

THE COUNTY OF LINCOLN
TROY, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

**THE COUNTY OF LINCOLN
TROY, MISSOURI
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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 Lincoln, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lincoln ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2016, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the year 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 opinion.

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 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, 2016, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Lincoln’s basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2017, on our consideration of the County of Lincoln's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Lincoln's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

July 17, 2017

FINANCIAL STATEMENTS

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

FUND	CASH BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 2,421,899.35	\$ 6,119,524.50	\$ 6,258,686.86	\$ 2,282,736.99
Special Road and Bridge Fund	2,435,125.08	5,592,707.25	6,348,899.91	1,678,932.42
Assessment Fund	335,432.55	772,172.45	690,292.37	417,312.63
Law Enforcement Trust Fund	197,109.93	5,067,706.31	5,093,116.86	171,699.38
911 Fund	4,014.67	1,091,286.61	1,092,365.14	2,936.14
L.E.T. Fund	1,380.22	8,463.72	4,887.75	4,956.19
P.A.T. Fund	10,490.12	1,431.56	-	11,921.68
Sheltercare Fund	30,659.21	25,142.10	27,000.00	28,801.31
Collector's Tax Maintenance Fund	106,142.99	88,236.67	78,037.38	116,342.28
Jail Improvement Fund	3,849.42	676.41	3,411.05	1,114.78
Civil Fee Fund	77,570.57	49,642.24	58,436.41	68,776.40
P.A. Bad Check Fund	41,139.38	11,443.44	3,066.03	49,516.79
Recorder User Fees Fund	55,714.27	37,471.13	20,532.41	72,652.99
P.A. Delinquent Tax Fund	4,371.44	268.57	100.00	4,540.01
Election Service Fund	69,566.35	52,038.58	48,225.46	73,379.47
Sheriff's Revolving Fund	124,445.86	113,349.10	115,714.26	122,080.70
L.E. Restitution Fund	102,702.43	23,348.86	38,410.95	87,640.34
Argent Oaks NID Fund	8,325.52	2,009.98	2,288.09	8,047.41
Wildoradoe Estates NID Fund	2,516.59	708.77	2,516.59	708.77
Westmier Estates NID Fund	6,498.89	1,747.47	6,498.89	1,747.47
Clarks Pointe NID Fund	8,050.03	5,901.39	7,552.95	6,398.47
Spring Branch NID Fund	16,485.54	7,070.67	10,045.79	13,510.42
Springhaven NID Fund	43,687.80	16,624.39	30,064.97	30,247.22
Orchardview NID Fund	2,857.48	2,151.70	2,857.48	2,151.70
Ridgecrest NID Fund	8,304.15	631.52	2,458.93	6,476.74
Inmate Security Fund	88,736.69	208,545.45	97,272.97	200,009.17
Special Elections Fund	40,712.51	350,956.24	355,885.16	35,783.59
Equitable Sharing Fund	118,697.26	42,164.43	50,804.77	110,056.92
CEPF Grant Fund	24,558.27	9,004.16	9,170.17	24,392.26
BRO Fund	504.10	2.92	-	507.02
Community Development Block Grant Fund	25.00	-	-	25.00
Lakeview NID Fund	81,679.62	54,329.99	47,509.26	88,500.35
Election Equipment Fund	-	123,071.74	92,965.67	30,106.07
Recovery Fund	-	312,477.86	-	312,477.86
TOTAL	\$ 6,473,253.29	\$ 20,192,308.18	\$ 20,599,074.53	\$ 6,066,486.94

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	GENERAL REVENUE FUND	
	2016	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 1,471,270.00	\$ 1,421,983.40
Sales Taxes	2,385,000.00	2,520,281.70
Intergovernmental	823,584.00	631,892.91
Charges for Services	1,203,324.00	1,236,431.14
Interest	9,500.00	24,545.61
Other	257,825.00	259,389.74
Transfers In	221,872.96	25,000.00
TOTAL RECEIPTS	<u>6,372,375.96</u>	<u>6,119,524.50</u>
DISBURSEMENTS		
County Commission	158,678.89	155,280.06
County Clerk	183,364.50	170,381.56
Economic Development	149,464.00	133,728.73
Elections	300,000.00	266,345.43
Voter Registration	104,659.80	93,581.95
Buildings and Grounds	575,040.00	545,878.48
Project Coordinator	68,480.00	67,773.36
Auditor	63,534.00	61,801.56
Employee Fringe Benefits	-	-
County Treasurer	92,833.00	85,373.07
Collector	287,239.24	260,977.62
Recorder of Deeds	198,649.81	180,631.63
Portal Plus II	396,198.00	367,684.25
Circuit Clerk	105,924.51	83,778.87
Court Reporter	-	-
Court Administration	142,025.00	97,067.26
Public Administrator	83,458.00	68,162.00
General	928,174.11	1,021,937.99
Insurance Claim Activity	72,350.00	79,350.36
Prosecuting Attorney	838,764.00	781,814.66
Juvenile Officer	187,764.00	153,799.89
Coroner	77,794.00	65,997.33
Maintenance of Efforts	15,537.00	14,936.14
Flood Plain Manager	43,241.00	32,083.19
Miscellaneous	9,044.00	9,044.00
Surveyor	3,000.00	1,672.00
Emergency Management	81,124.00	71,242.94
Fringe Benefits	569,020.00	526,505.20
Capital Outlay	477,857.33	477,857.33
Transfers Out	700,000.00	384,000.00
Emergency Fund	77,142.67	-
TOTAL DISBURSEMENTS	<u>6,990,360.86</u>	<u>6,258,686.86</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(617,984.90)	(139,162.36)
CASH, JANUARY 1	<u>2,421,899.35</u>	<u>2,421,899.35</u>
CASH, DECEMBER 31	<u>\$ 1,803,914.45</u>	<u>\$ 2,282,736.99</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

SPECIAL ROAD AND BRIDGE FUND		
2016		
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 1,761,079.00	\$ 1,686,897.08
Sales Taxes	2,363,793.00	2,520,421.76
Charges for Services	3,500.00	15,747.45
Intergovernmental	1,819,050.00	1,260,220.64
Interest	10,010.00	17,361.63
Other	102,100.00	92,058.69
Transfers In	-	-
TOTAL RECEIPTS	6,059,532.00	5,592,707.25
DISBURSEMENTS		
Salaries	949,700.00	897,580.96
Employee Fringe Benefits	293,515.00	291,536.11
Supplies	1,784,000.00	298,049.08
Insurance	30,000.00	1,702,329.69
Equipment Repairs	162,500.00	213,491.38
Rentals	75,000.00	165,993.26
Equipment Purchases	218,000.00	80,217.49
R&B Construction	2,420,000.00	2,095,752.85
Other Expenditures	768,687.00	581,892.99
Office	25,500.00	22,056.10
Transfers Out	-	-
TOTAL DISBURSEMENTS	6,726,902.00	6,348,899.91
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(667,370.00)	(756,192.66)
CASH, JANUARY 1	2,435,125.08	2,435,125.08
CASH, DECEMBER 31	\$ 1,767,755.08	\$ 1,678,932.42

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	ASSESSMENT FUND		LAW ENFORCEMENT TRUST FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 2,600,000.00	\$ 2,721,642.69
Intergovernmental	710,114.00	761,462.71	1,747,471.52	1,831,136.86
Charges for Services	6,000.00	7,277.50	185,000.00	184,953.82
Interest	2,500.00	3,432.24	130.00	1,792.40
Other	500.00	-	128,700.00	103,180.54
Transfers In	-	-	425,000.00	225,000.00
TOTAL RECEIPTS	719,114.00	772,172.45	5,086,301.52	5,067,706.31
DISBURSEMENTS				
Salaries	399,437.34	385,780.24	3,459,938.54	3,405,741.73
Contracted Services	80,000.00	92,169.11	-	-
Office Expenses	29,500.00	26,273.09	50,471.52	38,961.84
Rent	3,000.00	2,395.36	2,100.00	1,606.75
Equipment/Maintenance	53,000.00	47,034.56	11,500.00	12,200.58
Utilities	-	-	115,000.00	92,870.79
Training	4,500.00	4,703.03	8,000.00	8,496.49
Insurance	-	-	125,000.00	131,388.00
Uniform Allowance	-	-	14,000.00	15,998.91
Prisoner Meals	-	-	240,000.00	252,142.27
Auto Expenses	20,000.00	20,169.46	159,000.00	132,097.78
Medical Expenses	-	-	50,000.00	48,954.71
Kitchen Supplies	-	-	2,000.00	8,800.71
Fringe Benefits	114,794.00	111,767.52	988,223.00	943,856.30
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	704,231.34	690,292.37	5,225,233.06	5,093,116.86
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,882.66	81,880.08	(138,931.54)	(25,410.55)
CASH, JANUARY 1	335,432.55	335,432.55	197,109.93	197,109.93
CASH, DECEMBER 31	\$ 350,315.21	\$ 417,312.63	\$ 58,178.39	\$ 171,699.38

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	911 FUND		L.E.T. FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	369,695.00	368,635.83	7,600.00	8,441.25
Interest	50.00	59.84	5.00	22.47
Other	485,500.00	538,590.94	-	-
Transfers In	300,000.00	184,000.00	-	-
TOTAL RECEIPTS	1,155,245.00	1,091,286.61	7,605.00	8,463.72
DISBURSEMENTS				
Salaries	774,016.42	741,614.31	-	-
Fringe Benefits	210,250.00	185,121.00	-	-
Office	10,500.00	5,786.43	-	-
Equipment and Maintenance	63,000.00	62,018.67	-	-
Utilities	7,000.00	6,587.56	-	-
Monthly Tariffs	75,000.00	75,875.01	-	-
Training	10,000.00	9,429.54	7,500.00	4,887.75
Software and Licensing	-	901.91	-	-
Other	4,000.00	5,030.71	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,153,766.42	1,092,365.14	7,500.00	4,887.75
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	1,478.58	(1,078.53)	105.00	3,575.97
CASH , JANUARY 1	4,014.67	4,014.67	1,380.22	1,380.22
CASH, DECEMBER 31	\$ 5,493.25	\$ 2,936.14	\$ 1,485.22	\$ 4,956.19

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	P.A.T. FUND		SHELTERCARE FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 1,900.00	\$ 1,366.19	\$ 27,500.00	\$ 24,995.55
Interest	25.00	65.37	75.00	146.55
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,925.00	1,431.56	27,575.00	25,142.10
DISBURSEMENTS				
Training	1,700.00	-	-	-
Robertson Center Funding	-	-	27,000.00	27,000.00
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,700.00	-	27,000.00	27,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	225.00	1,431.56	575.00	(1,857.90)
CASH, JANUARY 1	10,490.12	10,490.12	30,659.21	30,659.21
CASH, DECEMBER 31	\$ 10,715.12	\$ 11,921.68	\$ 31,234.21	\$ 28,801.31

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	COLLECTOR'S TAX MAINTENANCE FUND		JAIL IMPROVEMENT FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Interest	\$ 250.00	\$ 662.09	\$ -	\$ 676.41
Other	85,000.00	87,574.58	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	85,250.00	88,236.67	-	676.41
DISBURSEMENTS				
Office Expenses	6,000.00	8,284.46	-	-
Training	5,000.00	2,747.55	-	-
Contracted Services	-	-	-	-
Utilities	-	-	-	-
Software and Software Maintenance	15,000.00	12,981.53	-	-
Equipment & Maintenance	6,000.00	2,297.03	-	-
Jail Maintenance and Repairs	-	-	3,849.42	3,411.05
Other	39,000.00	26,726.81	-	-
Transfers Out	35,000.00	25,000.00	-	-
TOTAL DISBURSEMENTS	106,000.00	78,037.38	3,849.42	3,411.05
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,750.00)	10,199.29	(3,849.42)	(2,734.64)
CASH, JANUARY 1	106,142.99	106,142.99	3,849.42	3,849.42
CASH, DECEMBER 31	\$ 85,392.99	\$ 116,342.28	\$ -	\$ 1,114.78

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>CIVIL FEE FUND</u>		<u>P.A. BAD CHECK FUND</u>	
	2016		2016	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 54,000.00	\$ 49,192.02	\$ 11,500.00	\$ 11,180.00
Interest	300.00	450.22	125.00	263.44
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	54,300.00	49,642.24	11,625.00	11,443.44
DISBURSEMENTS				
Professional and Contract Services	9,500.00	5,926.23	-	-
Training	27,000.00	20,323.71	-	-
Supplies and Equipment	29,500.00	26,583.14	-	-
PA Bad Check Expense	-	-	10,000.00	1,936.03
MOPS Fees	-	-	1,650.00	1,130.00
Other	5,000.00	5,603.33	-	-
TOTAL DISBURSEMENTS	71,000.00	58,436.41	11,650.00	3,066.03
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,700.00)	(8,794.17)	(25.00)	8,377.41
CASH, JANUARY 1	77,570.57	77,570.57	41,139.38	41,139.38
CASH, DECEMBER 31	\$ 60,870.57	\$ 68,776.40	\$ 41,114.38	\$ 49,516.79

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	RECORDER USER FEES FUND		P.A. DELINQUENT TAX FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ -	\$ -	\$ 1,200.00	\$ 243.20
Interest	50.00	351.38	-	25.37
Other	30,000.00	37,119.75	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	30,050.00	37,471.13	1,200.00	268.57
DISBURSEMENTS				
Contracted Services	10,000.00	8,276.21	-	-
Equipment & Furniture	31,500.00	12,154.55	-	-
Other	20,000.00	101.65	-	100.00
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	61,500.00	20,532.41	-	100.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,450.00)	16,938.72	1,200.00	168.57
CASH, JANUARY 1	55,714.27	55,714.27	4,371.44	4,371.44
CASH, DECEMBER 31	\$ 24,264.27	\$ 72,652.99	\$ 5,571.44	\$ 4,540.01

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	ELECTION SERVICE FUND		SHERIFF'S REVOLVING FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 38,714.00	\$ 35,545.10	\$ 2,008.07	\$ 2,008.07
Charges for Services	10,000.00	16,105.23	-	-
Interest	170.00	388.25	400.00	862.03
Other	-	-	110,500.00	110,479.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	48,884.00	52,038.58	112,908.07	113,349.10
DISBURSEMENTS				
Contracted Services	20,000.00	457.66	29,000.00	28,296.23
Office Supplies	5,500.00	533.16	30,008.07	23,512.36
Election Expenses	34,714.00	28,544.56	-	-
Equipment Maintenance	-	17,663.73	-	5,751.00
Training	2,000.00	828.68	18,000.00	10,962.75
Vehicle Purchase	-	-	-	-
Other	500.00	197.67	28,800.00	22,191.92
Transfers Out	-	-	25,000.00	25,000.00
TOTAL DISBURSEMENTS	62,714.00	48,225.46	130,808.07	115,714.26
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,830.00)	3,813.12	(17,900.00)	(2,365.16)
CASH, JANUARY 1	69,566.35	69,566.35	124,445.86	124,445.86
CASH, DECEMBER 31	\$ 55,736.35	\$ 73,379.47	\$ 106,545.86	\$ 122,080.70

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>L.E. RESTITUTION FUND</u>		<u>ARGENT OAKS NID FUND</u>	
	2016		2016	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 30,000.00	\$ 22,850.06	\$ -	\$ -
Interest	335.00	498.80	25.00	52.30
Intergovernmental	-	-	-	-
Other	-	-	1,468.26	1,957.68
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>30,335.00</u>	<u>23,348.86</u>	<u>1,493.26</u>	<u>2,009.98</u>
DISBURSEMENTS				
Equipment and Furniture	40,000.00	38,410.95	-	-
Bond Payment	-	-	2,288.09	2,288.09
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	<u>40,000.00</u>	<u>38,410.95</u>	<u>2,288.09</u>	<u>2,288.09</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(9,665.00)	(15,062.09)	(794.83)	(278.11)
CASH, JANUARY 1	<u>102,702.43</u>	<u>102,702.43</u>	<u>8,325.52</u>	<u>8,325.52</u>
CASH, DECEMBER 31	<u>\$ 93,037.43</u>	<u>\$ 87,640.34</u>	<u>\$ 7,530.69</u>	<u>\$ 8,047.41</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>WILDORADOE ESTATES NID FUND</u>		<u>WESTMIER ESTATES NID FUND</u>	
	<u>2016</u>		<u>2016</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Interest	\$ -	\$ 7.88	\$ -	\$ 18.39
Other	4,205.00	700.89	2,161.00	1,729.08
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>4,205.00</u>	<u>708.77</u>	<u>2,161.00</u>	<u>1,747.47</u>
DISBURSEMENTS				
NID Expenses	2,516.59	2,516.59	6,498.89	6,498.89
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	<u>2,516.59</u>	<u>2,516.59</u>	<u>6,498.89</u>	<u>6,498.89</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,688.41	(1,807.82)	(4,337.89)	(4,751.42)
CASH, JANUARY 1	<u>2,516.59</u>	<u>2,516.59</u>	<u>6,498.89</u>	<u>6,498.89</u>
CASH, DECEMBER 31	<u>\$ 4,205.00</u>	<u>\$ 708.77</u>	<u>\$ 2,161.00</u>	<u>\$ 1,747.47</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>CLARKS POINTE NID FUND</u>		<u>SPRING BRANCH NID FUND</u>	
	<u>2016</u>		<u>2016</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Interest	\$ -	\$ 67.80	\$ 50.00	\$ 116.07
Other	2,500.00	5,833.59	6,954.60	6,954.60
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>2,500.00</u>	<u>5,901.39</u>	<u>7,004.60</u>	<u>7,070.67</u>
DISBURSEMENTS				
NID Expenses	7,599.00	7,552.95	10,046.00	10,045.79
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,599.00</u>	<u>7,552.95</u>	<u>10,046.00</u>	<u>10,045.79</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,099.00)	(1,651.56)	(3,041.40)	(2,975.12)
CASH, JANUARY 1	<u>8,050.03</u>	<u>8,050.03</u>	<u>16,485.54</u>	<u>16,485.54</u>
CASH, DECEMBER 31	<u>\$ 2,951.03</u>	<u>\$ 6,398.47</u>	<u>\$ 13,444.14</u>	<u>\$ 13,510.42</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>SPRINGHAVEN NID FUND</u>		<u>ORCHARDVIEW NID FUND</u>	
	2016		2016	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Interest	\$ 150.00	\$ 245.79	\$ -	\$ 16.33
Other	4,095.00	16,378.60	2,135.29	2,135.37
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>4,245.00</u>	<u>16,624.39</u>	<u>2,135.29</u>	<u>2,151.70</u>
DISBURSEMENTS				
NID Expenses	30,065.00	30,064.97	2,857.48	2,857.48
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	<u>30,065.00</u>	<u>30,064.97</u>	<u>2,857.48</u>	<u>2,857.48</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,820.00)	(13,440.58)	(722.19)	(705.78)
CASH, JANUARY 1	<u>43,687.80</u>	<u>43,687.80</u>	<u>2,857.48</u>	<u>2,857.48</u>
CASH, DECEMBER 31	<u>\$ 17,867.80</u>	<u>\$ 30,247.22</u>	<u>\$ 2,135.29</u>	<u>\$ 2,151.70</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>RIDGECREST NID FUND</u>		<u>INMATE SECURITY FUND</u>	
	2016		2016	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Interest	\$ 25.00	\$ 43.19	\$ 57.00	\$ 759.70
Other	1,176.66	588.33	218,014.97	207,785.75
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,201.66	631.52	218,071.97	208,545.45
DISBURSEMENTS				
NID Expenses	2,459.00	2,458.93	-	-
Contract and Professional Services	-	-	5,130.00	2,044.40
Office Supplies	-	-	88,808.00	74,500.72
Prisoner Supplies	-	-	22,000.00	5,538.79
Equipment and Furniture	-	-	20,000.00	15,189.06
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,459.00	2,458.93	135,938.00	97,272.97
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,257.34)	(1,827.41)	82,133.97	111,272.48
CASH, JANUARY 1	8,304.15	8,304.15	88,736.69	88,736.69
CASH, DECEMBER 31	\$ 7,046.81	\$ 6,476.74	\$ 170,870.66	\$ 200,009.17

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>SPECIAL ELECTIONS FUND</u>		<u>EQUITABLE SHARING FUND</u>	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Interest	\$ -	\$ 213.31	\$ 350.00	\$ 658.67
Other	-	350,742.93	60,000.00	41,505.76
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	350,956.24	60,350.00	42,164.43
DISBURSEMENTS				
Election Expense	-	355,885.16	-	-
Equitable Sharing Expense	-	-	50,000.00	40,856.40
Law Enforcement Equipment	-	-	10,000.00	9,948.37
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	-	355,885.16	60,000.00	50,804.77
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(4,928.92)	350.00	(8,640.34)
CASH, JANUARY 1	40,712.51	40,712.51	118,697.26	118,697.26
CASH, DECEMBER 31	<u>\$ 40,712.51</u>	<u>\$ 35,783.59</u>	<u>\$ 119,047.26</u>	<u>\$ 110,056.92</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	CEPF GRANT FUND		BRO FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 4,500.00	\$ 8,867.98	\$ -	\$ -
Interest	85.00	136.18	-	2.92
Transfers In	-	-	-	-
TOTAL RECEIPTS	4,585.00	9,004.16	-	2.92
DISBURSEMENTS				
CEPT Grant Expense	6,500.00	9,170.17	-	-
Bridge Projects	-	-	-	-
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	6,500.00	9,170.17	-	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,915.00)	(166.01)	-	2.92
CASH, JANUARY 1	24,558.27	24,558.27	504.10	504.10
CASH, DECEMBER 31	\$ 22,643.27	\$ 24,392.26	\$ 504.10	\$ 507.02

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

		COMMUNITY DEVELOPMENT BLOCK GRANT FUND	
		2016	
		BUDGET	ACTUAL
RECEIPTS			
Interest	\$	-	\$ -
Other		-	-
Transfers In		-	-
TOTAL RECEIPTS		-	-
DISBURSEMENTS			
Other		-	-
SWAT Expenses		-	-
Transfers Out		-	-
TOTAL DISBURSEMENTS		-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS		-	-
CASH, JANUARY 1		25.00	25.00
CASH, DECEMBER 31	\$	25.00	\$ 25.00

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	LAKEVIEW NID FUND		ELECTION EQUIPMENT FUND	
	2016		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges For Services	\$ -	\$ -	\$ -	\$ 122,983.75
Interest	250.00	597.25	-	87.99
Other	47,500.00	53,732.74	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	47,750.00	54,329.99	-	123,071.74
DISBURSEMENTS				
Bond Payment	47,610.00	47,509.26	-	-
Equipment	-	-	-	92,965.67
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	47,610.00	47,509.26	-	92,965.67
RECEIPTS OVER (UNDER) DISBURSEMENTS	140.00	6,820.73	-	30,106.07
CASH, JANUARY 1	81,679.62	81,679.62	-	-
CASH, DECEMBER 31	\$ 81,819.62	\$ 88,500.35	\$ -	\$ 30,106.07

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
- BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	RECOVERY FUND	
	2016	
	BUDGET	ACTUAL
RECEIPTS		
Intergovernmental	\$ -	\$ 312,477.86
Interest	-	-
Other	-	-
Transfers In	-	-
	-	-
TOTAL RECEIPTS	-	312,477.86
DISBURSEMENTS		
Bond Payment	-	-
Equipment	-	-
Transfers Out	-	-
	-	-
TOTAL DISBURSEMENTS	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	312,477.86
CASH, JANUARY 1	-	-
CASH, DECEMBER 31	\$ -	\$ 312,477.86

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
- AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Cemetery Fund</u>
ASSETS					
Cash and Cash Equivalents	\$ 29,591,387.06	\$ 48,434.19	\$ 80,789.78	\$ 928.25	\$ 2,601.86
Total Assets	29,591,387.06	48,434.19	80,789.78	928.25	2,601.86
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>29,591,387.06</u>	<u>48,434.19</u>	<u>80,789.78</u>	<u>928.25</u>	<u>2,601.86</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,591,387.06</u>	<u>\$ 48,434.19</u>	<u>\$ 80,789.78</u>	<u>\$ 928.25</u>	<u>\$ 2,601.86</u>

	<u>Ambulance</u>	<u>Cities</u>	<u>Criminal Costs</u>	<u>Federal Withholding Fund</u>	<u>Health Center</u>
ASSETS					
Cash and Cash Equivalents	\$ 1.00	\$ 8,593.53	\$ 1.00	\$ 83,684.38	\$ 1.00
Total Assets	1.00	8,593.53	1.00	83,684.38	1.00
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>1.00</u>	<u>8,593.53</u>	<u>1.00</u>	<u>83,684.38</u>	<u>1.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1.00</u>	<u>\$ 8,593.53</u>	<u>\$ 1.00</u>	<u>\$ 83,684.38</u>	<u>\$ 1.00</u>

	<u>CERF</u>	<u>Fines</u>	<u>Overplus Land Sales</u>	<u>Unclaimed Fees</u>	<u>The Linc Fund</u>
ASSETS					
Cash and Cash Equivalents	\$ 15,319.93	\$ 134,174.16	\$ 6,955.41	\$ 839.09	\$ 3,464.06
Total Assets	15,319.93	134,174.16	6,955.41	839.09	3,464.06
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>15,319.93</u>	<u>134,174.16</u>	<u>6,955.41</u>	<u>839.09</u>	<u>3,464.06</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,319.93</u>	<u>\$ 134,174.16</u>	<u>\$ 6,955.41</u>	<u>\$ 839.09</u>	<u>\$ 3,464.06</u>

	<u>Medical Insurance</u>	<u>Abandoned Personal Property Fund</u>	<u>Road and Bridge Ellsbery</u>	<u>Deputy Sheriff Salary Supp</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 174,203.33	\$ 10,537.00	\$ 62.92	\$ 1,350.00	\$ 30,163,327.95
Total Assets	174,203.33	10,537.00	62.92	1,350.00	30,163,327.95
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>174,203.33</u>	<u>10,537.00</u>	<u>62.92</u>	<u>1,350.00</u>	<u>30,163,327.95</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 174,203.33</u>	<u>\$ 10,537.00</u>	<u>\$ 62.92</u>	<u>\$ 1,350.00</u>	<u>\$ 30,163,327.95</u>

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

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Lincoln, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 11 elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Auditor, Assessor, Public Administrator, Coroner, Circuit Clerk, County Surveyor 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 the County’s financial accountability.

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

The financial statements referred to above include only the primary government of Lincoln County, 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, Comparative Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and Statements 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 determined upon changes in financial position rather than net income.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 similarly to 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 agency operations.

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 received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

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.

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 December 1st, 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 by December 15th. The proposed budget includes 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.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

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 January disbursements, 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.

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 2016, for purposes of taxation, was:

	2016
Real Estate	\$ 475,994,481
Personal Property	172,715,336
Railroad and Utilities	71,521,696
	\$ 720,231,513

During 2016, the County Commission approved a \$.4747 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2016, for purposes of County taxation, as follows:

	2016
General Revenue Fund	\$.2090
Special Road and Bridge Fund	.2657
	\$.4747

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 balance. Cash equivalents include any 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.

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

The County maintains a cash 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 and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2016, the carrying amount of the County's deposits was \$6,066,486.94, and the bank balance was \$38,287,107.31.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

II. DEPOSITS (concluded)

SUMMARY OF CARRYING VALUES

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

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash–
Governmental Funds:

Deposits	\$ 6,066,486.94
Total Governmental Funds	<u>6,066,486.94</u>

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	<u>30,163,327.95</u>
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Total Deposits as of December 31, 2016	\$ <u><u>36,229,814.89</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 year ended December 31, 2016.

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.

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 year ended December 31, 2016.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. LONG-TERM DEBT

The County also has eight Neighborhood Improvement Districts (NIDs) with individual bonded indebtedness. The total of all these bonds at December 31, 2016, is \$684,802.27 with approximate interest rates ranging from 5.000% to 7.250% and payoff due dates varying between the NIDs of 2016-2034. Bond principal and interest payments for the NIDs are recorded in the NID Debt Service Funds reflected in the financial statements.

The following is a summary of changes in long-term debt for the year ended December 31, 2016:

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
NIDS	\$ 755,128.50	\$ -	\$ 70,326.23	\$ 684,802.27	\$ 29,379.79
Totals	<u>\$ 755,128.50</u>	<u>\$ -</u>	<u>\$ 70,326.23</u>	<u>\$ 684,802.27</u>	<u>\$ 29,379.79</u>

Neighborhood Improvement District Bonds at December 31, 2016, consist of:

Series 2010B Neighborhood Improvement District Bonds were issued in 2010 to fund the Argent Oaks Road Improvement District Projects in the amount of \$34,012.26. Interest rate for these bonds is 5.00% and mature on October 15, 2020. A portion of these bonds were defeased early.	\$ 7,971.59
Series 2006A Neighborhood Improvement District Bonds were issued in 2006 to fund the Clarkes Point Drive Project in the amount of \$63,900.00. Interest rate for these bonds is 7.250% and mature on December 1, 2016. A portion of these bonds were defeased early.	-
Series 2008A Neighborhood Improvement District Bonds were issued in 2008 to fund the Ridgecrest Road Improvement District Projects in the amount of \$35,475.39. The interest rate for these bonds is 5.00% and mature on August 31, 2018. A portion of these bonds were defeased early.	4,389.96
Series 2008A Neighborhood Improvement District Bonds were issued in 2008 to fund the Spring Branch Farms Road Improvement District Projects in the amount of \$93,082.66. The interest rate for these bonds is 5.00% and mature on October 7, 2018. A portion of these bonds were defeased early.	18,604.86
Series 2007 Neighborhood Improvement District Bonds were issued in 2007 to fund the Springhaven Road Improvement District Projects in the amount of \$295,667.00. The interest rate for these bonds is 7.25% and mature on July 16, 2017. A portion of these bonds were defeased early.	27,995.30
Series 2014 Neighborhood Improvement District Bonds were issued in 2005 to fund the Lakeview Improvement District Projects in the amount of \$676,210. The interest rate for these bonds is 3.50% and mature on December 1, 2034.	625,840.56
Total Neighborhood Improvement District Bonds	<u>\$ 684,802.27</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. LONG-TERM DEBT (concluded)

The annual requirements to amortize all NIDs outstanding as of December 31, 2016, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 66,659.23	\$ 25,487.79	\$ 92,147.02
2018	40,106.12	21,908.12	62,014.24
2019	29,403.36	20,293.98	49,697.34
2020	30,463.01	19,234.29	49,697.30
2021	29,313.29	18,135.96	47,449.25
2022-2026	162,693.19	74,553.08	237,246.27
2027-2031	193,228.48	44,017.80	237,246.28
2032-2034	132,935.59	9,412.16	142,347.75
Totals	<u>\$ 684,802.27</u>	<u>\$ 233,043.18</u>	<u>\$ 917,845.45</u>

IV. CAPITAL LEASES

In May of 2016, the County entered into a capital lease agreement with Peoples Bank & Trust Co., for the purchase of various police vehicles in the amount of \$236,919. The term of the lease was 36 months and consisted of annual payments of \$83,093.64 until termination of the lease in 2019. The interest rate was 3.00%. The lease was paid in full in December 2016.

In August of 2016, the County entered into a capital lease purchase agreement with Government Capital Corporation, for the purchase of various radio equipment for the County 911 in the amount of \$432,313.00. The term of the lease is 36 months and consists of annual payments of \$152,794.64 until termination of the lease in 2019. The interest rate is 3.00%.

The following is a summary of changes in capital leases for the year ended December 31, 2016:

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
Police Vehicles	\$ -	\$ 236,919.00	\$ 236,919.00	\$ -	\$ 4,343.52
911 Equipment	-	432,313.00	-	432,313.00	-
Totals	<u>\$ -</u>	<u>\$ 669,232.00</u>	<u>\$ 236,919.00</u>	<u>\$ 432,313.00</u>	<u>\$ 4,343.52</u>

The annual requirements to amortize all capital leases outstanding as of December 31, 2016, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 139,885.77	\$ 12,908.87	\$ 152,794.64
2018	144,062.76	8,731.88	152,794.64
2019	148,364.47	4,430.17	152,794.64
Totals	<u>\$ 432,313.00</u>	<u>\$ 26,070.92</u>	<u>\$ 458,383.92</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

V. OPERATING LEASES

In December of 2012, the County entered into an operating lease agreement with Da-Com for the use of a multi-purpose copier. The term of the lease is 60 months and consists of monthly payments of \$98.90 until termination of the lease in 2018. Payments in the amount of \$1,186.80 were paid during the year ended December 31, 2016.

In March of 2015, the Prosecuting Attorney of Lincoln County entered into an operating lease agreement with Datamax for a Kyocera Taskalfa 5551ci copier. The term of the lease is 60 months and consists of monthly payments of \$487.00 until termination of the lease in May 2020.

2016 Future Minimum Payments for Operating Leases are as follows:

<u>FYE</u>	<u>Da-Com</u>	<u>Datamax</u>	<u>Total</u>
2017	\$ 1,186.80	\$ 5,844.00	\$ 7,030.80
2018	98.90	5,844.00	5,942.90
2019	-	5,844.00	5,844.00
2020	-	1,461.00	1,461.00
Total	<u>\$ 1,285.70</u>	<u>\$ 18,993.00</u>	<u>\$ 20,278.70</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2016, are as follows:

	<u>2016</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ 25,000.00	\$ 384,000.00
Law Enforcement Trust Fund	225,000.00	-
911 Fund	184,000.00	-
Collector's Tax Maintenance Fund	-	25,000.00
Sheriff's Revolving Fund	-	25,000.00
TOTAL	<u>\$ 434,000.00</u>	<u>\$ 434,000.00</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 Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

VII. 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.

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 COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2016, the County collected and remitted to CERF employee contributions of \$157,252.42 for the year then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 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 \$9,044 for the year ended December 31, 2016.

IX. 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. As of December 31, 2016, the County had three COBRA participants paying premiums of \$21,589.56.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

Various suits and claims against the County are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the basic financial statements of the City at December 31, 2016.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from County employment, an employee is reimbursed for unused leave time. These have not been subjected to auditing procedures.

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.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

XI. 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 (Chapter 537.70 RSMo. 1986). 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 then reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

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

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF STATE FINDINGS

There was no budget prepared for the Special Elections Fund and the Election Equipment Fund, for the year ended December 31, 2016, because it is an internal service fund used to record all election expenses and the reimbursements from both the County and other entities who are billed. Election expenses are budgeted within the General Fund.

There was no budget prepared for the Recovery Fund for the year ended December 31, 2016.

Actual expenditures exceeded those budgeted in the P.A. Delinquent Tax Fund and CEPF Grant Fund for the year ended December 31, 2016.

FEDERAL 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 Lincoln, 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 County of Lincoln ("County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 17, 2017.

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 opinion 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged by 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 County'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

July 17, 2017



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Lincoln, Missouri

Report on Compliance for Each Major Federal Program

We have audited County of Lincoln's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items SA 2016-001 and SA 2016-002. Our opinion on each major program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items SA 2016-001 and SA 2016-002, that we consider to be a significant deficiencies.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

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

July 17, 2017

The County of Lincoln
Troy, Missouri
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor	Grant or Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE INTERIOR					
DIRECT PROGRAM:					
PAYMENT IN LIEU OF TAXES - PILT	15.226	N/A	N/A	\$ -	\$ 7,341
TOTAL U.S. DEPARTMENT OF THE INTERIOR				-	7,341
U.S. DEPARTMENT OF JUSTICE					
DIRECT PROGRAMS:					
EQUITABLE SHARING OF SEIZED AND FORFEITED PROPERTY	16.922	N/A	MO0570000	-	50,805
PASSED THROUGH LAWRENCE COUNTY SHERIFF'S OFFICE					
DOMESTIC CANNABIS ERADICATION GRANT PROGRAM	16.111	LAWRENCE COUNTY SHERIFF'S OFFICE	N/A	-	2,008
PASSED THROUGH STATE:					
CRIME VICTIM ASSISTANCE	16.575	DEPARTMENT OF PUBLIC SAFETY	N/A	-	12,266
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT	16.738	DEPARTMENT OF PUBLIC SAFETY	2015-LLEBG-058	-	7,373
TOTAL U.S. DEPARTMENT OF JUSTICE				-	72,452
U.S. DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH STATE:					
HIGHWAY SAFETY CLUSTER:					
STATE AND COMMUNITY HIGHWAY SAFETY	20.600	MISSOURI DEPARTMENT OF TRANSPORTATION	16-PT-02-046	-	7,909
PASSED THROUGH UNIVERSITY OF CENTRAL MO:					
CLICK IT OR TICKET ENFORCEMENT CAMPAIGN	20.616	UNIVERSITY OF CENTRAL MO	15-M2HVE-05-022	-	294
YOUTH SEAT BELT ENFORCEMENT CAMPAIGN	20.616	UNIVERSITY OF CENTRAL MO	15-MSHVE-03-035	-	338
<i>TOTAL CFDA #20.616</i>				-	632
<i>TOTAL HIGHWAY SAFETY CLUSTER:</i>				-	8,541
HOLIDAY DWI ENFORCEMENT	20.607	UNIVERSITY OF CENTRAL MO	16-154-AL-141	-	1,061
DRIVE SOBER OR GET PULLED OVER	20.607	UNIVERSITY OF CENTRAL MO	16-154-AL-141	-	287
ST. PATRICK'S DWI ENFORCEMENT	20.607	UNIVERSITY OF CENTRAL MO	16-154-AL-141	-	1,093
YOUTH ALCOHOL ENFORCEMENT CAMPAIGN	20.607	UNIVERSITY OF CENTRAL MO	16-154-AL-141	-	180
<i>TOTAL CFDA #20.607</i>				-	2,621
PASSED THROUGH STATE:					
INTERAGENCY HAZARDOUS MATERIAL PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703	DEPARTMENT OF PUBLIC SAFETY	N/A	-	4,500
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				-	15,662
GENERAL SERVICES ADMINISTRATION					
PASSED THROUGH:					
ELECTION REFORM PAYMENTS	39.011	OFFICE OF SECRETARY OF STATE		-	8,341
TOTAL GENERAL SERVICES ADMINISTRATION				-	8,341
ELECTION ASSISTANCE COMMISSION:					
DIRECT PROGRAM:					
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401	OFFICE OF SECRETARY OF STATE	N/A	-	6,017
TOTAL ELECTION ASSISTANCE COMMISSION				-	6,017
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASSED THROUGH:					
CHILD SUPPORT ENFORCEMENT	93.563	DEPARTMENT OF SOCIAL SERVICES	ER10214C051	-	22,357
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	SUSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION	5H79TI025061-02	-	313,365
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	SUSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION	5H79TI025061-03	-	54,319
<i>TOTAL CFDA #93.243</i>				-	367,684
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	390,041
U.S. DEPARTMENT OF HOMELAND SECURITY					
PASSED THROUGH STATE:					
DISASTER GRANTS - PUBLIC ASSISTANCE GRANTS	97.036	DEPARTMENT OF PUBLIC SAFETY	FEMA-4250-DR-MO	-	184,730
DISASTER GRANTS - PUBLIC ASSISTANCE GRANTS	97.036	DEPARTMENT OF PUBLIC SAFETY	FEMA-4238-DR-MO	-	193,955
<i>TOTAL CFDA #97.036</i>				-	378,685
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	DEPARTMENT OF PUBLIC SAFETY	N/A	-	8,273
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	DEPARTMENT OF PUBLIC SAFETY	2016-EP-00004-063	-	34,038
<i>TOTAL CFDA #97.042</i>				-	42,311
HOMELAND SECURITY GRANT PROGRAM	97.067	DEPARTMENT OF PUBLIC SAFETY	2016-SS-000049	-	7,928
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				-	428,924
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ -	\$ 928,778

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – BASIS OF PRESENTATION

I. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Lincoln under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Lincoln, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Lincoln.

II. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 – SUBRECIPIENTS

The County did not have any subrecipients during the year ended December 31, 2016.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
3. Noncompliance material to financial statements noted? Yes No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
2. Type of auditor's report issued on compliance for major federal programs: - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No
4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2016	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee? Yes No

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended December 31, 2016.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Lincoln County, Missouri, for the fiscal year ended December 31, 2016. Each finding is referenced with a four-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
3. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

SA 2016-001 Federal Grantor: All Grants
 Pass-Through Grantor: All Grants
 Federal CFDA Number: All
 Program Title: All
 Pass- Through Entity
 Identification Number: All
 Award Year: 2016
 Type of Finding: Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Uniform Guidance requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Auditor's office is responsible for preparation of the Schedule of Expenditures of Federal Awards (SEFA). Information to prepare this Schedule is obtained from elected officials and department heads who receive federal awards. The County is continuously updating its knowledge and procedures in implementing the SEFA Schedule. As of June 26, 2017, the County Auditor will now prepare the SEFA and have it reviewed by the County Clerk prior to submitting it to the outside auditing firm.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 2016-002

Federal Grantor:	All
Pass-Through Grantor:	All
Federal CFDA Number:	All
Program Title:	All
Pass-Through Entity Identifying Number:	N/A
Award Year:	2016
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County Auditor's Office will work more closely with the grant administrators to ensure that risk assessment over Federal awards is prepared going forward. The County Auditor is currently working on preparing the documentation.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2015-001 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 for the Prosecuting Attorney's office.

Context: During discussions with management, we noted that internal control documentation has not been prepared for the Prosecuting Attorney's Office.

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.

Status: This finding has been resolved by the County.

FS 2015-002 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 for the Prosecuting Attorney's office.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented for the Prosecuting Attorney's office.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2015-002 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.

Status: This finding has been resolved by the County.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no single audit findings for the year ended December 31, 2015.