSEMENTS								
Office	3,200.00	-	3,200.00	-	-	-	-	-
Equipment Repairs	-	-	-	-	10,000.00	3,073.17	9,500.00	4,207.44
Ammunition	-	-	-	-	1,000.00	-	1,000.00	441.74
Task Force	-	-	-	-	2,500.00	2,500.00	2,500.00	2,500.00
Transfers Out	-	-	-	-	6,400.00	6,155.00	6,200.00	6,200.00
TOTAL DISBURSEMENTS	3,200.00	-	3,200.00	-	19,900.00	11,728.17	19,200.00	13,349.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,170.00)	69.17	(3,188.00)	33.08	(11,140.00)	(1,992.20)	(9,450.00)	(4,491.07)
CASH BALANCES, JANUARY 1	3,273.80	3,273.80	3,240.72	3,240.72	20,487.36	20,487.36	24,978.43	24,978.43
CASH BALANCES, DECEMBER 31	\$ 103.80	\$ 3,342.97	\$ 52.72	\$ 3,273.80	\$ 9,347.36	\$ 18,495.16	\$ 15,528.43	\$ 20,487.36

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF REVOLVING FUND				INMATE DETAINEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,080.00	2,950.65	18,120.00	2,079.46	24,160.00	15,982.99	18,780.00	21,080.81
Interest	260.00	427.17	200.00	266.21	400.00	1,184.37	115.00	408.26
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,340.00	3,377.82	18,320.00	2,345.67	24,560.00	17,167.36	18,895.00	21,489.07
DISBURSEMENTS								
Office	7,312.00	-	10,000.00	2,500.00	-	-	-	-
Dues and Fees	750.00	833.00	3,820.00	437.00	-	-	-	-
MULES	750.00	510.00	750.00	-	1,000.00	135.00	1,000.00	690.00
Supplies	-	-	-	-	6,000.00	3,217.79	5,500.00	6,113.82
Livescan	-	-	-	-	3,885.00	-	3,519.00	1,822.43
Drug Testing	-	-	-	-	1,500.00	1,355.00	1,000.00	700.00
Prisoner Transport	-	-	-	-	1,500.00	2,449.59	1,500.00	750.00
Equipment	-	-	-	-	9,000.00	5,461.75	-	-
Transfers Out	3,111.20	3,111.20	13,111.20	13,111.20	-	-	-	-
TOTAL DISBURSEMENTS	11,923.20	4,454.20	27,681.20	16,048.20	22,885.00	12,619.13	12,519.00	10,076.25
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(9,583.20)	(1,076.38)	(9,361.20)	(13,702.53)	1,675.00	4,548.23	6,376.00	11,412.82
CASH BALANCES, JANUARY 1	12,268.31	12,268.31	25,970.84	25,970.84	28,564.79	28,564.79	17,151.97	17,151.97
CASH BALANCES, DECEMBER 31	\$ 2,685.11	\$ 11,191.93	\$ 16,609.64	\$ 12,268.31	\$ 30,239.79	\$ 33,113.02	\$ 23,527.97	\$ 28,564.79

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT TRAINING FUND				DARE DONATION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,360.00	\$ 2,732.30	\$ -	\$ 2,398.80	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	18.00	106.55	1.00	18.11	50.00	115.59	20.00	52.68
Other	720.00	132.00	2,560.00	720.00	2,000.00	1,195.00	1,580.00	1,404.60
Transfers In	1,400.00	1,155.00	1,200.00	1,200.00	-	-	-	-
TOTAL RECEIPTS	4,498.00	4,125.85	3,761.00	4,336.91	2,050.00	1,310.59	1,600.00	1,457.28
DISBURSEMENTS								
Postage	1,200.00	1,190.30	1,200.00	1,180.90	-	-	-	-
Supplies	350.00	350.00	300.00	300.00	800.00	-	800.00	-
Training	3,077.20	3,077.20	1,500.00	1,399.97	2,340.00	2,128.92	800.00	-
TOTAL DISBURSEMENTS	4,627.20	4,617.50	3,000.00	2,880.87	3,140.00	2,128.92	1,600.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(129.20)	(491.65)	761.00	1,456.04	(1,090.00)	(818.33)	-	1,457.28
CASH BALANCES, JANUARY 1	2,241.36	2,241.36	785.32	785.32	3,696.46	3,696.46	2,239.18	2,239.18
CASH BALANCES, DECEMBER 31	\$ 2,112.16	\$ 1,749.71	\$ 1,546.32	\$ 2,241.36	\$ 2,606.46	\$ 2,878.13	\$ 2,239.18	\$ 3,696.46

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				DOMESTIC VIOLENCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	12,000.00	10,160.51	11,200.00	12,853.99	560.00	452.00	415.00	564.00
Interest	180.00	468.07	90.00	187.63	3.00	6.05	0.90	3.05
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,180.00	10,628.58	11,290.00	13,041.62	563.00	458.05	415.90	567.05
DISBURSEMENTS								
Prosecutor Expenses	10,000.00	3,103.77	10,000.00	-	-	-	-	-
Sheriff Expense	5,200.00	5,200.00	-	-	-	-	-	-
Services	-	-	-	-	567.05	567.05	415.92	415.92
Transfers Out	-	-	18,300.00	18,947.00	-	-	-	-
TOTAL DISBURSEMENTS	15,200.00	8,303.77	28,300.00	18,947.00	567.05	567.05	415.92	415.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,020.00)	2,324.81	(17,010.00)	(5,905.38)	(4.05)	(109.00)	(0.02)	151.13
CASH BALANCES, JANUARY 1	22,690.65	22,690.65	28,596.03	28,596.03	567.05	567.05	415.92	415.92
CASH BALANCES, DECEMBER 31	<u>\$ 19,670.65</u>	<u>\$ 25,015.46</u>	<u>\$ 11,586.03</u>	<u>\$ 22,690.65</u>	<u>\$ 563.00</u>	<u>\$ 458.05</u>	<u>\$ 415.90</u>	<u>\$ 567.05</u>

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LOCAL EMERGENCY PLANNING COUNCIL FUND				MARK TWAIN RESERVOIR FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,703.72	5,273.17	2,830.00	-	-	-	96,000.00	1,934.93
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	8.90	8.00	2.20	5,000.00	5,292.20	4,800.00	5,043.18
Other	-	-	-	-	-	1,118.60	-	-
Transfers In	-	-	-	-	25,626.76	25,626.76	18,500.00	18,500.00
TOTAL RECEIPTS	2,703.72	5,282.07	2,838.00	2.20	30,626.76	32,037.56	119,300.00	25,478.11
DISBURSEMENTS								
Supplies	2,703.72	2,703.72	2,836.17	2,836.17	-	-	-	-
Materials	-	-	-	-	36,145.49	33,829.63	136,500.00	9,291.18
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,703.72	2,703.72	2,836.17	2,836.17	36,145.49	33,829.63	136,500.00	9,291.18
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	2,578.35	1.83	(2,833.97)	(5,518.73)	(1,792.07)	(17,200.00)	16,186.93
CASH BALANCES, JANUARY 1	11.28	11.28	2,845.25	2,845.25	362,216.76	362,216.76	346,029.83	346,029.83
CASH BALANCES, DECEMBER 31	\$ 11.28	\$ 2,589.63	\$ 2,847.08	\$ 11.28	\$ 356,698.03	\$ 360,424.69	\$ 328,829.83	\$ 362,216.76

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

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PLEASANT VIEW ECONOMIC DEVELOPMENT FUND				COUNTY HEALTH INSURANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	73.41	12.00	32.03	60.00	14,110.89	80.00	58.25
Other	2,726.00	2,726.00	2,726.00	2,726.00	270,505.08	335,645.08	280,000.00	264,663.45
Transfers In	10,020.00	10,020.00	10,020.00	10,020.00	80,000.00	-	-	55,813.96
TOTAL RECEIPTS	12,776.00	12,819.41	12,758.00	12,778.03	350,565.08	349,755.97	280,080.00	320,535.66
DISBURSEMENTS								
Materials	12,845.00	12,596.25	12,770.00	12,575.00	-	-	-	-
Insurance Management Fees	-	-	-	-	99,000.00	82,878.63	99,000.00	85,296.79
Medical Benefit Costs	-	-	-	-	149,460.00	203,035.60	158,457.00	212,704.90
Pharmacy Benefit Costs	-	-	-	-	28,000.00	30,947.82	28,800.00	21,994.70
TOTAL DISBURSEMENTS	12,845.00	12,596.25	12,770.00	12,575.00	276,460.00	316,862.05	286,257.00	319,996.39
RECEIPTS OVER (UNDER) DISBURSEMENTS	(69.00)	223.16	(12.00)	203.03	74,105.08	32,893.92	(6,177.00)	539.27
CASH BALANCES, JANUARY 1	3,660.31	3,660.31	3,457.28	3,457.28	6,796.30	6,796.30	6,257.03	6,257.03
CASH BALANCES, DECEMBER 31	<u>\$ 3,591.31</u>	<u>\$ 3,883.47</u>	<u>\$ 3,445.28</u>	<u>\$ 3,660.31</u>	<u>\$ 80,901.38</u>	<u>\$ 39,690.22</u>	<u>\$ 80.03</u>	<u>\$ 6,796.30</u>

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

THE COUNTY OF MONROE
 PARIS, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2018 AND 2017

	SENATE BILL 40 BOARD FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 126,000.00	\$ 125,399.59	\$ 132,000.00	\$ 126,605.25
Intergovernmental	-	-	-	-
Interest	600.00	587.80	102.00	277.07
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	126,600.00	125,987.39	132,102.00	126,882.32
DISBURSEMENTS				
Salaries and Taxes	7,600.00	7,495.70	7,600.00	7,729.20
Contract Services	40,295.00	73,466.83	35,795.00	68,898.90
Facilities and Equipment	54,500.00	69,500.00	54,500.00	54,500.00
Case Management	-	4,753.68	12,000.00	10,881.53
Office	3,094.00	3,376.46	2,320.00	650.63
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	105,489.00	158,592.67	112,215.00	142,660.26
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	21,111.00	(32,605.28)	19,887.00	(15,777.94)
CASH BALANCES, JANUARY 1	141,587.30	141,587.30	157,365.24	157,365.24
CASH BALANCES, DECEMBER 31	\$ 162,698.30	\$ 108,982.02	\$ 177,252.24	\$ 141,587.30

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

THE COUNTY OF MONROE
 PARIS, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2018

	<u>County School Fines and Bond</u>	<u>Public Fund Special</u>	<u>Unclaimed Fees</u>	<u>Associate Judge Escrow</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	\$ 15,326.63	\$ 3,999.32	\$ 155.84	\$ 4,850.37	\$ 5,491,117.77
Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	15,326.63	3,999.32	155.84	4,850.37	5,491,117.77
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	15,326.63	3,999.32	155.84	4,850.37	5,491,117.77
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,326.63</u>	<u>\$ 3,999.32</u>	<u>\$ 155.84</u>	<u>\$ 4,850.37</u>	<u>\$ 5,491,117.77</u>
			Total Agency Funds		
ASSETS					
Cash and Cash Equivalents	\$ 4,000.00	\$ 228,999.89	\$ 5,748,449.82		
Investments	-	2,146,080.29	2,146,080.29		
Total Investments	-	2,146,080.29	2,146,080.29		
Total Assets	4,000.00	2,375,080.18	7,894,530.11		
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	4,000.00	2,375,080.18	7,894,530.11		
UNRESERVED FUND BALANCES	-	-	-		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,000.00</u>	<u>\$ 2,375,080.18</u>	<u>\$ 7,894,530.11</u>		

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

THE COUNTY OF MONROE
 PARIS, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2017

	<u>County School Fines and Bond</u>	<u>Public Fund Special</u>	<u>Unclaimed Fees</u>	<u>Associate Judge Escrow</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	\$ 20,829.19	\$ 1,913.99	\$ 155.84	\$ 4,750.00	\$ 4,844,392.44
Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	20,829.19	1,913.99	155.84	4,750.00	4,844,392.44
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	20,829.19	1,913.99	155.84	4,750.00	4,844,392.44
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,829.19</u>	<u>\$ 1,913.99</u>	<u>\$ 155.84</u>	<u>\$ 4,750.00</u>	<u>\$ 4,844,392.44</u>
			Total Agency Funds		
ASSETS	Sheriff	Cemetery			
Cash and Cash Equivalents	\$ -	\$ 101,633.33	\$ 4,973,674.79		
Investments	-	2,242,195.60	2,242,195.60		
Total Investments	-	2,242,195.60	2,242,195.60		
Total Assets	-	2,343,828.93	7,215,870.39		
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	2,343,828.93	7,215,870.39		
UNRESERVED FUND BALANCES	-	-	-		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,343,828.93</u>	<u>\$ 7,215,870.39</u>		

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Monroe, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1831 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Public Administrator and Prosecuting Attorney.

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

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

C. Basis of Accounting

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

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

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

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their 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 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.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

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

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

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	\$ 89,890,200	\$ 87,969,540
Personal Property	33,933,563	32,307,507
Railroad and Utilities	15,415,075	15,306,775
	\$ 139,238,838	\$ 135,583,822

During 2018 and 2017, the County Commission approved a \$0.6401 and \$0.6443, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	\$ 0.2652	\$ 0.2707
Special Road and Bridge Fund	0.2808	0.2798
Senate Bill 40 Board Fund	0.0941	0.0938
	\$ 0.6401	\$ 0.6443

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF MONROE
 PARIS, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

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

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

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. In addition, cash and investments are separately held by several of the County’s funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amount of the County's deposits was \$1,245,602.91 and \$1,215,802.79, the bank balance was \$9,177,491.63 and \$8,647,747.12, respectively. As of December 31, 2018, and 2017, 100% of the County’s cash and cash equivalents were insured through the Federal Deposit Insurance Corporation and securities set aside in the name of the County by the financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and Changes</u>	
<u>in Cash Balances – Governmental Funds</u>	
Deposits	\$ 1,245,602.91
Total Governmental Funds	1,245,602.91
<u>Statement of Assets and Liabilities Arising From Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	5,748,449.82
Investments	2,146,080.29
Total Agency Funds	7,894,530.11
Total Deposits and Investments as of December 31, 2018	\$ <u>9,140,133.02</u>

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and Changes in Cash Balances – Governmental Funds -</u>	
Deposits	\$ <u>1,215,802.79</u>
Total Governmental Funds	1,215,802.79
 <u>Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:</u>	
Deposits	4,973,674.79
Investments	<u>2,242,195.60</u>
Total Agency Funds	7,215,870.39
 Total Deposits and Investments as of December 31, 2017	 \$ <u><u>8,431,673.18</u></u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ending December 31, 2018, and 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2018, and 2017.

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

III. LONG-TERM DEBT

On August 29, 2016, the County purchased 911 Equipment totaling \$171,672. The County financed \$38,000 of the purchase through Paris National Bank. The lease calls for 48 monthly payments of \$835.24 with an interest rate of 2.20%. The lease was paid off in full during February of 2018.

	<u>Balance at December 31, 2017</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at December 31, 2018</u>	<u>Interest Paid During Year</u>
911 Equipment	\$ 29,059.30	\$ -	\$ 29,059.30	\$ -	\$ 18.39
Totals	<u>\$ 29,059.30</u>	<u>\$ -</u>	<u>\$ 29,059.30</u>	<u>\$ -</u>	<u>\$ 18.39</u>

	<u>Balance at December 31, 2016</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance At December 31, 2017</u>	<u>Interest Paid During Year</u>
911 Equipment	\$ 38,000.00	\$ -	\$ 8,940.70	\$ 29,059.30	\$ 1,082.18
Totals	<u>\$ 38,000.00</u>	<u>\$ -</u>	<u>\$ 8,940.70</u>	<u>\$ 29,059.30</u>	<u>\$ 1,082.18</u>

The future payments as of December 31, 2017, are as follows:

Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,471.62	\$ 551.26	\$ 10,022.88
2019	9,685.08	337.80	10,022.88
2020	<u>9,902.60</u>	<u>120.28</u>	<u>10,022.88</u>
	<u>\$ 29,059.30</u>	<u>\$ 1,009.34</u>	<u>\$ 30,068.64</u>

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 85,532.84	\$ 34,146.76	\$ 92,687.41	\$ 82,833.96
Special Road and Bridge Fund	-	87,421.64	-	64,129.21
Assessment Fund	13,500.00	-	13,500.00	-
Collector's Tax Maintenance Fund	-	5,000.00	-	5,800.00
Recorder Fund	-	-	-	700.00
Sheriff Civil Fees Fund	-	6,155.00	-	6,200.00
Sheriff Revolving Fund	-	3,111.20	-	13,111.20
Law Enforcement Training Fund	1,155.00	-	1,200.00	-
County Law Enforcement Restitution Fund	-	-	-	18,947.00
Mark Twain Reservoir Fund	25,626.76	-	18,500.00	-
Pleasant View Economic Development Fund	10,020.00	-	10,020.00	-
County Health Insurance Fund	-	-	55,813.96	-
TOTAL	\$ <u>135,834.60</u>	\$ <u>135,834.60</u>	\$ <u>191,721.37</u>	\$ <u>191,721.37</u>

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

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

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

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

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2018, and 2017 were \$33,917.04 and \$34,487.53, respectively.

THE COUNTY OF MONROE
 PARIS, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

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

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision’s governing body adopts all benefits of the plan.

	<u>2018 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	0.00%

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

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	25	4
Inactive employees entitled to but not yet receiving benefits	9	18
Active employees	34	7
	68	29

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4.0% of their gross pay to the pension plan. Employer contribution rates are 2.7% (General) and 1.9% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

THE COUNTY OF MONROE
 PARIS, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

Discount Rate

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 86,091	\$ 23,444
2 Interest on Total Pension Liability	258,732	56,417
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(12,318)	7,353
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(175,855)	(25,637)
7 Net change in total pension liability	156,650	61,577
8 Total pension liability - beginning	3,612,815	779,246
9 Total pension liability - ending	<u>\$ 3,769,465</u>	<u>\$ 840,823</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 88,401	\$ 22,732
2 Contributions - employee	-	-
3 Net investment income	460,246	99,299
4 Benefit payments, including refunds of employee contributions	(175,855)	(25,637)
5 Pension plan administrative expense	(5,292)	(1,366)
6 Other (net transfer)	26,372	2,741
7 Net change in plan fiduciary net position	393,872	97,769
8 Plan fiduciary net position - beginning	3,844,585	822,558
9 Plan fiduciary net position - ending	<u>\$ 4,238,457</u>	<u>\$ 920,327</u>
C. Net Pension Liability / (Asset)	<u>\$ (468,992)</u>	<u>\$ (79,504)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.44%	109.46%
E. Covered-Employee Payroll	\$ 924,150	\$ 220,365
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-50.75%	-36.08%

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

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

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

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 4,218,325	\$ 3,769,465	\$ 3,394,636
Plan Fiduciary Net Position	4,238,457	4,238,457	4,238,457
Net Pension Liability / (Asset) (NPL)	\$ (20,132)	\$ (468,992)	\$ (843,821)
Police Division:			
Total Pension Liability (TPL)	\$ 978,451	\$ 840,823	\$ 729,879
Plan Fiduciary Net Position	920,327	920,327	920,327
Net Pension Liability / (Asset) (NPL)	\$ 58,124	\$ (79,504)	\$ (190,448)

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

For the year ended June 30, 2018, the employer recognized pension expense of \$56,762 for general and \$26,618 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (86,689)	\$ 5,118	\$ (9,525)
Changes in assumptions	41,645	-	7,399	-
Net difference between projected and actual earnings on pension plan investments	-	(89,823)	-	(21,936)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 41,645</u>	<u>\$ (176,512)</u>	<u>\$ 12,517</u>	<u>\$ (31,461)</u>

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2018.

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

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2019	\$ 19,367	\$ 7,368
2020	(46,122)	(4,485)
2021	(70,672)	(13,885)
2022	(37,440)	(7,942)
2023	-	-
Thereafter	-	-
Total	<u>\$ (134,867)</u>	<u>\$ (18,944)</u>

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2018, and 2017.

VIII. 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. The County had no COBRA participants at December 31, 2018, and December 31, 2017.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The County provides employees with up to four weeks (160 hours) of paid vacation based upon the number of years of continuous service. All vacation earned in one year must be taken in its entirety each calendar year. Compensation for unused vacation is at the discretion of the County Commission. Upon termination from County employment, an employee is reimbursed for unused vacation and overtime, if applicable. Failure to give proper notice forfeits all unused vacation time. Sick time is accrued at a day per month after the first 90 days of employment. These have not been subjected to auditing procedures. Regular full-time employees earn 12 days of sick leave each year. Full-time employees may accumulate sick leave with pay to a maximum of sixty days. An employee will not be compensated for any accumulated sick leave upon termination of employment unless they have been employed by the County after 15 years. Employees leaving employment of the County after 15 years of service will receive \$25.00 a day compensation for accrued sick leave as follows: 15 days for 15 years plus one day for each additional year up to 60 days.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

THE COUNTY OF MONROE
PARIS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF MONROE
PARIS, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2018 AND 2017

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2018, actual expenditures exceeded those budgeted in the County Health Insurance Fund and Senate Bill Board 40 Fund.
- II. For the year ended December 31, 2017, actual expenditures exceeded those budgeted in the County Health Insurance Fund and Senate Bill 40 Board Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the County Commission
The County of Monroe, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Monroe ("County"), Missouri as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 1, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003]

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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

Daniel Jones & Associates

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

August 1, 2019

THE COUNTY OF MONROE
PARIS, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Context: During discussions with management, we noted that internal control documentation has not been prepared.

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

Cause: The County did not prepare the required documentation.

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

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of the internal controls for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

THE COUNTY OF MONROE
PARIS, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-002 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of fraud risks of the County for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the Treasurer's office.

Context: During our audit, we noted the Treasurer performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties in the Treasurer's office. The County Treasurer is Sheila Jurgsmeyer and the office phone number is (660)327-4711.

THE COUNTY OF MONROE
PARIS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2016-001 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS 122, *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes. Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors. Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: We recommend the County either provide training to current management, hire additional staff that possesses the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: Monroe County has prepared the 2016 financial statements in compliance with Missouri Revised Statute 50.815.

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

FS 2016-002 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: During the walkthroughs, we noted there is no internal control documentation prepared.

THE COUNTY OF MONROE
PARIS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 2016-002 Context: During the walkthroughs, the County informed us that internal control documentation had not been prepared.

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

Cause: Management did not prepare the required documentation of internal control.

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

Management's Response: The County Clerk is in the process of preparing and adopting and documenting their internal control structure in conformity with the COSO framework.

Status: This finding is repeated as 2018-001.

FS 2016-003 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

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

Management's Response: The County Clerk is in the process of adopting and documenting formal risk assessments in conformity with the COSO framework.

THE COUNTY OF MONROE
PARIS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-003 Status: This finding is repeated as 2018-002.

FS 2016-004 Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend that the County adopt an investment policy and review compliance with this policy at least annually.

Management's Response: The County has adopted an investment policy and review compliance with this policy annually.

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

FS 2016-005 Condition: Budgeted expenditures exceeded budgeted revenues for multiple funds in 2016. The detailed list of funds can be found in Note 1.D. to the financial statements. RSMo. 50.740 prohibits budgeted expenditures in excess of budgeted revenues. 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 also recommend the County refrain from adopting a budget with a deficit fund balance.

Management's Response: The County accepts the recommendation and will make the necessary changes.

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

THE COUNTY OF MONROE
PARIS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2016-001: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. Department of Transportation

Pass-through Grantor: Highway and Transportation Commission

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass-through Entity Identifying Number: BRO-043, BRO-044, FLAP

Award Year: 2016

Questioned Costs: None

Criteria: OMB Circular A-133 requires auditees to “Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.” Section .310 (d) requires auditees to “Prepare appropriate financial statements, including the schedule of expenditures of Federal awards....”

Condition: During our audit, we noted that the Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting to ensure an accurate SEFA is prepared.

Management’s Response: OMB Circular A-133 is being reviewed and training sessions will be initiated by the County Clerk’s office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period.

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



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

August 1, 2019

To the County Commission
The County of Monroe, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Monroe (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

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

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

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

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

Very truly yours,

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Context: During discussions with management, we noted that internal control documentation has not been prepared.

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

Cause: The County did not prepare the required documentation.

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

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of the internal controls for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of fraud risks of the County for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2018-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the Treasurer's office.

Context: During our audit, we noted the Treasurer performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties in the Treasurer's office. The County Treasurer is Sheila Jurgsmeyer and the office phone number is (660)327-4711.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 1, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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