

ST. FRANCOIS COUNTY, MISSOURI

FINANCIAL STATEMENTS

December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1 (E); this includes determining that the modified cash 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 opinions 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. 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.

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the primary government of St. Francois County, Missouri, as of December 31, 2015, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1 (E).

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

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

Basis of Accounting

We draw attention to Note 1 (E) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The budgetary comparison information on pages 41-43, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of St. Francois County Joint Communications Center, as of and for the years ended December 31, 2015, and our report thereon, dated March 16, 2016, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of St. Francois County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Francois County, Missouri's internal control over financial reporting and compliance.

Maloney, Wright & Robbins

Farmington, MO

June 28, 2016



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise St. Francois County, Missouri's basic financial statements and have issued our report thereon dated June 28, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies (2015-001 thru 2015-005).

Compliance and Other Matters

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

St. Francois County, Missouri's Response to Findings

St. Francois County, Missouri's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Maloney, Wright & Robbins

Farmington, MO
June 28, 2016

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF NET POSITION - MODIFIED ACCRUAL BASIS

FOR THE YEAR ENDED DECEMBER 31, 2015

	December 31, 2015 Total Governmental Activities	Component Unit
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 4,225,394	\$ 1,212,300
Restricted Cash	6,982,673	-
Investments	1,350,000	-
Total Current Assets	12,558,067	1,212,300
Noncurrent Assets:		
Capital Assets (net)	24,954,489	72,100
Total Noncurrent Assets	24,954,489	72,100
TOTAL ASSETS	\$ 37,512,556	\$ 1,284,400
LIABILITIES		
Current Liabilities:		
Accrued Liabilities	\$ -	\$ -
Current Portion of Long Term Debt - Notes Payable	-	-
Current Portion of Long Term Debt - Capital Leases	45,412	-
Current Portion of Long Term Debt - Certificates of Participation	300,000	-
Total Current Liabilities	345,412	-
Noncurrent Liabilities:		
Notes Payable	-	-
Capital Lease Payable	89,648	-
Certificate of Participation - Series 2005	-	-
Certificate of Participation - Series 2010	305,000	-
Certificate of Participation - Series 2014	2,160,000	-
Less Current Portion of Long Term Debt	(345,412)	-
	2,209,236	-
TOTAL LIABILITIES	\$ 2,554,648	\$ -
NET POSITION		
Net Investment in Capital Assets	\$ 22,399,841	\$ 72,100
Restricted	6,982,673	-
Unrestricted	5,575,394	1,212,300
TOTAL NET POSITION	34,957,908	1,284,400
TOTAL LIABILITIES & NET POSITION	\$ 37,512,556	\$ 1,284,400

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL BASIS

FOR THE YEAR ENDED DECEMBER 31, 2015

					Net (Expense) Revenue and Changes in Net Assets	
	Program Revenues				Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
FUNCTIONS/PROGRAMS						
PRIMARY GOVERNMENT:						
General & Administration	\$ 6,240,756	\$ 2,649,193	\$ 141,965	\$ -	\$ (3,449,598)	\$ -
Property Valuation and Recording	1,631,752	-	143,199	-	(1,488,553)	-
Health & Welfare	636,563	-	-	-	(636,563)	-
Administration of Justice and Law Enforcement	5,960,289	1,908,826	-	-	(4,051,463)	-
Roads & Bridges	3,694,264	-	681,044	700,240	(2,312,980)	-
Interest and Fiscal Charges	123,399	-	-	-	(123,399)	-
TOTAL PRIMARY GOVERNMENT	\$ 18,287,023	\$ 4,558,019	\$ 966,208	\$ 700,240	(12,062,556)	-
COMPONENT UNIT:						
General & Administration	\$ 1,452,294	\$ 674,542	\$ -	\$ -	-	(777,752)

General Revenues:

Taxes:		
Property Taxes, Levied for General Purp	550,076	-
Property Taxes, Levied for Road & Bridge	1,712,682	-
Property Taxes, Levied for Senior Service	341,262	-
Property Taxes, Levied for Develop Disab	634,416	-
Sales Tax Levied for General Purposes	3,708,004	-
Sales Tax Levied for Road & Bridge	2,005,449	-
Sales Tax Levied for Law Enforcement	3,646,100	-
Telephone Tax	-	373,716
Sales Tax Levied for 911 Services	-	1,669,699
Other Sales Tax	185,344	-
Other taxes	760,679	-
Investment Income	12,301	-
Gain/(Loss) on Sale of Fixed Assets	(10,174)	-
Miscellaneous Revenue	967,351	-
Total General Revenues	14,513,490	2,043,415
Change in Net Position	2,450,935	1,265,663
Net Position, Beginning of Year	32,506,973	18,737
Net Position, End of Year	\$ 34,957,908	\$ 1,284,400

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
COMBINED BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	Major Funds				Non-Major Funds	Total Governmental Funds	Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax	Debt Service Fund			
ASSETS							
Cash and Cash Equivalents	\$ 4,223,948	\$ -	\$ -	\$ -	\$ 1,446	\$ 4,225,394	\$ 4,225,394
Restricted Cash	190,673	2,520,423	852,539	115,806	3,303,232	6,982,673	6,982,673
Investments	1,350,000	-	-	-	-	1,350,000	1,350,000
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 5,764,621	\$ 2,520,423	\$ 852,539	\$ 115,806	\$ 3,304,678	\$ 12,558,067	\$ 12,558,067
LIABILITIES AND FUND BALANCES							
Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:							
Restricted	190,673	2,520,423	852,539	115,806	3,303,232	6,982,673	6,982,673
Committed	-	-	-	-	1,446	1,446	1,446
Assigned	2,006,295	-	-	-	-	2,006,295	2,006,295
Unassigned	3,567,653	-	-	-	-	3,567,653	3,567,653
Total Fund Balances	<u>5,764,621</u>	<u>2,520,423</u>	<u>852,539</u>	<u>115,806</u>	<u>3,304,678</u>	<u>12,558,067</u>	<u>12,558,067</u>
TOTAL LIABILITIES							
FUND BALANCES	\$ 5,764,621	\$ 2,520,423	\$ 852,539	\$ 115,806	\$ 3,304,678	\$ 12,558,067	\$ 12,558,067

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2015

Total Governmental Fund Balances	\$ 12,558,067
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,954,489
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,554,648)</u>
Net Position of Governmental Activities	\$ <u>34,957,908</u>

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

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Major Funds						Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds	
REVENUES:							
Property Tax	\$ 550,076	\$ 1,634,565	\$ -	\$ -	\$ 1,053,795	\$ 3,238,436	\$ 3,238,436
Sales Tax	3,708,004	177,985	3,646,100	-	2,012,808	9,544,897	9,544,897
Telephone Tax	-	-	-	-	369,167	369,167	369,167
Intergovernmental Revenue	1,698,452	700,240	808,375	-	1,156,644	4,363,711	4,363,711
Charges for Services	145,107	-	-	-	654,752	799,859	799,859
Grants, Distributions and Reimbursements	141,965	681,044	-	-	-	823,009	823,009
Fees, Licenses and Permits	-	-	-	-	629,399	629,399	629,399
Interest	5,825	2,997	448	-	3,031	12,301	12,301
Other	71,868	41,775	36,708	3,290	813,710	967,351	967,351
Total Revenues	<u>6,321,297</u>	<u>3,238,606</u>	<u>4,491,631</u>	<u>3,290</u>	<u>6,693,306</u>	<u>20,748,130</u>	<u>20,748,130</u>
EXPENDITURES:							
Administration	4,010,426	-	-	-	1,116,210	5,126,636	5,126,636
Property Valuation and Recording	-	-	-	-	1,609,600	1,609,600	1,609,600
Administration of Justice and Law	165,902	-	4,317,073	-	1,175,574	5,658,549	5,658,549
Road & Bridge	-	1,873,090	-	-	865,745	2,738,835	2,738,835
Miscellaneous	-	-	-	-	1,353,841	1,353,841	1,353,841
Capital Outlay	-	759,161	18,000	-	767,557	1,544,718	1,544,718
Debt Service							
Principal Payments	-	45,412	29,268	2,590,000	-	2,664,680	2,664,680
Interest Payments	-	-	812	119,787	-	120,599	120,599
Fiscal Agent Fees	-	-	-	2,800	-	2,800	2,800
Debt Issuance Cost	-	-	-	-	-	-	-
Total Expenditures	<u>4,176,328</u>	<u>2,677,662</u>	<u>4,365,153</u>	<u>2,712,587</u>	<u>6,888,526</u>	<u>20,820,257</u>	<u>20,820,257</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,144,969	560,943	126,478	(2,709,297)	(195,220)	(72,127)	(72,127)
OTHER FINANCING SOURCES (USES):							
Issuance of Long Term Debt	-	-	-	-	-	-	-
Transfers in	300,256	-	765,533	340,226	913,250	2,319,265	2,319,265
Transfers out	(1,607,876)	(75,000)	(231,117)	-	(405,272)	(2,319,265)	(2,319,265)
Total Other Financing Sources (uses)	<u>(1,307,620)</u>	<u>(75,000)</u>	<u>534,416</u>	<u>340,226</u>	<u>507,978</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	837,349	485,943	660,894	(2,369,071)	312,758	(72,127)	(72,126)
FUND BALANCE - BEGINNING OF YEAR	4,927,272	2,034,480	191,645	2,484,877	2,991,920	12,630,194	12,630,194
FUND BALANCE - END OF YEAR	\$ 5,764,621	\$ 2,520,423	\$ 852,539	\$ 115,806	\$ 3,304,678	\$ 12,558,067	\$ 12,558,067

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES

For the Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	(72,127)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized		1,544,719
Depreciation expense		(1,676,163)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) to increase (decrease) net position		(10,174)
		(141,618)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments.		2,664,680
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Debt Issued:

Certificates of Participation		-
Capital Leases		-
		-

Change in Net Position of Governmental Activities	\$	2,450,935
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The accompanying notes are an integral part of the financial statements.

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED ACCRUAL BASIS - AGENCY FUNDS**

DECEMBER 31, 2015

ASSETS	
Restricted Cash	\$ 32,240,256
Investments	-
Taxes Receivable	<u>4,043,557</u>
TOTAL ASSETS	<u><u>\$ 36,283,812</u></u>
LIABILITIES	
Accrued Liabilities	\$ -
Due to Other Funds	<u>36,283,812</u>
TOTAL LIABILITIES	<u><u>\$ 36,283,812</u></u>

See accompanying notes to financial statements

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Francois County, Missouri became a first class county on January 1, 2013. It is a political subdivision, organized and existing under the laws of the State of Missouri. The County is approximately 451 square miles in area. St. Francois County is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are twelve (12) elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Auditor, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

A. Financial Reporting Entity

The County's operations include tax assessments and collections, state/county courts administration, county recorder, public safety and 911, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official.

The financial statements referred to above include the primary government of St. Francois County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity.

Component units are organizations for which the County is financially accountable and all other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the County appoints a voting majority of the Component Unit's governing board and is either able to impose its will on that Component Unit or there is a potential for the Component Unit to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the County.

The decision to include a potential component unit in the County's reporting entity is based on the criteria set forth in governmental accounting standards. Criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability as

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Financial Reporting Entity (Continued)

the primary government, but not the only criteria for inclusion. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, St. Francois County Joint Communications Center has been determined to be a component unit of the County. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. Accounting principles generally accepted in the United States of America require the component unit information to be reported with the financial data of the County's primary government.

B. Discretely Presented Component Units

St. Francois County Joint Communications Center (The Center) provides centralized dispatch services for the County. The Center is financed through a surtax charge on telephone bills to all county residents. The County receives the surtax and remits the proceeds to the center. A separate board of governance is responsible for oversight. Complete financial statements of the Center may be obtained directly from their office at 102 Industrial Drive, Park Hills, Missouri 63601.

C. Related Organizations

The juvenile office and detention center, located in St. Francois County, is an entity separate and distinct from St. Francois County. It is an entity operating at the circuit level to provide services to four counties: St. Francois, Madison, Washington, and Ste. Genevieve. The budgeting process for the office includes all four county commissions and the circuit court judge. Based upon budget adoption, tax authority and funding, the juvenile office is not controlled by or dependent upon St. Francois County. Missouri Statutes do not provide for cash management by juvenile offices. Accordingly, St. Francois County acts in a fiduciary capacity to maintain a depository account and disburse funds for the office as directed and authorized by the circuit court judge. The County has established a separate agency fund, the juvenile fund, to account for these cash inflows and outflows. This fund is custodial in nature and does not purport to represent a measurement of the results of operations of the juvenile office. The County also acts in a fiduciary capacity with the Circuit Court.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Basis of Presentation - Fund Accounting

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 Funds

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.

Fiduciary Funds

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 based on the economic resources measurement focus and the modified accrual basis of accounting. 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 County Collector and other agency operations.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about the County as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges to customers or applicants who purchase, use or directly benefit from goods,

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Basis of Presentation - Fund Accounting (Continued)

services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General, Road and Bridge, and Law Enforcement Sales Tax are major governmental funds. All other governmental funds are reported in two columns labeled "Non-major Governmental Funds" and "Non-major Governmental Funds (Special Revenue Funds)". If applicable, the total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. 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. The various funds are summarized by type in the basic financial statements. 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 and the related liabilities 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 defines *available* for purposes of revenue recognition in the fund financial statements when received, not earned.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Basis of Presentation - Fund Accounting (Continued)

Governmental Fund Types (Continued)

The following are the County's governmental major funds:

General Fund - The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund - A Special Revenue Fund used to account for receipts of the County-wide \$.2447 property tax levy and related expenditures for road maintenance and improvement of the County's infrastructure.

Law Enforcement Sales Tax Fund - A Special Revenue Fund used to record the County-wide revenue of two, one-fourth (1/4) percent sales tax receipts and related expenditures to support law enforcement.

Debt Service Fund - Financial resources restricted for payment of Certificates of Participation. Financial resources are accumulated for principal and interest payments.

Other governmental funds of the county are considered non-major funds, including various special revenue funds which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

E. Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are reported on the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The fund financial statements are reported using the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. The County defines available for purposes of revenue recognition in the governmental fund financial statements as when revenue is received, not earned. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Measurable means the amount is known. Available means they have been collected. This availability period

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. **Measurement Focus and Basis of Accounting (Continued)**

determines financial resources that are “current.”

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

F. **Cash and Investments**

For the purpose of financial reporting, deposits and investments are stated at cost, which approximates market. Cash balances for all of the County Treasurer funds are pooled and invested to the extent possible to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. 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.

G. **Restricted Cash and Investments**

The Certificates of Participation used to finance the construction of the annex to the courthouse, and the Certificates of Participation issued to fund energy efficiency retrofit to the Jail, Annex, Courthouse, and Bridge replacements require the County to establish and maintain prescribed amounts of reserves that can be used only to service the Certificates.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial useful life of at least one year and a historical cost meeting the dollar threshold below. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets and capitalization dollar threshold are as follows:

Asset	Years	Threshold
Land	N/A	\$25,000
Land Improvements - Structure	20	12,500
Land Improvements - Ground	30	12,500
Land Improvements - Building Site	N/A	12,500
Easements	N/A	5,000
Buildings	40	50,000
HVAC	20	5,000
Roofing	20	5,000
Carpet Replacement	7	5,000
Electrical/Plumbing	30	5,000
Building Improvements	15	25,000
Office Furniture	7	2,500
Office Equipment	5	2,500
Equipment-Radio/Highway	10	5,000/15,000
Radio Towers	20	15,000
Grounds Equipment	15	10,000
Vehicles	5	5,000
Bridge Replacement	70	250,000
Bridge Slab	30	250,000
Bridge Prestress	40	250,000
Highways/Roads		
Concrete	40	250,000
Blacktop	40	500,000
Gravel	40	5,000
Tunnels/Drainage Systems	50	500,000
CIP	N/A	N/A

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of the net position.

- 2) Restricted Net Position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- 3) Unrestricted Net Position - All other net position asset that do not meet the definition of Restricted or Net investment in capital assets.” It is the County’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Governmental Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Post-Employment Benefits

The County does not provide post-employment benefits, except those 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.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and mailed to residents in November, and are payable on or before December 31 of that year. All unpaid taxes then become delinquent as of January 1st of the following year. Property tax revenues are recognized when earned.

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

Real Estate	\$484,582,470
Personal Property	<u>145,037,220</u>
	<u>\$629,619,690</u>

L. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

M. Revenues

The County includes in its program revenues the following income: Fines and Circuit Court Fees; Licenses, Permits, and Fees; County Vehicle Sticker Income; Gasoline Tax and Motor Vehicle Fees.

N. Accounts Receivable

The County records accounts receivable for property taxes due from the County Collector at December 31, 2015, which operates as an agency fund.

O. Budgets and Budgetary Accounting

In accordance with Missouri Statutes, the County adopts a formal budget at the beginning of the fiscal year. Budgets are prepared and adopted on the modified cash basis of accounting that is consistent with the basis of accounting used in the presentation of the fund financial statements. The level of budgetary responsibility for an individual fund is by total appropriations. 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. A budgetary amendment was approved by the County Commission in December 2015 in accordance with state statutes. The Law Enforcement Sales Tax Fund had expenditures in excess of appropriations.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Fund Equity – Governmental Funds

The following classifications of fund balance describe the relative strength of the spending constraints and provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

- Nonspendable fund balance – Amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commission or County Executive.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commission and Elected Officials are the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by a court order or passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

As discussed in Note 1, restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. **Fund Equity – Governmental Funds (Continued)**

The County has adopted, per State Statute, an Emergency Fund to accumulate an amount equal to not less than three percent of the total estimated general fund revenues appropriated each year as an emergency fund.

Q. **Internal and Interfund Balances and Activities**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due From Other Funds” or “Due To Other Funds” on the Balance Sheet of the Governmental Funds. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. In the process of aggregating the financial information for the government-wide Statement Net Assets and Statement of Activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

NOTE 2 **DEPOSITS AND INVESTMENTS**

Cash and Time Deposits include all funds held in checking accounts, money market accounts, cash on hand and certificates of deposit with original maturities of less than three months. Deposits and investments are stated at cost, which approximates market. Restricted cash includes amounts held in trust as required by certain bond covenants.

Missouri Statutes require that all funds of the County on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. The County’s bank deposits were secured by letters of credit by FHLB in the amount of \$20,000,000 and securities pledged by First State Community Bank of \$15,105,553. At December 31, 2015 the deposits and investments of the County were fully insured or collateralized by securities held in the County’s name. Deposits and investments were categorized as follows at December 31, 2015:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

Type	Cost
Deposits-Governmental Funds:	
Checking and Savings	\$12,557,817
Cash on Hand	250
Escrowed Funds	-
	\$12,558,067
Deposits-Fiduciary Funds:	
Checking and Savings	\$32,239,556
Cash on Hand	700
	32,240,256
	\$44,798,322

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2015, the County was exposed to custodial credit risk. The County's investments earn interest based on variable interest rates.

NOTE 3 **INVESTMENTS**

Investments were categorized as follows at December 31, 2015:

<u>Investment</u>	<u>CD#</u>	<u>Maturity Date</u>	<u>Total</u>
Certificate of Deposit	105317	09/11/18	\$ 200,000
Certificate of Deposit	105318	09/11/18	200,000
Certificate of Deposit	105319	05/11/17	100,000
Certificate of Deposit	105320	05/11/17	250,000
Certificate of Deposit	105321	05/11/17	250,000
Certificate of Deposit	105322	12/11/16	250,000
Certificate of Deposit	105323	06/11/16	100,000
Total			\$ 1,350,000

NOTE 4 **RESTRICTED NET POSITION**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulation of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The following net position was reported as restricted:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 4 **RESTRICTED NET POSITION (Continued)**

Governmental Major Funds:

General Revenue	\$	190,673
Road and Bridge		2,520,423
Law Enforcement Sales Tax		852,539
		\$ 3,563,635

Governmental Non-Major Funds:

Assessment Fund	\$	692,733
Insurance Maintenance Fund		12,214
Senior Citizens Service Fund		104,873
Road Improvement Tax Fund		743,066
Sheriff's Revolving Fund		238,241
County Law Enforcement Fund		75,068
Law Enforcement Training Fund		5,147
Recorder's User Fee Fund		67,968
Surplus Tax Sale Fund		90,874
Tax Maintenance Fund		219,695
Fines Fund		106,774
Prosecutor Training Fund		13,485
Prosecutor Delinquent Tax Fund		190
Victims Violence Fund		7,835
Juvenile DFS Crisis Intervention		1,436
Inmate Security Fund		34,792
Sheriff's Civil Fees Fund		58,698
Tax Increment Financing Fund		574,253
Election Services Fund		40,688
Sheriff's DARE Fund		4,982
Sheriff Fund		21,141
Recorder Fund		40,694
County Clerk		50
PA Admin Handling Cost Fund		77,954
Debt Service Fund		115,806
Sheriff Inmate Commissary Fund		69,543
Juvenile Electronics		838
		\$ 6,982,673

Agency Funds:

Collector of Revenue Fund	\$	31,786,176
Circuit Clerk Banner Fund		236,649
Juvenile Fund		217,431
		\$ 32,240,256

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 5 GENERAL FIXED ASSETS

Changes in fixed assets are as follows for the year ended December 31, 2015:

Governmental Activities	
Beginning Balance	\$ 70,108,983
Additions	1,549,712
Retirements	<u>(665,445)</u>
Ending Balance	70,993,250
Accumulated Depreciation	<u>(45,792,760)</u>
Net Book Value	<u>\$ 25,200,490</u>

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 1,220,219	\$ -	\$ -	\$ 1,220,219
Building & Building Improvements	9,941,046	-	4,001	9,937,045
Land & Leasehold Improvements	236,083	-	-	236,083
Furniture & Fixtures	486,067	-	-	486,067
Office Equipment	1,258,399	109,615	16,798	1,351,216
Other Equipment	5,569,206	98,583	466,238	5,201,551
Motor Vehicles	3,231,354	-	178,408	3,052,946
Infrastructure	48,035,198	664,910	-	48,700,108
Construction in Progress	<u>131,411</u>	<u>676,604</u>	<u>-</u>	<u>808,015</u>
Total at Cost	70,108,983	1,549,712	665,445	70,993,250
Less: Accumulated Depreciation				
Land	-	-	-	-
Building & Building Improvements	6,294,902	227,998	4,001	6,518,899
Land & Leasehold Improvements	117,170	9,180	-	126,350
Furniture & Fixtures	485,174	-	-	485,174
Office Equipment	1,061,210	65,849	16,798	1,110,261
Other Equipment	4,510,540	233,478	466,238	4,277,780
Motor Vehicles	2,401,210	165,771	168,234	2,398,747
Infrastructure	29,872,360	1,003,191	-	30,875,551
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Depreciation	<u>44,742,566</u>	<u>1,705,467</u>	<u>655,271</u>	<u>45,792,762</u>
Capital Assets, Net	<u>\$ 25,366,417</u>	<u>\$ 155,755</u>	<u>\$ 10,174</u>	<u>\$ 25,200,488</u>

Included in the table above are the capital assets for the Juvenile Fund, which is an agency fund. These assets have a net book value of \$270,309 and are not included in the government-wide financial statements.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 5 **GENERAL FIXED ASSETS (Continued)**

Depreciation expense is charged to functions as follows in the Statement of Activities:

Governmental Activities	
General and Administration	\$ 820,699
Property Valuation and Recording	922
Administration of Justice and Law Enforcement	282,430
Health and Welfare	-
Roads and Bridges	601,416
Parks and Recreation	-
Community and Economic Development	-
Debt Service	-
Depreciation Expense	<u>\$ 1,705,467</u>

Capitalized assets not being depreciated are Land and Construction in Progress of \$2,028,234.

NOTE 6 **RISK MANAGEMENT**

The County is exposed to a variety of risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to Missouri Statute Chapter 537.70. 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 Workmen's Compensation and Insurance Fund. The County purchases Workmen's Compensation Insurance through this fund, a nonprofit corporation established for the purpose of providing insurance coverage for Missouri counties. The fund is self-insured up to \$250,000 per occurrence and is re-insured up to the statutory limit through excess insurance.

The County has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool or the self-insurance fund. These policies include reasonable deductible amounts. The portion of uninsured loss is not expected to be significant with respect to the financial position of the County.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 7

PENSION

Plan Description

The St. Francois County, Missouri's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The St. Francois County, Missouri 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 RSMo. 70.600-70.755. 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. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. 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 information provided below. 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.

	<u>2015 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	4%

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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	35
Active Employees	<u>171</u>
	<u>297</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 7 **PENSION (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% of their gross pay to the pension plan. Employer contribution rates are 9.2% (General), and 7.7% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

Actuarial assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including inflation
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 7 **PENSION (Continued)**

Actuarial assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

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.

Changes in the Net Pension Liability

<u>General</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at 6/30/2014	\$18,162,744	\$20,240,172	\$(2,077,428)
Changes for the year:			
Service Cost	481,490	-	481,490
Interest	1,298,946	-	1,298,946
Difference between expected and actual experience	188,209	-	188,209
Contributions – employer	-	409,557	(409,557)
Contributions – employee	-	167,458	(167,458)
Net Investment income	-	399,835	(399,835)
Benefit payments, including refunds	(982,743)	(982,743)	-
Administrative expense	-	(18,268)	18,268
Other changes	-	(133,431)	133,431
Net Changes	985,902	(157,592)	1,143,494
Balances at 6/30/2015	\$19,148,646	\$20,082,580	\$ (933,934)

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 7 PENSION (Continued)

Changes in the Net Pension Liability	Increase (Decrease)		
<u>Police</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2014	\$7,584,409	\$ 8,762,664	\$(1,178,255)
Changes for the year:			
Service Cost	259,637	-	259,637
Interest	551,841	-	551,841
Difference between expected and actual experience	(184,106)	-	(184,106)
Contributions – employer	-	187,513	(187,513)
Contributions – employee	-	82,225	(82,225)
Net Investment income	-	171,327	(171,327)
Benefit payments, including refunds	(204,274)	(204,274)	-
Administrative expense	-	(7,829)	7,829
Other changes	-	124,227	(124,227)
Net Changes	423,098	353,189	69,909
Balances at 6/30/2015	\$8,007,507	\$ 9,115,853	\$ (1,108,346)

Sensitivity of the net pension 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 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$ 1,718,356	\$ (933,934)	\$ (3,148,334)

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

For the year ended June 30, 2015 the employer recognized pension expense of \$592,650. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 7 PENSION (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>General</u>		<u>Police</u>	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences in experience	\$ 157,270	\$ -	\$ -	\$ -
Differences in assumptions	-	-	-	-
Excess (deficit) investment returns	838,179	-	376,354	-
Employer contributions subsequent to the measurement date*	-	-	-	-
Total	<u>\$ 995,449</u>	<u>\$ -</u>	<u>\$ 376,354</u>	<u>\$ -</u>

*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 12/31/16.

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

Year ended:	<u>General</u>	<u>Police</u>
2016	\$240,484	\$ 63,963
2017	240,484	63,963
2018	240,484	63,963
2019	240,483	63,961
2020	30,939	(30,126)
Thereafter	2,575	(3,350)
Total	<u>\$995,449</u>	<u>\$222,374</u>

Payable to the Pension Plan

At December 31, 2015 the County's liability was \$66,108 for outstanding contributions to the pension plan required for the year ended December 31, 2015.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 8 **CAPITAL LEASE OBLIGATIONS**

Note Payable (Capital Lease) – John Deere Financial

Note Payable dated July 1, 2014 in the amount of \$180,473 for the purchase of two (2) utility tractors and two (2) side shift mowers. Payable in annual installments of \$45,412 including principal and interest for 36 months. At the end of the term, the equipment becomes property of the County. The note is secured by the equipment.

Balance at December 31, 2015 \$ 89,648

The following is a schedule, by year, of future minimum lease payments under capital leases, together with the present value of net minimum lease payments at December 31, 2015:

<u>Year Ended Dec 31,</u>	<u>Future Minimum Lease Payment</u>
2016	\$ 45,412
2017	44,236
2018	-
2019	-
2020	-
2021-2025	-
Present value of future minimum payments	<u>\$ 89,648</u>

The total interest expense for December 31, 2015 was \$812. Amortization expense has been included in depreciation expense.

NOTE 9 **CONDUIT DEBT**

Certificates of Participation - 2005

On February 1, 2005, the County issued \$4,000,000 in Series 2005 Certificates of Participation with interest rates ranging from 2.2% to 5%. The certificates were issued to provide funds for the construction of an annex to the St. Francois County Courthouse. The building houses the administrative offices of the County. The certificates mature on February 1, 2017 with term certificates due on February 1, 2020 and February 1, 2025. Interest is payable semi-annually on each August 1 and February 1st. The following reserve accounts were established as required by the certificate issuance:

Rental Payment - Accrued interest on certificates and any remaining funds from the construction fund are deposited in this account. Funds will be disbursed solely for the payment of principal and interest of outstanding certificates. This account is restricted for debt payments.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 9 **CONDUIT DEBT (Continued)**

Certificates of Participation – 2005 (Continued)

Debt Service Reserve - Established pursuant to the Indenture and was required to be initially funded from other available moneys provided by the County in an amount equal to \$305,000. Funds held in this account are restricted for the payment of the principal portion and interest portion of the rental payments represented by the Certificates if sufficient moneys are not available in the rental payment fund.

During fiscal year 2014, the County issued \$2,160,000 of Refunding Certificates of Participation. These proceeds, along with the above mentioned debt service reserve, were used to retire the Series 2005 Certificates of Participation. There was no outstanding balance for the Series 2005 Certificates of Participation at December 31, 2015.

Certificates of Participation - 2010

On June 29, 2010, the County issued \$410,000 Series 2010 Recovery Zone Economic Development Lease Certificates of Participation with interest rates ranging from 4.0% to 5.5%. The County is entitled to receive a tax credit payable by the Secretary of the Treasury equal to forty-five percent (45%) of the interest payable on the Certificates. The certificates were issued to fund capital projects for repairs to the Jail, Annex, Courthouse, and for bridge replacements. The payments include an interest component, payable semiannually on October 1, and April 1 and a principal component with payments beginning on April 1, 2013. Payments are calculated based on the following:

\$105,000 Aggregate Principal Amount 4.00% Term Certificates due April 1, 2015
\$120,000 Aggregate Principal Amount 5.00% Term Certificates due April 1, 2018
\$185,000 Aggregate Principal Amount 5.50% Term Certificates due April 1, 2022

Certificates maturing on April 1, 2015 shall be subject to a sinking fund payment of \$35,000 and for each of the two subsequent years. Certificates maturing on April 1, 2018 require a \$40,000 payment on April 1, 2016 and the next two subsequent years. Certificates scheduled to mature on April 1, 2022 are subject to a payment schedule of \$45,000 from April 1, 2019 through April 1, 2022, which is the final maturity date.

The account established pursuant to the 2010 issuance were as follows:

Certificate Fund Account - Account established to accumulate deposits of accrued interest and any premium received from the Original Purchasers upon initial sale and delivery of the Certificates; all Base Rentals payable by the County to the Trustee specified in the Lease; and interest and other income derived from investments of money in the Certificate Fund.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 9 CONDUIT DEBT (Continued)

Certificates of Participation – 2014

On January 7, 2014, the County issued \$2,160,000 in Refunding Certificates of Participation. The proceeds are being used to refund \$2,060,000 of the outstanding principal amount of the County's 2005 certificates of participation. The certificates of participation were used to construct, furnish and equip a new courthouse annex and to acquire land.

Long-term liability activity for the year ended December 31, 2015 is as follows:

	Balance 12/31/2014	Issued	Retired	Balance 12/31/15	Due Within One Year
Certificates of Participation - 2005	\$ 2,555,000	\$ -	\$ (2,555,000)	\$ -	\$ -
Certificates of Participation - 2010	340,000	-	(35,000)	305,000	40,000
Certificates of Participation- 2014	2,160,000	-	-	2,160,000	260,000
Capital Lease – John Deere Financial (Equipment)	135,060	-	(45,412)	89,648	45,412
Capital Lease - Ford Motor Credit (6 vehicles)	29,268	-	(29,268)	-	-
Total	<u>\$ 5,219,328</u>	<u>\$ -</u>	<u>\$ (2,664,680)</u>	<u>\$2,554,648</u>	<u>\$ 345,412</u>

The combined annual requirements to retire the above governmental long-term debt as of December 31, 2015 are as follows:

Fiscal Year Endings Dec 31,	Principal	Interest	Total
2016	\$ 300,000	\$ 56,310	\$ 356,310
2017	300,000	51,385	351,385
2018	305,000	45,773	350,773
2019	315,000	39,050	354,050
2020	320,000	31,121	351,121
2021-2025	925,000	39,284	964,284
Total	<u>\$ 2,465,000</u>	<u>\$ 262,923</u>	<u>\$ 2,727,923</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 9 **CONDUIT DEBT (Continued)**

The total interest expense for the 2005 Certificates of Participation, the 2010 Certificates of Participation and the 2014 Certificates of Participation were \$57,500, \$16,875 and \$42,435 respectively.

NOTE 10 **COMPENSATED ABSENCES**

St. Francois County has adopted the compensated leave policies of the Teamsters Local Union No. 600, an agreement between the County Commission of St. Francois County for its Road and Bridge employees. This contract is valid for periods January 1, 2015 through December 31, 2017. All elected official offices, departments, and the Commission of the County follow this contract.

Sick Leave

Employees earn sick leave at the rate of eighteen (18) days per year, cumulative to one hundred (100) days. Upon retirement, an employee with ten (10) or more years of seniority shall be entitled to a payout of 90% of his accumulated unused sick days. Upon separation of employment (voluntary quit) an employee with ten (10) or more years of seniority shall be entitled a payout of 55% of his accumulated unused sick days. If an employee with ten (10) or more years of service dies prior to retiring, the County shall issue pay equal to 85% of his accumulated unused sick days to his beneficiary.

Vacation

Employees shall earn annual vacation time and pay at their regular rate of pay from the date of employment, as follows:

- Employees shall not receive vacation pay until they have been employed for one (1) year
- After the completion of one (1) year of service, employees shall earn vacation pay from date of employment at the rate of eighty (80) hours per year (Employees after one year of service are entitled to 80 hours vacation).
- After the completion of five (5) years of service, employees shall earn vacation pay from their fourth (4th) anniversary date of employment at the rate of one hundred twenty (120) hours per year (Employees after five years of service are entitled to 120 hours of vacation).
- After the completion of ten (10) years of service, employees shall earn vacation from their ninth (9th) anniversary date of employment at the rate of one hundred sixty (160) hours per year (Employees after twelve years of service are entitled to 160 hours of vacation).

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 10 **COMPENSATED ABSENCES (Continued)**

Vacation (Continued)

- After the completion of fifteen (15) years of service, employees shall earn vacation pay from their fourteenth (14th) anniversary date of employment at the rate of two hundred (200) hours per year (Employees after sixteen years of service are entitled to 200 hours of vacation).

- After the completion of twenty-five (25) years of service, employees shall earn vacation pay from the twenty-fourth (24th) anniversary date of employment of an additional one (1) day, plus one (1) day more for each subsequent year of service, to a maximum of five (5) additional days.

In the event any employee terminates after one (1) year of service, he shall be paid his earned vacation pay. Such vacation pay shall be pro-rated to date of termination. At December 31, 2015, the accrued leave liability totaled \$1,280,089. The liability consisted of \$698,682 for the Sheriff's Department and \$581,407 for all other offices and departments. This includes vacation leave, sick leave, holiday, and compensatory time. These amounts are not recorded in the financial statements.

NOTE 11 **INTER FUND BALANCES AND TRANSFERS**

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 11 **INTER FUND BALANCES AND TRANSFERS (Continued)**

Transfers between funds for the year ended December 31, 2015 are as follows:

	Transfers In	Transfers Out
<u>Major Funds</u>		
General Fund	\$ 300,256	\$ 1,607,876
Road & Bridge Fund	-	75,000
Law Enforcement Sales Tax Fund	765,533	231,117
 <u>Non-Major Funds (Special Revenue):</u>		
Assessment	262,059	-
Circuit Court Overage Fund	-	1,506
Road Improvement Tax Fund	-	102,480
Local Use Tax Fund	-	147,332
Collector Tax Maintenance Fund	-	61,602
Debt Service Fund	340,226	-
Election Cost Special Fund	29,489	14,816
Prosecutor Bad Check Fund	-	77,536
Tax Increment Financing Fund	544,166	-
P.A. Admin Handling Fund	77,536	-
	\$2,319,265	\$2,319,265

The majority of the transfers, \$1,607,876, were budgeted monies designated from the General Fund to other funds. In addition, \$340,226 was transferred from General Fund to Debt Service fund to record the payments made from General Fund for the Debt liability, \$75,000 was transferred from Road & Bridge Fund to General Fund as an administration fee.

NOTE 12 **FUND BALANCE**

The constraints on fund balance are listed in the aggregate in the Combined Balance Sheet, the Combining Balance Sheet (Non-major Governmental Funds), and the Combining Balance Sheet (Special Revenue Funds). The following table provides the detail on the fund balance constraints according to balance classification and fund:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 12 FUND BALANCE (Continued)

Fund Balances:	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Governmental Funds	Non-Major Special Revenue Funds	Total
Restricted For:						
Tax Increment Financing	\$ -	\$ -	\$ -	\$ -	\$ 574,253	\$ 574,253
SBRF	2,488	-	-	-	-	2,488
Roads & Bridges	-	2,520,423	-	-	743,066	3,263,489
Debt Service - COPS (2005 & 2010, 2014)	-	-	-	115,806	-	115,806
Assessment	-	-	-	-	692,733	692,733
Emergency	188,185	-	-	-	-	188,185
Senior Citizens	-	-	-	-	104,873	104,873
Sheriff Revolving	-	-	-	-	238,241	238,241
Co Law Enf. Restitution	-	-	-	-	75,068	75,068
Law Enforcement Sales Tax	-	-	852,539	-	-	852,539
Law Enforcement Training	-	-	-	-	5,147	5,147
Inmate Security	-	-	-	-	34,792	34,792
Sheriff Civil Fees	-	-	-	-	58,698	58,698
Recorder User Fee Fund	-	-	-	-	67,968	67,968
Surplus	-	-	-	-	90,874	90,874
Collector Tax Maintenance	-	-	-	-	219,695	219,695
Juvenile Electronics	-	-	-	-	838	838
Juvenile DFS Crisis Int.	-	-	-	-	1,436	1,436
Fines	-	-	-	-	106,774	106,774
Election Services	-	-	-	-	40,688	40,688
Prosecuting Attorney Delinquent Tax Fund	-	-	-	-	190	190
Prosecuting Attorney Training	-	-	-	-	13,485	13,485
Prosecuting Attorney Handling	-	-	-	-	77,954	77,954
Victims of Violence	-	-	-	-	7,835	7,835
Insurance Maintenance	-	-	-	-	12,214	12,214
Recorder	-	-	-	-	40,694	40,694
Sheriff (Commissary)	-	-	-	-	69,543	69,543
Sheriff	-	-	-	-	21,141	21,141
Sheriff (D.A.R.E.)	-	-	-	-	4,982	4,982
County Clerk	-	-	-	-	50	50
Total Restricted	<u>190,673</u>	<u>2,520,423</u>	<u>852,539</u>	<u>115,806</u>	<u>3,303,232</u>	<u>6,982,673</u>
Committed For:						
Fees Due Others (Unclaimed Property)	-	-	-	-	1,446	1,446
Nine-One-One Fund	-	-	-	-	-	-
LUT/Gen/Bldg	-	-	-	-	-	-
Bullet Proof Vest Fund	-	-	-	-	-	-
Payroll	-	-	-	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,446</u>	<u>1,446</u>
Assigned For:						
Circuit Court	198,137	-	-	-	-	198,137
Stabilization	1,808,157	-	-	-	-	1,808,157
Total Assigned	<u>2,006,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,006,295</u>
Unassigned for:						
General	<u>3,567,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,567,652</u>
Grand Total	<u>\$ 5,764,621</u>	<u>\$ 2,520,423</u>	<u>\$ 852,539</u>	<u>\$ 115,806</u>	<u>\$ 3,304,678</u>	<u>\$ 12,558,067</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

NOTE 12 **FUND BALANCE (Continued)**

The Unassigned fund balance in the General Fund represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The County has not adopted a formal minimum fund balance policy. A stabilization amount has been established in the General Fund which is designated as Unassigned Fund Balance. The stabilization balance at December 31, 2015 was \$1,808,158. The Commission established the requirements for the stabilization amount, which is the accumulation of 25% of the County's annual operating expenses. This amount is not designated for any specific purpose, and is not restricted. The funds may be used for any purpose within the County.

NOTE 13 **PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were made to the following non-major funds: Assessment for \$7,288, County Law Enforcement Restitution Fund for \$30,080, Sheriff Civil Fees Fund for \$30,080, County Clerk for \$(337), and DFS Crisis Intervention for \$1,372. Adjustments to the following major funds were made: Road and Bridge for \$13,863, Law Enforcement Sales Tax Fund for \$(33,467), and the General Fund for \$28,321. All adjustments were for liabilities reported within the financial statements, but adjusted to the modified cash basis. Each of these adjustments were not material to the financial statements by fund, or in the aggregate.

NOTE 14 **SUBSEQUENT EVENTS**

The County approved the prepayment of Recovery Zone Economic Development Lease Certificates of Participation Series 2010. A bid was approved for the construction of the Davis Crossing Road Bridge for \$446,032. The County purchased five (5) acres of land for \$450,000 to be used for the new county barn. A grant for \$812,286 was received for the clean-up at the Bone Hole property.

SUPPLEMENTARY INFORMATION

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Taxes	\$ 525,000	525,000	\$ 550,076	\$ 25,076
Sales Tax	3,250,000	3,250,000	3,708,004	458,004
Telephone Tax	-	-	-	-
Intergovernmental Revenues	1,919,000	1,919,000	1,698,452	(220,548)
Charges for Services	129,000	129,000	145,107	16,107
Grants, Distributions and Reimbursements	184,694	184,694	141,965	(42,729)
Fees, Licenses and Permits	-	-	-	-
Interest	7,000	7,000	5,825	(1,175)
Other	56,500	56,500	71,868	15,368
Total Revenues	<u>6,071,194</u>	<u>6,071,194</u>	<u>6,321,297</u>	<u>250,103</u>
EXPENDITURES:				
Current:				
Financial Administration:	6,345,353	6,345,353	4,010,426	2,334,927
Property Valuation and Recording:	170,053	170,053	165,902	4,151
Administration of Justice and Law	-	-	-	-
Road & Bridge	-	-	-	-
Capital Outlay:	-	-	-	-
Property, Equipment and Buildings	-	-	-	-
Debt Service:	-	-	-	-
Total Expenditures	<u>6,515,406</u>	<u>6,515,406</u>	<u>4,176,328</u>	<u>2,339,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(444,212)</u>	<u>(444,212)</u>	<u>2,144,969</u>	<u>2,589,181</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	300,256	300,256
Transfers out	-	-	(1,607,876)	(1,607,876)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,307,620)</u>	<u>(1,307,620)</u>
NET CHANGE IN FUND BALANCE	<u>(444,212)</u>	<u>(444,212)</u>	<u>837,349</u>	<u>1,281,561</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,645,931</u>	<u>3,725,634</u>	<u>4,927,272</u>	<u>1,201,638</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,201,719</u>	<u>\$ 3,281,422</u>	<u>\$ 5,764,621</u>	<u>\$ 2,483,199</u>

See accompanying independent auditor's report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
ROAD AND BRIDGE FUND (SPECIAL REVENUE FUNDS)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
REVENUES:				
Property tax	\$ 1,700,000	\$ 1,700,000	\$ 1,634,565	\$ (65,435)
Sales tax	125,000	125,000	177,985	52,985
Telephone Tax		-	-	-
Intergovernmental	625,000	625,000	700,240	75,240
Charges for Services		-	-	-
Grants, distributions and reimbursements	101,500	101,500	681,044	579,544
Fees, licenses and permits		-	-	-
Interest	2,500	2,500	2,997	497
Other	19,500	19,500	41,775	22,275
Total Revenues	<u>2,573,500</u>	<u>2,573,500</u>	<u>3,238,606</u>	<u>665,106</u>
EXPENDITURES:				
Current:				
Maintenance of Roads:				
Salaries	1,500,000	1,500,000	1,209,604	290,396
Employee Benefits	440,000	440,000	374,415	65,585
Office	25,000	25,000	20,743	4,257
Equipment Maintenance	-	-	-	-
Mileage / Training	-	-	-	-
Payments / Disbursements	-	-	-	-
Insurance	150,000	150,000	104,684	45,316
Operation / Maintenance	330,000	330,000	153,259	176,741
Bridge Replacement / Repair	-	-	-	-
Other Expenditures	167,500	167,500	10,385	157,115
Emergency Management	-	-	-	-
Debt Service:				
Principal Payments	-	-	45,412	(45,412)
Interest Payments	-	-	-	-
Fiscal Agent Fees	-	-	-	-
Debt Issuance Cost	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	175,000	175,000	759,161	(584,161)
Total Expenditures	<u>2,787,500</u>	<u>2,787,500</u>	<u>2,677,662</u>	<u>109,838</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(214,000)	(214,000)	560,943	774,943
OTHER FINANCING SOURCES(USES):				
Issuance of Long Term Debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(75,000)	(75,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
NET CHANGE IN FUND BALANCE	(214,000)	(214,000)	485,943	699,943
FUND BALANCE - BEGINNING OF YEAR	<u>1,392,614</u>	<u>1,392,614</u>	<u>2,034,480</u>	<u>641,866</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,178,614</u>	<u>\$ 1,178,614</u>	<u>\$ 2,520,423</u>	<u>\$ 1,341,809</u>

See accompanying independent auditor's report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
LAW ENFORCEMENT SALES TAX FUND (SPECIAL REVENUE FUND)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
				Final Budget
REVENUES:				
Property Tax	\$ -	\$ -	\$ -	\$ -
Sales Tax	3,200,000	3,200,000	3,646,100	446,100
Telephone Tax	-	-	-	-
Intergovernmental	1,573,500	1,573,500	808,375	(765,125)
Charges for Services	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-
Fees, Licenses and Permits	-	-	-	-
Interest	250	250	448	198
Other	25,000	25,000	36,708	11,708
Total Revenues	<u>4,798,750</u>	<u>4,798,750</u>	<u>4,491,631</u>	<u>(307,119)</u>
EXPENDITURES:				
Current:				
Salaries	2,644,313	2,644,313	2,624,880	19,433
Employee Benefits	911,000	911,000	817,397	93,603
Office	5,400	5,400	5,296	104
Equipment Maintenance	203,000	203,000	149,692	53,308
Mileage / Training	25,000	25,000	18,868	6,132
Payments / Disbursements	-	-	-	-
Insurance	-	-	-	-
Operation / Maintenance	250,000	250,000	240,056	9,944
Other Expenditures	531,000	531,000	460,884	70,116
Emergency Management	-	-	-	-
Debt Service:				
Principal Payments	62,000	62,000	29,268	32,732
Interest Payments	-	-	812	(812)
Fiscal Agent Fees	-	-	-	-
Debt Issuance Cost	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	-	-	18,000	(18,000)
Total Expenditures	<u>4,631,713</u>	<u>4,631,713</u>	<u>4,365,153</u>	<u>266,560</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	167,037	167,037	126,478	(40,559)
OTHER FINANCING SOURCES(USES):				
Transfers in	-	-	765,533	765,533
Transfers out	-	-	(231,117)	(231,117)
Debt Service				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>534,416</u>	<u>534,416</u>
NET CHANGE IN FUND BALANCE				
	167,037	167,037	660,894	493,857
FUND BALANCE - BEGINNING OF YEAR				
	<u>279,391</u>	<u>279,391</u>	<u>191,645</u>	<u>(87,746)</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 446,428</u>	<u>\$ 446,428</u>	<u>\$ 852,539</u>	<u>\$ 406,111</u>

See accompanying independent auditor's report

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2015

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Fire Districts	Road Improvement Tax Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	1,446	-	-	-	-	-	1,446
Restricted Cash	12,214	692,733	-	-	-	-	-	104,873	-	743,066	1,552,886
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	12,214	692,733	-	-	1,446	-	-	104,873	-	743,066	1,554,332
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	12,214	692,733	-	-	-	-	-	104,873	-	743,066	1,552,886
Committed	-	-	-	-	1,446	-	-	-	-	-	1,446
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	12,214	692,733	-	-	1,446	-	-	104,873	-	743,066	1,554,332
TOTAL LIABILITIES AND FUND BALANCES	12,214	692,733	-	-	1,446	-	-	104,873	-	743,066	1,554,332

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2015

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	911 Fund	Road & Bridge #2 Fund	Fees Due Other Funds	Circuit Court Overage Fund	County Health Fund	Senior Citizens Service Fund	Fire Districts	Road Improvement Tax Fund	Total
REVENUES:											
Property Taxes	-	-	-	78,117	-	-	-	341,262	-	-	419,379
Sales Tax	-	-	-	-	-	-	-	-	-	1,827,464	1,827,464
Telephone Tax	-	-	369,167	-	-	-	-	-	-	-	369,167
Intergovernmental Revenue	-	143,199	-	-	-	-	-	-	-	-	143,199
Charges for Services	-	391,512	-	-	-	-	-	-	-	-	391,512
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-
Interest	11	881	15	-	-	2	-	175	-	753	1,837
Other	8,430	44,129	-	4	1,284	245	1,056	3,579	3	124,645	183,375
Total Revenues	8,441	579,721	369,182	78,121	1,284	247	1,056	345,016	3	1,952,862	3,335,933
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	348,801	-	-	348,801
Property Assessments	-	871,952	-	-	-	-	-	-	-	-	871,952
Public Safety and Judicial	-	-	372,426	-	-	-	-	-	-	-	372,426
Road & Bridge	-	-	-	78,121	-	-	-	-	-	787,624	865,745
Miscellaneous	8,838	-	-	-	589	-	1,056	-	3	19,479	29,965
Capital Outlay	-	4,063	-	-	-	-	-	-	-	763,494	767,557
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	8,838	876,015	372,426	78,121	589	-	1,056	348,801	3	1,570,597	3,256,446
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(397)	(296,294)	(3,244)	-	695	247	-	(3,785)	-	382,265	79,487
OTHER FINANCING SOURCES (USES):											
Transfers in	-	262,059	-	-	-	-	-	-	-	-	262,059
Transfers out	-	-	-	-	-	(1,506)	-	-	-	(102,480)	(103,986)
Total Other Financing Sources (Uses)	-	262,059	-	-	-	(1,506)	-	-	-	(102,480)	158,073
NET CHANGE IN FUND BALANCES	(397)	(34,235)	(3,244)	-	695	(1,259)	-	(3,785)	-	279,785	237,560
FUND BALANCES - BEGINNING OF YEAR	12,611	726,968	3,244	-	751	1,259	-	108,658	-	463,281	1,316,772
FUND BALANCES - END OF YEAR	12,214	692,733	-	-	1,446	-	-	104,873	-	743,066	1,554,332

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2015

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993
TOTAL LIABILITIES AND FUND BALANCES	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2015

	Ambulance Districts Fund	Developmentally Disabled Fund	EMAA Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Local Use Tax Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
REVENUES:											
Property Taxes	-	634,416	-	-	-	-	-	-	-	-	634,416
Sales Tax	7,349	-	-	-	-	-	-	-	-	-	7,349
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	7,039	-	-	-	7,039
Charges for Services	-	-	-	-	-	6,047	-	12,818	-	-	18,865
Grants, Distributions and Reimbursement	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	40,247	-	-	-	-	91,285	131,532
Interest	-	-	-	210	58	3	151	57	-	221	700
Other	-	1,091	-	85,756	-	-	-	22,239	20,126	-	129,212
Total Revenues	7,349	635,507	-	85,966	40,305	6,050	7,190	35,114	20,126	91,506	929,113
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	-	18,372	22,323	40,695
Property Assessments	-	-	-	-	-	-	-	300	-	-	300
Public Safety and Judicial	-	-	-	-	-	5,464	-	-	-	-	5,464
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	7,349	635,507	-	13,165	-	-	960	22,766	-	-	679,747
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,349	635,507	-	13,165	-	5,464	960	23,066	18,372	22,323	726,206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	72,801	40,305	586	6,230	12,048	1,754	69,183	202,907
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(147,332)	-	-	(61,602)	(208,934)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(147,332)	-	-	(61,602)	(208,934)
NET CHANGE IN FUND BALANCES	-	-	-	72,801	40,305	586	(141,102)	12,048	1,754	7,581	(6,027)
FUND BALANCES - BEGINNING OF YEAR	-	-	-	165,440	34,763	4,561	141,102	55,920	89,120	212,114	703,020
FUND BALANCES - END OF YEAR	-	-	-	238,241	75,068	5,147	-	67,968	90,874	219,695	696,993

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2015

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
ASSETS:											
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284
Investments	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284
LIABILITIES:											
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Restricted	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284
TOTAL LIABILITIES AND FUND BALANCES	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2015

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecutor Bad Check Fund	Cities Fund	Bulletproof Vest Grant Fund	Victims Violence Fund	PA Tax Rebate Fund	Total
REVENUES:											
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Telephone Tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	229,779	-	-	1,072	-	-	-	-	570	231,421
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	316,976	-	-	19,954	-	-	14,351	-	351,281
Interest	-	233	13	-	15	83	-	-	5	2	351
Other	52,949	50,301	-	56,270	-	-	5,714	-	-	-	165,234
Total Revenues	52,949	280,313	316,989	56,270	1,087	20,037	5,714	-	14,356	572	748,287
EXPENDITURES:											
Administration	-	-	-	-	-	-	-	-	12,130	-	12,130
Property Assessments	-	291,210	-	-	-	-	-	-	-	-	291,210
Public Safety and Judicial	-	-	-	-	-	16,188	-	-	-	-	16,188
Road & Bridge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	52,949	-	316,989	75,252	1,403	-	5,714	-	-	2,000	454,307
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	52,949	291,210	316,989	75,252	1,403	16,188	5,714	-	12,130	2,000	773,835
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(10,897)	-	(18,982)	(316)	3,849	-	-	2,226	(1,428)	(25,548)
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	29,489	-	-	-	-	-	-	29,489
Transfers out	-	-	-	(14,816)	-	(77,536)	-	-	-	-	(92,352)
Total Other Financing Sources (Uses)	-	-	-	14,673	-	(77,536)	-	-	-	-	(62,863)
NET CHANGE IN FUND BALANCES	-	(10,897)	-	(4,309)	(316)	(73,687)	-	-	2,226	(1,428)	(88,411)
FUND BALANCES - BEGINNING OF YEAR	-	117,671	-	4,309	13,801	73,687	-	-	5,609	1,618	216,695
FUND BALANCES - END OF YEAR	-	106,774	-	-	13,485	-	-	-	7,835	190	128,284

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2015

	Inmate Security Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
ASSETS:										
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Restricted Cash	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554
Investments	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554
LIABILITIES:										
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:										
Restricted	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554
TOTAL LIABILITIES AND FUND BALANCES	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2015

	Inmate Security Fund	MOSMART Grant Fund	Sheriff's Civil Fees Fund	Community Development Block Grant Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
REVENUES:										
Property Taxes	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	177,995	-	-	-	-	177,995
Telephone Tax	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	6,200	673,037	679,237
Charges for Services	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	65,385	-	-	-	25,624	-	2,151	93,160
Interest	28	-	70	-	-	42	-	-	-	140
Other	16,917	-	-	-	-	6,317	-	-	2,989	26,223
Total Revenues	16,945	-	65,455	-	177,995	6,359	25,624	6,200	678,177	976,755
EXPENDITURES:										
Administration	-	-	-	-	671,090	3,916	-	-	-	675,006
Property Assessments	-	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	-	-	56,045	-	-	-	25,624	6,344	680,279	768,292
Road & Bridge	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	56,045	-	671,090	3,916	25,624	6,344	680,279	1,443,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,945	-	9,410	-	(493,095)	2,443	-	(144)	(2,102)	(466,543)
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	544,166	-	-	-	-	544,166
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	544,166	-	-	-	-	544,166
NET CHANGE IN FUND BALANCES	16,945	-	9,410	-	51,071	2,443	-	(144)	(2,102)	77,623
FUND BALANCES - BEGINNING OF YEAR	17,847	-	49,288	-	523,182	38,245	-	5,126	23,243	656,931
FUND BALANCES - END OF YEAR	34,792	-	58,698	-	574,253	40,688	-	4,982	21,141	734,554

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2015

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Juvenile DFS Crisis Intervention	P.A. Admin Handling Cost Fund	Total	Grand Total All Non Major Funds
ASSETS:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	1,446
Restricted Cash	40,694	50	69,543	838	-	1,436	77,954	190,515	3,303,232
Investments	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>40,694</u>	<u>50</u>	<u>69,543</u>	<u>838</u>	<u>-</u>	<u>1,436</u>	<u>77,954</u>	<u>190,515</u>	<u>3,304,678</u>
LIABILITIES:									
Accrued Liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:									
Restricted	40,694	50	69,543	838	-	1,436	77,954	190,515	3,303,232
Committed	-	-	-	-	-	-	-	-	1,446
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>40,694</u>	<u>50</u>	<u>69,543</u>	<u>838</u>	<u>-</u>	<u>1,436</u>	<u>77,954</u>	<u>190,515</u>	<u>3,304,678</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>40,694</u>	<u>50</u>	<u>69,543</u>	<u>838</u>	<u>-</u>	<u>1,436</u>	<u>77,954</u>	<u>190,515</u>	<u>3,304,678</u>

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2015

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Juvenile DFS Crisis Intervention	P.A. Admin Handling Cost Fund	Total	Grand Total All Non Major Funds
REVENUES:									
Property Taxes	-	-	-	-	-	-	-	-	1,053,795
Sales Tax	-	-	-	-	-	-	-	-	2,012,808
Telephone Tax	-	-	-	-	-	-	-	-	369,167
Intergovernmental Revenue	290,066	37,104	-	-	-	-	-	327,169	1,156,644
Charges for Services	-	-	-	-	9,446	3,508	-	12,954	654,752
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	47,872	2,474	-	-	-	-	3,080	53,426	629,399
Interest	-	-	-	-	-	-	3	3	3,031
Other	111,711	-	197,640	-	-	315	-	309,666	813,710
Total Revenues	<u>449,649</u>	<u>39,578</u>	<u>197,640</u>	<u>-</u>	<u>9,446</u>	<u>3,823</u>	<u>3,083</u>	<u>703,218</u>	<u>6,693,306</u>
EXPENDITURES:									
Administration	-	39,578	-	-	-	-	-	39,578	1,116,210
Property Assessments	446,138	-	-	-	-	-	-	446,138	1,609,600
Public Safety and Judicial	-	-	-	-	9,446	3,758	-	13,204	1,175,574
Road & Bridge	-	-	-	-	-	-	-	-	865,745
Miscellaneous	-	-	185,918	-	-	-	3,904	189,822	1,353,841
Capital Outlay	-	-	-	-	-	-	-	-	767,557
Debt Service:									
Principal Payments	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-
Debt Issuance Cost	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>446,138</u>	<u>39,578</u>	<u>185,918</u>	<u>-</u>	<u>9,446</u>	<u>3,758</u>	<u>3,904</u>	<u>688,742</u>	<u>6,888,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,511	-	11,722	-	-	65	(821)	14,476	(195,220)
OTHER FINANCING SOURCES (USES):									
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	77,536	77,536	913,250
Transfers out	-	-	-	-	-	-	-	-	(405,272)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,536</u>	<u>77,536</u>	<u>507,978</u>
NET CHANGE IN FUND BALANCES	3,511	-	11,722	-	-	65	76,715	92,012	312,758
FUND BALANCES - BEGINNING OF YEAR	<u>37,183</u>	<u>50</u>	<u>57,821</u>	<u>838</u>	<u>-</u>	<u>1,372</u>	<u>1,239</u>	<u>98,503</u>	<u>2,991,920</u>
FUND BALANCES - END OF YEAR	<u>40,694</u>	<u>50</u>	<u>69,543</u>	<u>838</u>	<u>-</u>	<u>1,436</u>	<u>77,954</u>	<u>190,515</u>	<u>3,304,678</u>

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED ACCRUAL BASIS -
AGENCY FUNDS

DECEMBER 31, 2015

	Juvenile Fund	Collector of Revenue Fund	Circuit Clerk Banner Account Fund	Total
ASSETS:				
Restricted Cash	\$ 217,431	\$ 31,786,176	\$ 236,649	\$ 32,240,256
Investments	-	-	-	-
Taxes Receivable	-	4,043,557	-	4,043,557
TOTAL ASSETS	<u>217,431</u>	<u>35,829,733</u>	<u>236,649</u>	<u>36,283,812</u>
LIABILITIES AND FUND BALANCES:				
Accrued Liabilities	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>217,431</u>	<u>35,829,733</u>	<u>236,649</u>	<u>36,283,812</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 217,431</u>	<u>\$ 35,829,733</u>	<u>\$ 236,649</u>	<u>\$ 36,283,812</u>

FEDERAL COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited St. Francois County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of St. Francois County Missouri's major federal programs for the year ended December 31, 2015. St. Francois County, Missouri'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 St. Francois County, Missouri'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 St. Francois County, Missouri'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 St. Francois County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Francois County, Missouri 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, 2015.

Report on Internal Control over Compliance

Management of St. Francois County, Missouri 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 St. Francois County, Missouri'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 St. Francois County, Missouri'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Maloney, Wright & Robbins

Farmington, MO
June 28, 2016

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
<i>Passed through Missouri Department of Social Services</i>			
Child Support IV-D	93.563		\$ 116,618
Total U.S. Department of Health and Human Services			116,618
US Department of Justice			
<i>Passed through Missouri Department of Public Safety</i>			
Organized Crime Drug Enforcement Task Force	16.111		3,000
Detention Counseling - At Risk, Residential Care Mentor	16.726	ERS172-377	54,591
Total U.S. Department of Justice			57,591
US Department of Transportation			
<i>Passed through Missouri Department of Transportation</i>			
Off-System Bridge Program	20.205		680,079
Total U.S. Department of Transportation			680,079
US Election Assistance Commission			
Help America Vote Act	90.401		5,527
Total US Election Assistance Commission			5,527
Total Expenditures of Federal Awards			<u>\$ 859,815</u>

The accompanying notes are an integral part of this schedule.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of St. Francois County, Missouri under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance 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 St. Francois County, Missouri, it is not intended to and does not present the financial position, changes in net position or cash flows of St. Francois County, Missouri.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- An unmodified report was issued on the financial statements of St. Francois County, Missouri.

Internal control over financial reporting:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes ___ none
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___yes X none
- An unmodified report was issued on compliance for major programs. X yes ___ no

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___yes X no

Identification of major programs:

<u>CFDA#</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
20.205	Off System Bridge Program	\$680,079

Dollar threshold to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: ___yes X no

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

II. FINANCIAL STATEMENT FINDINGS

Finding: 2015-001

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Effect of Condition: While the preparation of the financial statements does not impair the auditor's independence, the assistance of the County's staff would possibly eliminate the number of year end and/or audit adjustments.

Recommendation: The County should consider alternatives available that would eliminate the current situation.

Management Response: St. Francois County has implemented a new fund accounting software system in early 2016 which should assist with financial reporting.

Finding: 2015-002

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: With the recent installation of the new fund accounting software system and the approval of a variety of new operating and purchasing policies, the County financial offices have begun training and implementing many new operating controls. Once training is complete, the St. Francois County Auditor's Office plans to visit each county office in order to evaluate each office's internal controls and to assist them in implementing new controls where there are still obvious deficiencies.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

II. FINANCIAL STATEMENT FINDINGS

Finding: 2015-003

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The Juvenile Department had a cash account that was not included or reported in the financial statements provided by the client.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of materially misstating their financial statements.

Recommendation: The County should record all cash accounts within the financial statements.

Management Response: St. Francois County will improve in their evaluation and communication with local banking institutions to confirm all County operated bank accounts are accounted for. A recommendation to the St. Francois County Commission will be made to adopt policies and new controls regarding full disclosure required to account for all county bank accounts.

Finding: 2015-004

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The petty cash account for the Juvenile Department was not included or reported within the financial statements.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is at risk of materially misstating their financial statements.

Recommendation: The County should record all cash accounts within the financial statements.

Management Response: The St. Francois County Juvenile Department started providing petty cash reports to the Auditor's Office in 2015 for review.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

II. FINANCIAL STATEMENT FINDINGS

Finding: 2015-005

Type: Internal Control

Criteria: Management is responsible for tracking the additions and disposals of capital assets and for maintaining capital asset schedules.

Cause of Condition: Capital asset schedules are not being maintained or updated on a regular basis. During our audit, we discovered multiple additions/disposals that were not on the County's capital asset schedules.

Effect of Condition: The deficiency in operating controls may result in material misstatement of the financial statements.

Recommendation: The County should update capital asset schedules on a regular basis to ensure proper tracking and maintenance of capital assets.

Management Response: In 2015, St. Francois County adopted new policies regarding the disposal of County assets. In 2015, with the implementation of the new fund accounting system, St. Francois County now has a better way to track the purchase of new assets to make sure they are being reported and categorized properly. Together, with the new policies and new accounting system St. Francois County will better be able to manage, record, and control the purchase, disposal, and sale of assets, including recording our own depreciation.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

I. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-001

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Effect of Condition: While the preparation of the financial statements does not impair the auditor's independence, the assistance of the County's staff would possibly eliminate the number of year end and/or audit adjustments.

Recommendation: The County should consider alternatives available that would eliminate the current situation.

Management Response: The County currently doesn't have the educated staff or the budget to hire educated staff to correct this. However, a new software system is being implemented which should address some financial statement issues. The County is also considering additional training for current county employees.

Finding: 2014-002

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: The County Commission is currently creating new policies and procedures which will establish more effective internal controls.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-003

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Log books for county vehicles in the Juvenile Department are not being used.

Cause of Condition: Internal control procedures have not been established and approved regarding the use and tracking of county owned vehicles being used by various departments/offices.

Effect of Condition: The deficiency in the internal control procedures may increase the risk of fraud and/or abuse.

Recommendation: The County should draft and approve policies and procedures regarding the use and documentation of county owned vehicles.

Management Response: As of 2015, the Juvenile Department is turning in log books for county vehicles.

Finding: 2014-004

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Internal control procedures were not operating effectively regarding the approval of purchases for drug court donations expense.

Cause of Condition: Internal control procedures have not been established and approved regarding drug court donations expense purchases. During our testing we noted multiple instances where no business purpose was noted on restaurant receipts or vendor purchases.

Effect of Condition: The deficiency in the operating controls may increase the risk of fraud, and/or abuse.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to ensure controls are operating effectively.

Management Response: Drug Court has been given new guidelines to follow by the County Auditor in regards to all purchase orders.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-005

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Internal control procedures were not operating effectively regarding the approval of travel reimbursements for drug court.

Cause of Condition: Internal control procedures have not been established and approved regarding drug court travel expenses. During our testing we noted several instances where fuel receipts were being turned in for reimbursement rather than mileage. Reimbursement forms also did not track the trip or mileage.

Effect of Condition: The deficiency in the operating controls may increase the risk of fraud and/or abuse.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to ensure controls are operating effectively.

Management Response: Drug Court has been given a copy of the County's Travel Expense Policy by the County Auditor and advised by the County Auditor the policy must be followed in order to ensure proper payment of expense purchases and reimbursements.

Finding: 2014-006

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have a uniform policy for all offices to review and approve employee timesheets.

Cause of Condition: Internal control procedures have not been established and approved regarding the proper review and approval of employee timesheets. Of the 36 transactions tested, we noted 15 instances where timesheets were not being signed off by supervisors, 8 instances where timesheets were not signed off on by either the employee or their supervisor and 2 instances where employee timesheets could not be located. We also noted during our testing that there are no formal employee leave slips County-wide.

Effect of Condition: The deficiency in the internal control procedures may increase the risk of fraud and/or abuse.

Recommendation: The County should draft and approve policies and procedures regarding the review and approval of employee timesheets.

Management Response: The County Auditor has recommended the implementation of internal controls such as time clocks to standardize and control reporting of time by County employees. The County Commission is currently creating policies and procedures which will address employee leave slips.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-007

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have a formal written policy regarding bidding procedures.

Cause of Condition: Internal control procedures have not been established and approved regarding the proper bidding procedures.

Effect of Condition: The deficiency in the internal control procedures may increase the risk of fraud and/or abuse.

Recommendation: The County should draft and approve policies and procedures regarding formal bidding procedures.

Management Response: The County Commission is currently creating policies and procedures which will include a written policy regarding bidding procedures.

Finding: 2014-008

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Bank reconciliations are not being prepared for the Collector Outstanding Check or Collector Recording bank accounts, and revenue and expense are not being recorded properly.

Cause of Condition: The net change in the accounts is being recorded as miscellaneous revenue or expense rather than being recorded to the proper revenue and expense accounts.

Effect of Condition: The deficiency in the internal control procedures may increase the risk of material misstatement to the financial statements.

Recommendation: The County should reconcile bank accounts on a monthly basis to ensure proper recording of revenue and expenses.

Management Response: The County Collector has purchased new accounting software for more accurate reporting of expenses and revenue. The Independent Auditor gave the collector a bank reconciliation template to be used for each bank account that will allow more concise reporting of outstanding checks and bank reconciliation. The County is implementing new computer software which will contain an accurate chart of accounts. More line items are being created for the Collector to better identify expense and revenue accounts.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-009

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: Internal control procedures were not operating effectively regarding the tracking of the Coroner's Office mileage.

Cause of Condition: The Coroner's Office is not providing detail of individual trips for mileage reimbursement, but rather turning in total mileage each month.

Effect of Condition: The deficiency in the operating controls may increase the risk of fraud and/or abuse.

Recommendation: The County should draft and approve policies and procedures regarding documentation for mileage for the Coroner's Office.

Management Response: The County is creating policies and procedures which will include a policy governing mileage reimbursement for the Coroner.

Finding: 2014-010

Type: Compliance

Criteria: Per Missouri Revised Statutes, a County Commissioner shall not act as a road or bridge commissioner.

Condition: During our testing we noted several instances where mileage reimbursement was being submitted and approved for road and bridge inspections being done by a county commissioner.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is not in compliance with Missouri Revised Statutes.

Recommendation: The County Commissioner's Office should review the applicable Missouri State Statutes for their office to ensure compliance.

Management Response: The County Commission has been educated with the Mo. Revised Statute 49.140.1 of Chapter 49. The County commission is no longer turning in requests for mileage reimbursement for road and bridge inspections.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding: 2014-011

Type: Compliance

Criteria: Missouri State Statutes require preparation of an annual budget and expenditures are not to exceed the budget.

Condition: During the current year, the actual expenditures in the Law Enforcement Sales Tax Fund exceeded the budgeted expenditures.

Cause of Condition: Lack of oversight.

Effect of Condition: The County is not in compliance with Missouri Revised Statutes.

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

Management Response: There should have been a budget adjustment created at the end of the year for 2014 by the previous County Auditor. However, this adjustment was never created. The County is implementing a new computer software system in 2015 which will help alleviate this occurrence in the future.