

CASS COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2015

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INDEPENDENT AUDITORS' REPORT

Cass County Commission
Cass County
Harrisonville, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cass 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. We did not audit the financial statements of the discretely presented component unit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 County'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 County'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 opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Cass County, Missouri, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note A to the basic financial statements, the County adopted the provisions of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*, during the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that pension information, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cass County Commission
Cass County
Harrisonville, Missouri

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass County, Missouri's basic financial statements. The Combining 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 Non-Major Fund financial statements and 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2017, on our consideration of Cass County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
January 20, 2017

CASS COUNTY, MISSOURI
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government	Component Unit
	<u>Governmental Activities</u>	<u>Cass Regional Medical Center</u>
ASSETS		
Current		
Cash and cash equivalents- unrestricted	\$ 8,116,907	\$ 20,993,221
Investments	500,000	966,686
Taxes receivable	5,540,126	1,444,099
Special assessment taxes receivable	14,415	-
Patient Accounts Receivable	-	9,558,270
Other accounts receivable	219,438	356,657
Due from other governments	1,022,615	-
Estimated amounts due from third-party payers	-	943,601
Inventory	-	1,052,918
Prepaid expenses	83,069	821,777
Restricted cash and cash equivalents	5,266,184	19,155,496
Restricted investments	2,500,000	14,478,008
Other assets	-	107,796
Capital Assets:		
Non-depreciable	4,803,817	3,119,970
Depreciable, net	55,529,153	43,821,678
TOTAL ASSETS	83,595,724	116,820,177
DEFERRED OUTFLOW OF RESOURCES		
Deferred pension outflows	2,574,635	-
Deferred charge on refunding	608,605	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	3,183,240	-

See accompanying notes.

CASS COUNTY, MISSOURI
STATEMENT OF NET POSITION (continued)
December 31, 2015

	Primary Government	Component Unit
	<u>Governmental Activities</u>	<u>Cass Regional Medical Center</u>
LIABILITIES		
Current		
Accounts payable	1,912,109	2,318,204
Accrued expenses	184,691	4,011,947
Accrued interest payable	575,654	-
Current maturities of long-term debt	3,501,815	1,044,396
	<u>6,174,269</u>	<u>7,374,547</u>
Noncurrent		
General obligation bonds payable	19,914,000	-
Revenue bonds payable	-	44,720,849
Certificates of participation payable	30,083,061	-
Lease payable	879,275	-
Notes payable	-	508,940
Net pension liability	3,470,839	-
Compensated absences payable	531,136	-
	<u>54,878,311</u>	<u>45,229,789</u>
TOTAL LIABILITIES	61,052,580	52,604,336
DEFERRED INFLOW OF RESOURCES		
Unavailable revenue - taxes and fees	3,976,644	-
Deferred pension inflows	777,004	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>4,753,648</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	5,954,819	896,940
Restricted	14,160,251	3,793,481
Unrestricted	857,666	59,525,420
TOTAL NET POSITION	<u>\$ 20,972,736</u>	<u>\$ 64,215,841</u>

See accompanying notes.

CASS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

	Primary Government				Net Revenues (Expenses) and Changes in Net Position	Component Unit	
	Expenses	Charges for Services	Program Revenues			Governmental Activities	Cass Regional Medical Center
			Operating Grants and Contributions	Capital Grants and Contributions			
Primary Government							
<u>Functions/Programs</u>							
Governmental activities							
General government	\$ (6,676,131)	\$ 4,324,172	\$ 332,082	\$ 73,780	\$ (1,946,097)	\$ -	
Judicial	(140,479)	98,532	55,105	-	13,158	-	
Public safety	(11,727,796)	1,244,621	423,100	-	(10,060,075)	-	
Public works	(64,610)	-	-	-	(64,610)	-	
Health and welfare	(866,347)	275,889	270,669	-	(319,789)	-	
Highways and roads	(7,843,229)	8,390	-	570,683	(7,264,156)	-	
Debt service	(2,584,150)	-	-	65,615	(2,518,535)	-	
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ (29,902,742)</u>	<u>\$ 5,951,604</u>	<u>\$ 1,080,956</u>	<u>\$ 710,078</u>	(22,160,104)	-	
Component Unit							
Cass Regional Medical Center	\$ (61,740,496)	\$ 65,183,009	\$ 102,815	\$ 18,319	-	3,563,647	
TOTAL COMPONENT UNIT	<u>\$ (61,740,496)</u>	<u>\$ 65,183,009</u>	<u>\$ 102,815</u>	<u>\$ 18,319</u>	-	3,563,647	
			General Revenues:				
			Ad valorem taxes		2,949,963	2,009,585	
			Sales taxes		17,987,503	-	
			Payment in lieu of taxes		1,148,427	-	
			Motor vehicle and gas taxes		1,448,921	-	
			Other taxes		7,964	-	
			Interest		250	342,925	
			Other revenue		168,883	-	
				Total General Revenues	23,711,911	2,352,510	
			Special Item:				
			Gain on sale of property		148,009	-	
				Changes in Net Position	1,699,816	5,916,157	
			Net Position, Beginning of year, as restated		19,272,920	58,299,684	
			Net Position, End of year		<u>\$ 20,972,736</u>	<u>\$ 64,215,841</u>	

See accompanying notes.

CASS COUNTY, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2015

	Special Revenue Funds				Debt Service Funds				Total Governmental Funds
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund	Non-Major Governmental Funds	
ASSETS									
Cash and cash equivalents	\$ 1,393,200	\$ 2,579,982	\$ 1,596,451	\$ 521,905	\$ -	\$ -	\$ -	\$ 2,025,369	\$ 8,116,907
Investments	-	-	-	300,000	-	-	-	200,000	500,000
Taxes receivable	1,164,130	3,245,807	1,130,189	-	-	-	-	-	5,540,126
Special assessments receivable	-	14,415	-	-	-	-	-	-	14,415
Other accounts receivable	31,824	-	98,954	-	-	-	-	88,660	219,438
Intergovernmental receivable	53,249	-	41,608	854,669	-	-	-	73,089	1,022,615
Prepaid expenses	45,262	11,654	7,336	18,817	-	-	-	-	83,069
Due from other funds	-	-	-	-	-	-	-	9,047	9,047
Restricted cash and cash equivalents	-	-	-	-	450,553	1,654,271	1,012,770	2,148,590	5,266,184
Restricted investments	-	-	-	-	-	2,500,000	-	-	2,500,000
TOTAL ASSETS	\$ 2,687,665	\$ 5,851,858	\$ 2,874,538	\$ 1,695,391	\$ 450,553	\$ 4,154,271	\$ 1,012,770	\$ 4,544,755	\$ 23,271,801
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 264,863	\$ 1,402,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,163	\$ 1,912,109
Accrued expenses	23,559	22,584	129,520	3,397	-	-	-	5,631	184,691
Due to other funds	9,047	-	-	-	-	-	-	-	9,047
TOTAL LIABILITIES	297,469	1,424,667	129,520	3,397	-	-	-	250,794	2,105,847
Deferred Inflows of Resources									
Deferred special assessments	-	14,415	-	-	-	-	-	-	14,415
Deferred fees	-	-	-	1,033,530	-	-	-	-	1,033,530
Deferred taxes	36,985	2,891,714	-	-	-	-	-	-	2,928,699
TOTAL DEFERRED INFLOWS OF RESOURCES	36,985	2,906,129	-	1,033,530	-	-	-	-	3,976,644

See accompanying notes.

CASS COUNTY, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)
December 31, 2015

	Special Revenue Funds				Debt Service Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund		
FUND BALANCES									
Nonspendable:									
Prepaid items	45,262	11,654	7,336	18,817	-	-	-	-	83,069
Restricted for:									
Road and bridge	-	1,509,408	-	-	-	-	-	-	1,509,408
Judicial	-	-	-	-	-	-	-	431,206	431,206
Public safety	-	-	2,737,682	-	-	-	-	759,121	3,496,803
Health and welfare	-	-	-	-	-	-	-	176,472	176,472
Tax maintenance	-	-	-	-	-	-	-	210,294	210,294
Recorder	-	-	-	-	-	-	-	336,565	336,565
Capital projects	-	-	-	-	450,553	-	-	-	450,553
Debt service	-	-	-	-	-	4,154,271	1,012,770	-	5,167,041
Road and bridge	-	-	-	-	-	-	-	743,412	743,412
Capital projects	-	-	-	-	-	-	-	1,638,497	1,638,497
Assigned to:									
Assessment	-	-	-	639,647	-	-	-	-	639,647
Unassigned, reported in:									
General Fund	2,307,949	-	-	-	-	-	-	-	2,307,949
Capital Projects Fund	-	-	-	-	-	-	-	(1,606)	(1,606)
TOTAL FUND BALANCES	<u>2,353,211</u>	<u>1,521,062</u>	<u>2,745,018</u>	<u>658,464</u>	<u>450,553</u>	<u>4,154,271</u>	<u>1,012,770</u>	<u>4,293,961</u>	<u>17,189,310</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	<u>\$ 2,687,665</u>	<u>\$ 5,851,858</u>	<u>\$ 2,874,538</u>	<u>\$ 1,695,391</u>	<u>\$ 450,553</u>	<u>\$ 4,154,271</u>	<u>\$ 1,012,770</u>	<u>\$ 4,544,755</u>	<u>\$ 23,271,801</u>

See accompanying notes.

CASS COUNTY, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
December 31, 2015

Fund balance - total governmental funds	\$ 17,189,310
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	110,291,802
Less accumulated depreciation	<u>(49,958,832)</u>
	60,332,970
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Deferred outflows due to pensions	2,574,635
Deferred inflows due to pensions	<u>(777,004)</u>
	1,797,631
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	
Net pension liability	(3,470,839)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(575,654)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(54,909,287)
Adjustment of deferred charge on refunding	<u>608,605</u>
Net position of governmental activities	<u><u>\$ 20,972,736</u></u>

See accompanying notes.

CASS COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	Special Revenue Funds				Debt Service Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund		
REVENUES									
Taxes	\$ 8,234,383	\$ 8,299,207	\$ 7,009,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,542,778
Collector's commission	1,479,469	-	-	-	-	-	-	-	1,479,469
Licenses and permits	51,153	-	-	-	-	-	-	-	51,153
Intergovernmental revenue	332,082	-	820,101	153,225	-	-	-	1,035,852	2,341,260
Fees and charges	1,161,367	8,390	594,358	1,097,197	-	-	-	1,009,444	3,870,756
Other	75,627	22,534	31,423	2,045	-	7,415	-	30,089	169,133
TOTAL REVENUES	11,334,081	8,330,131	8,455,070	1,252,467	-	7,415	-	2,075,385	31,454,549
EXPENDITURES									
Current									
General government	5,188,035	-	-	1,199,660	-	-	-	239,078	6,626,773
Judicial	-	-	-	-	-	-	-	141,748	141,748
Public safety	-	-	10,494,035	-	-	-	-	266,753	10,760,788
Public works	64,610	-	-	-	-	-	-	-	64,610
Health and welfare	314,147	-	-	-	-	-	-	552,200	866,347
Highways and roads	-	6,944,350	-	-	-	-	-	570,690	7,515,040
Debt service	-	187,386	-	-	2,964,956	1,191,028	516,014	251,038	5,110,422
Capital outlay	-	-	-	-	55,429	-	-	1,438,190	1,493,619
TOTAL EXPENDITURES	5,566,792	7,131,736	10,494,035	1,199,660	3,020,385	1,191,028	516,014	3,459,697	32,579,347
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,767,289	1,198,395	(2,038,965)	52,807	(3,020,385)	(1,183,613)	(516,014)	(1,384,312)	(1,124,798)
OTHER FINANCING SOURCES (USES)									
Sale of property	-	-	148,009	-	-	-	-	-	148,009
Bond proceeds	-	-	-	-	-	-	-	3,051,000	3,051,000
Operating transfers in (out)	(5,132,407)	(1,992,384)	2,181,038	-	2,964,956	1,865,759	-	113,038	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,132,407)	(1,992,384)	2,329,047	-	2,964,956	1,865,759	-	3,164,038	3,199,009
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	634,882	(793,989)	290,082	52,807	(55,429)	682,146	(516,014)	1,779,726	2,074,211
FUND BALANCE, January 1	1,718,329	2,315,051	2,454,936	605,657	505,982	3,472,125	1,528,784	2,514,235	15,115,099
FUND BALANCE, December 31	\$ 2,353,211	\$ 1,521,062	\$ 2,745,018	\$ 658,464	\$ 450,553	\$ 4,154,271	\$ 1,012,770	\$ 4,293,961	\$ 17,189,310

See accompanying notes.

CASS COUNTY, MISSOURI
 RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 2,074,211

Amounts reported for governmental activities in the Statement of Activities
 are different because:

Governmental funds report capital outlays as expenditures. However, in the
 Statement of Activities the cost of these assets is allocated over their estimated
 useful lives on a straight line basis and reported as depreciation expense. The
 following is the detail of the amount by which depreciation exceeded
 capital outlays for the year.

Capital outlay	2,613,008
Depreciation	(2,898,988)
	<u>(285,980)</u>

The issuance of long-term debt provides current financial resources to governmental
 funds. The repayment of the principal of long-term debt is a use of current financial
 resources of governmental funds. In the Statement of Activities, interest is accrued
 on outstanding debt whereas in the governmental funds, an interest expenditure is
 reported when due. The following is the detail of the net effect of these differences.

Repayment of principal on bonds, leases and loans	(3,562,624)
Bond proceeds	3,051,000
Interest	(13,104)
	<u>(524,728)</u>

Some expenditures reported in the governmental funds represent the use of current
 current financial resources and were recognized in the Statement of Activities
 when incurred.

Change in pension related costs	375,474
Change in compensated absences	60,839
	<u>436,313</u>

Change in net position of governmental activities	<u><u>\$ 1,699,816</u></u>
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See accompanying notes.

CASS COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
 December 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 55,644,574
TOTAL ASSETS	<u>\$ 55,644,574</u>
LIABILITIES	
Due to others	\$ 369,054
Due to other funds	197,215
Due to other governments	55,078,305
TOTAL LIABILITIES	<u>\$ 55,644,574</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cass County, Missouri (the County) is a county of the first class and operates under a three member County Commission.

The accounting methods and procedures adopted by Cass County, Missouri, conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies.

Financial Reporting Entity

Cass County, Missouri (the County), is a first-class county located on the west central border of the state and operates under a commission form of government. Commissioners representing the north and south districts are elected every four years. In addition, a presiding commissioner is elected at large every four years. Elected officials are responsible for the operations of certain County offices including the assessor, collector, treasurer, clerk, auditor, sheriff, public administrator, prosecuting attorney, recorder, and the circuit court with its various divisions.

The County's financial reporting entity has been determined in accordance with governmental accounting standards for defining the reporting entity and identifying entities to be included in its basic financial statements. These standards identify the County's financial accountability for potential component units as the primary, but not only, criteria for inclusion. The County is financially accountable if it appoints a voting majority of a potential component unit, or if there is a possibility for the potential component unit to provide specific financial benefits to or impose specific financial burdens on the County. The County's financial reporting entity consists of Cass County, Missouri (the primary government), and its component unit. The component unit column in the government-wide financial statements presents the financial data for the County's discretely presented component unit as discussed below.

The Board of Trustees of Cass Regional Medical Center is an elected board charged with the operation of County hospital facilities in Cass County, Missouri. These facilities provide acute health care services under the name of Cass Regional Medical Center. The County is financially accountable for the Medical Center because the County Commission sets the Medical Center's tax levy and the Medical Center has issued debt in the name of the County.

Cass Regional Center Foundation (Foundation) and Cass Medical Center Improvement Corporation (Corporation) are included in Cass Regional Medical Center's financial statements as component units using the blended method. The Foundation and Corporation are legally separate not-for-profit corporations that are, in substance, a part of Cass Regional Medical Center's operations and are primarily organized to benefit Cass Regional Medical Center. Complete financial statements for the discretely presented component unit can be obtained from its administrative office as follows:

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cass Regional Medical Center
2800 E Rock Haven Road
Harrisonville, Missouri 64701

Related Organizations

The County Commissioners are also responsible for appointing the members of the Library, Mental Health (CASCO), Planning and Zoning, Emergency Services Board, and Park Board. The County's accountability for these organizations does not extend beyond making the appointments. Thus, these organizations are not component units of the County and, accordingly, no financial data for these organizations are included in the County's basic financial statements.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities.

In the government-wide Statement of Net Position, the governmental activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide 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 a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND FINANCIAL STATEMENTS

Separate fund financial statements report information on the County's governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Since the accounting differs significantly between the governmental funds financial statements and government-wide financial statements, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund: This accounts for the operations and maintenance of roads and bridges within the County. Financing is provided by a special road and bridge tax levy, miscellaneous sales taxes, and occasional transfers from other funds.

Justice Center Sales Tax Fund: This accounts for the sales taxes used to finance the law enforcement activities in the County.

Justice Center Debt Service Fund: This accounts for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and other related costs of the County's \$33,475,000 Series 2010 Refunding Certificates of Participation on the Justice Center.

CIA Public Works Debt Service Fund: this accounts for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and other related costs of the County's \$10,000,000 Series 2010 and \$10,000,000 Series 2011 General Obligation Bonds.

Assessor Fund: This accounts for the operations of the County Assessor's office, which includes the cost of performing a reassessment of all taxable real property as required by State Statute 137.750. Financing is provided by the state and a commission received from property tax collections.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Broadband Debt Service Fund: This holds in trust the monies required as a reserve for the bonds and accumulates monies for payment of the principal and interest on \$4,200,000 Certificates of Participation issued in 2011 for construction costs of the broadband project. Principal payments are required annually and interest payments are required semi-annually until 2021.

The County reports the following fiduciary funds:

Agency Funds: Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government units and other funds. Agency funds are custodial in nature (assets and liabilities) and do not involve measurement of results of operations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, sales and use taxes, interest associated with the current fiscal period and certain state and federal grants and enticements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period are considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measureable and available only when cash is received by the government.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

The County pools cash resources of various funds in the County Treasurer's office in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. The County's investments include collateralized certificates of deposit and money market accounts, direct obligations of the U.S. Government, repurchase agreements and other investments authorized by state statutes.

Receivables

All receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the governmental activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the County as assets with a cost of \$3,000 or greater and an estimated useful life of at least five years. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the County elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

CASS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Building improvements	12 - 50 years
Buildings	50 years
Infrastructure	10 - 50 years
Major moveable equipment	5 - 20 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all officeholders. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences is reported as a long-term liability in the financial statements as the amounts are not expected to be liquidated with expendable available financial resources.

Receivables/Unavailable Revenues

The County recognizes assets from derived tax revenue transactions (such as sales taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

The County recognizes assets from imposed non-exchange revenue transactions (such as property taxes, licenses and permits, and fines and forfeitures) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The County recognizes revenues from property taxes, net of refunds and estimated uncollectible amounts, in the period for which the taxes are levied.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met. Any resources received before eligibility requirements are met are reported as unavailable revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measureable until actually received.

It is the County's policy to use the direct write-off method for amounts deemed to be uncollectible, except for the Transportation Development District (TDD) receivable (See note 13). Therefore, an allowance for doubtful accounts has not been established, except for the TDD receivable.

Cash and Cash Equivalents

The County considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents. All other deposits and certificates of deposit are considered to be investments.

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance – This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Commission removes the specified use by taking the same type of action imposing the commitment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balance – This classification reflects the amounts constrained by the County’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the County’s taxpayers are reported as program revenues. These include various grants from the State and Federal governments. All other governmental receipts are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Net Position

In the government-wide statements, equity is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the County first applies restricted net position.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the County has one item that qualifies for reporting in this category, deferred amounts relating to employer contributions to the retirement plan.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position and deferred amounts relating to taxes and special assessments on the Balance Sheet. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension asset, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and County Employees' Retirement Fund (CERF) and additions to/deductions from LAGERS and CERF fiduciary net position have been determined on the same basis as they are reported by LAGERS and CERF. 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.

New Pronouncement

The Government Accounting Standards Board (GASB) issued Statement No. 68 – Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, for reporting periods beginning after June 15, 2014. The statement establishes standards for measuring and recognizing assets and liabilities, deferred inflow and outflow of resources, and expenses relating to pensions, note disclosures, and required supplementary information. The County adopted GASB Statement Nos. 68 and 71 for the year ended December 31, 2015.

Certain January 1, 2015, amounts have been reclassified to the December 31, 2015, presentation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Patient Service Revenue – Cass Regional Medical Center

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include:

- **Medicare.** Inpatient acute care and substantially all outpatient services rendered to Medicare Program beneficiaries are paid based on a cost reimbursement methodology. Clinic health care services rendered to Medicare Program beneficiaries are paid based on a combination of fee schedules and a cost reimbursement methodology. The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Administrative Contractor.
- **Medicaid.** Inpatient services rendered to Medicaid Program beneficiaries are reimbursed under a prospectively determined per diem rate and outpatient services are reimbursed based upon the defined allowable cost. The Medical Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid Fiscal Intermediary. Medicaid settlements are recorded each year based on the estimated final settlement.

Approximately 48% and 52% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid Programs for the years ended December 31, 2015 and 2014, respectively. Laws and regulations governing the Medicare and Medicaid Programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates. Payments for services provided under these agreements are generally higher than payments from Medicare and Medicaid for comparable services.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the County’s deposits be insured or collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all bank balances on deposit were entirely insured or collateralized with securities.

NOTE C – INVESTMENTS

The County’s investments at December 31, 2015, are as follows:

Investment Type	Fair Value	Investment Maturities		
		1 Year	3 Years	5 Years
U.S. Agencies	\$ 935,000	\$ -	\$ 935,000	\$ -
Certificates of Deposit	2,065,000	800,000	1,265,000	-
TOTAL	\$ 3,000,000	\$ 800,000	\$ 2,200,000	\$ -

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The County investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy also limits the investment of operating funds in shorter-term securities.

NOTE C – INVESTMENTS (continued)

Credit Risk

Statutes authorize the County to invest in investments which are:

- a. Obligations of the United States government, the State of Missouri, this County, or;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri or this County, or;
- c. In revenue bonds of the County, or;
- d. In certificates of deposit, savings accounts as defined in Chapter 369, Revised Missouri Statutes or in interest bearing time deposits when such funds are held in United States banks, state banks, savings and loan associations operating under Chapter 369, Revised Missouri Statutes, or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest bearing deposits are adequately secured as discussed in Note B.
- e. Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency, or;
- f. Commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency.

The County's investment policy follows State Statutes which limits the types of investments by governmental entities. The County's investment policy does not place further limits on the types of investments.

The County's investments in U.S. Agencies were rated AAA by Moody's Investor Services as of December 31, 2015.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in Federal Home Loan Bank notes. These investments are 31% of the County's total investments.

CASS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE D – INVESTMENTS – CASS REGIONAL MEDICAL CENTER

The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

At December 31, 2015, the Medical Center had the following investments and maturities:

Type	Fair Value	December 31, 2015 Maturities in Years			
		Less than 1	1-5	6-10	More than 10
U.S. Agencies obligations	\$ 15,072,021	\$ 258,485	\$ 14,813,536	\$ -	\$ -
Money market mutual funds	372,673	372,673	-	-	-
	<u>\$ 15,444,694</u>	<u>\$ 631,158</u>	<u>\$ 14,813,536</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Medical Center's investment policy limits its investment portfolio to maturities of a maximum of five years. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Medical Center's policy to limit its investments to only U.S. Treasury securities, U.S. Agency securities and collateralized Repurchase Agreements. At December 31, 2015, the Medical Center's investments in U.S. Agencies obligations not directly guaranteed by the U.S. Government and in money market mutual funds were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. At December 31, 2015, the Medical Center's investments in corporate bonds were not rated.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE D – INVESTMENTS – CASS REGIONAL MEDICAL CENTER (continued)

Concentration of Credit Risk - The Medical Center's investment policy limits the amount that may be invested in U.S. Government Agencies to 75% of its investment portfolio and U.S. Government Agency callable securities and collateralized Repurchase Agreements to 50% of its investment portfolio. At December 31, 2015, the Medical Center's investments of U.S. Agencies constituted the following of total investments:

	<u>2015</u>
Federal Home Loan Bank	21%
Federal National Mortgage Association	36%
Other U.S. Government Agency	41%

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet as follows:

	<u>2015</u>
Carrying value	
Deposits	\$39,564,248
Investments	<u>15,444,694</u>
	<u>\$55,008,942</u>
Included in the following balance sheet captions	
Cash and cash equivalents	\$20,950,288
Short-term investments	966,686
Noncurrent cash and investments	<u>33,091,968</u>
	<u>\$55,008,942</u>

Investment Income

Investment income for the year ended December 31, 2015, consisted of:

	<u>2015</u>
Interest and dividend income	\$ 449,086
Net decrease in fair value of investments	<u>(107,454)</u>
	<u>\$ 341,632</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE E – PATIENT ACCOUNTS RECEIVABLE – CASS REGIONAL MEDICAL CENTER

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at December 31, 2015, consisted of:

	<u>2015</u>
Medicare	\$ 3,231,543
Medicaid	924,835
Other third-party payers	3,632,591
Patients	<u>12,750,951</u>
	20,539,920
Less allowance for uncollectible accounts	<u>10,981,650</u>
	<u><u>\$ 9,558,270</u></u>

NOTE F – DEPOSITS, INVESTMENTS AND INVESTMENT INCOME – CASS REGIONAL MEDICAL CENTER

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies or instrumentalities or the State of Missouri; bonds of any city, county, school district or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At December 31, 2015, the Medical Center's bank balances of \$40,009,186 were not exposed to custodial credit risk.

CASS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Governmental Activities				
Non-depreciable capital assets:				
Construction in progress	\$ 1,819,692	\$ 2,150,633	\$ -	\$ 3,970,325
Intangible assets	55,492	-	-	55,492
Land	778,000	-	-	778,000
	<u>\$ 2,653,184</u>	<u>\$ 2,150,633</u>	<u>\$ -</u>	<u>\$ 4,803,817</u>
Depreciable capital assets				
Building and improvements	\$ 43,723,563	\$ -	\$ -	\$ 43,723,563
Furniture and equipment	14,491,560	1,695,942	1,114,461	15,073,041
Infrastructure	46,691,381	-	-	46,691,381
Total Depreciable Capital Assets	104,906,504	<u>\$ 1,695,942</u>	<u>\$ 1,114,461</u>	105,487,985
Less Accumulated Depreciation	<u>(46,765,164)</u>	<u>\$ (3,660,285)</u>	<u>\$ 466,617</u>	<u>(49,958,832)</u>
Total Depreciable Capital Assets, net	<u>\$ 58,141,340</u>			<u>\$ 55,529,153</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 156,373
Judicial	9,633
Public safety	1,321,308
Road and bridge	2,172,971
	<u>\$ 3,660,285</u>

CASS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE H – DEFERRED TAXES AND FEES

Deferred inflows of resources on the fund financial statements consist of receivables not collected within sixty days of year end and revenue collected within the fiscal year for future years. Deferred inflows of resources on the fund financial statements at December 31, 2015, are as follows:

General Fund		
Property taxes		\$ 36,985
Special Revenue Funds		
Road and Bridge Fund		
Property taxes		2,891,714
Special assessments		14,415
Assessor Fund		
Intergovernmental fees		<u>1,033,530</u>
	TOTAL DEFERRED TAXES AND FEES	<u><u>\$ 3,976,644</u></u>

NOTE I – CAPITAL ASSETS – CASS REGIONAL MEDICAL CENTER

Capital assets activity for the year ended December 31, 2015 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 3,119,970	\$ -	\$ -	\$ -	\$ 3,119,970
Land improvements	2,259,114	10,287	-	-	2,269,401
Buildings and leasehold improvements	47,815,098	633,247	(3,143,663)	407,470	45,712,152
Equipment	22,236,694	1,307,840	(302,267)	3,820,737	27,063,004
Construction in progress	2,959,511	1,270,167	-	(4,228,207)	1,471
	<u>78,390,387</u>	<u>3,221,541</u>	<u>(3,445,930)</u>	<u>-</u>	<u>78,165,998</u>
Less accumulated depreciation					
Land improvements	1,119,400	215,298	-	-	1,334,698
Buildings and leasehold improvements	12,066,666	2,306,105	(3,143,663)	-	11,229,108
Equipment	16,635,836	2,326,844	(302,136)	-	18,660,544
	<u>29,821,902</u>	<u>4,848,247</u>	<u>(3,445,799)</u>	<u>-</u>	<u>31,224,350</u>
Capital assets, net	<u><u>\$ 48,568,485</u></u>	<u><u>\$ (1,626,706)</u></u>	<u><u>\$ (131)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 46,941,648</u></u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – LONG-TERM DEBT

Changes in the County’s long-term liability balances for the year ended December 31, 2015, were as follows:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Amounts Due Within One Year
General Obligation Bonds	\$ 18,250,000	\$ 3,051,000	\$ 525,000	\$ 20,776,000	\$ 862,000
Certificates of Participation					
Series 2010	27,750,000	-	1,820,000	25,930,000	1,990,000
Less: Premium on Certificates of Participation	1,082,979	-	108,918	974,061	-
	28,832,979	-	1,928,918	26,904,061	1,990,000
Series 2010A	475,000	-	75,000	400,000	75,000
Series 2010B	2,199,000	-	-	2,199,000	-
Series 2011	3,435,000	-	390,000	3,045,000	400,000
	34,941,979	-	2,393,918	32,548,061	2,465,000
Capital Lease Obligations					
Motor Graders - 2015	-	195,168	34,592	160,576	30,531
Excavators - 2015	-	293,792	52,072	241,720	45,967
Loader - 2015	-	130,666	23,159	107,507	20,441
Motor Grader - 2014	231,264	-	49,905	181,359	43,473
Motor Graders - 2011	140,574	-	140,574	-	-
Motor Grader - 2011	471,382	-	108,454	362,928	34,403
	843,220	619,626	408,756	1,054,090	174,815
Compensated Absences Payable	591,975	-	60,839	531,136	-
	<u>\$ 54,627,174</u>	<u>\$ 3,670,626</u>	<u>\$ 3,388,513</u>	<u>\$ 54,909,287</u>	<u>\$ 3,501,815</u>

The County issues general obligation bonds, certificates of participation, and leases to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – LONG-TERM DEBT (continued)

The County's debt at December 31, 2015, consisted of the following:

\$10,000,000 in Recovery Zone Economic Development Bonds, Series 2010; interest payable semi-annually on March 1 and September 1, with interest at 5.60%.	\$ 10,000,000
\$10,000,000 in General Obligation Bonds, Series 2011; interest payable semi-annually on March 1 and September 1, with interest ranging from 3.00% to 5.00%.	7,725,000
\$3,051,000 in General Obligation Bonds, Series 2015; interest payable on semi-annually on March 1 and September 1, with interest at 2.28%.	3,051,000
\$33,475,000, November 4, 2010; Refunding Certificates of Participation (the Justice Center), Series 2010, due in annual installments of \$1,100,000 to \$3,805,000 through May 1, 2025, with interest at 3% to 5%.	25,930,000
\$745,000, May 18, 2010; Certificates of Participation, Series 2010A, issued for the construction of the Tri-Generation System Project, due in annual installments of \$60,000 to \$85,000 through April 1, 2020, interest at 3% to 7.27%.	400,000
\$2,199,000, May 18, 2010; Certificates of Participation, Series 2010B, issued for the construction of the Tri-Generation System Project, due in annual installments of \$90,000 to \$380,000 starting April 1, 2020 through April 1, 2035, interest at 3% to 7.27%.	2,199,000
\$4,200,000, August 18, 2011; Certificates of Participation, Series 2011, issued to finance the construction costs of the Broadband Project, due in annual installments of \$380,000 to \$900,000 starting may 1, 2013 through May 1, 2021, interest at 1.78% to 4.53%.	3,045,000
	<u>\$ 52,350,000</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – LONG-TERM DEBT (continued)

Aggregate annual principal payments and interest payments applicable to long-term debt are:

General Obligation Bonds:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 862,000	\$ 967,805	\$ 1,829,805
2017	933,000	929,339	1,862,339
2018	989,000	900,949	1,889,949
2019	1,071,000	866,360	1,937,360
2020	1,127,000	828,611	1,955,611
2021	1,234,000	788,726	2,022,726
2022	1,316,000	742,368	2,058,368
2023	1,399,000	695,163	2,094,163
2024	1,506,000	634,026	2,140,026
2025	3,394,000	482,189	3,876,189
2026	3,330,000	295,680	3,625,680
2027	3,615,000	101,220	3,716,220
	<u>\$ 20,776,000</u>	<u>\$ 8,232,436</u>	<u>\$ 29,008,436</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – LONG-TERM DEBT (continued)

Certificates of Participation:

Year Ended December 31,	Principal	Interest	Total
2016	\$ 2,465,000	\$ 1,355,516	\$ 3,820,516
2017	2,660,000	1,256,323	3,916,323
2018	2,865,000	1,147,343	4,012,343
2019	3,085,000	1,021,989	4,106,989
2020	3,405,000	869,701	4,274,701
2021	4,020,000	686,358	4,706,358
2022	3,390,000	517,709	3,907,709
2023	3,645,000	373,919	4,018,919
2024	3,915,000	219,477	4,134,477
2025	535,000	126,895	661,895
2026	115,000	110,237	225,237
2027	120,000	101,995	221,995
2028	125,000	93,401	218,401
2029	130,000	84,457	214,457
2030	129,000	75,208	204,208
2031	140,000	65,431	205,431
2032	145,000	55,071	200,071
2033	150,000	44,347	194,347
2034	155,000	33,260	188,260
2035	380,000	13,813	393,813
	<u>\$ 31,574,000</u>	<u>\$ 8,252,450</u>	<u>\$ 39,826,450</u>

Capital Lease Obligations:

The County has entered into lease agreements for financing capital equipment. The lease agreements qualify as capital leases for accounting purposes, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – LONG-TERM DEBT (continued)

Future minimum lease payments under the capital leases together with the present value of net minimum lease payments consist of the following:

Year Ended December 31,	Principal	Interest	Total
2016	\$ 174,815	\$ 176,018	\$ 350,833
2017	472,703	416,321	889,024
2018	148,051	76,155	224,206
2019	151,404	71,780	223,184
2020	107,117	24,011	131,128
	<u>\$ 1,054,090</u>	<u>\$ 764,285</u>	<u>\$ 1,818,375</u>

NOTE K – CLAIMS, JUDGEMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2015, significant amounts of grant expenditures have not been audited by grantor governments, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Risk Management Pool - Workers' Compensation

The County is a member of the Missouri Association of Counties Self Insurance Workers' Compensation and Insurance Fund (the Association), a not-for-profit organization formed by the participating Counties of the State of Missouri to operate as a group self-insurer. The Association seeks to prevent or lessen workers' compensation claims and expense to its members. The Association is governed by a five-member board of directors elected by the members of the Association. The Association operates as a risk management pool. The County has no direct control over budgeting, financing, governing body or management selection.

NOTE K – CLAIMS, JUDGEMENTS AND CONTINGENCIES (continued)

The Association is funded by member assessments and premiums calculated based on members' payroll data multiplied by a pool assessment factor. Additionally, the Articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations. No supplemental assessments were required by the Association during fiscal 2015.

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE L – EMPLOYEE PENSION PLAN – CERF

State of Missouri County Employees' Retirement Fund

General Information about the Pension Plan

Plan Description. Cass County of Missouri's defined benefit pension plan provides certain retirement and death benefits to its members. The County participates in the State of Missouri County Employees' Retirement Fund (CERF). CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government.

CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts (excluding juvenile courts) located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF was established by an act of the Missouri General Assembly effective August 28, 1994, and administered in accordance with RSMo. 50.1000 – 50.1300. As such, it is CERF's responsibility to administer the law in accordance expressed intent of the General Assembly. The plan as amended through November 1, 2010, is in a form acceptable under the Internal Revenue Code. The responsibility for the operations and administration of CERF is vested in the CERF Board of Directors consisting of eleven members. The Board of Directors has the authority to adopt rules and regulations for administering the system.

NOTE L – EMPLOYEE PENSION PLAN – CERF

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at www.mocerf.org.

Benefits Provided. CERF provides retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

Cost-of-Living Adjustments (“COLA”). The Missouri Legislature has established a policy of providing an annual increase in the retirement benefit of the lesser of 1% and the February increase in CPI with the increase to take effect each July. The first increase will occur in the year following retirement so long as the retiree has been receiving benefits for at least one year on July 1st. The total of all increases shall not exceed 50% of the initial benefit.

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Eligible employees of the employer contribute 4% to the pension plan. The employer did not elect to make all or a portion of the required 4% contribution on behalf of the employee.

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

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

NOTE L – EMPLOYEE PENSION PLAN – CERF (continued)

During 2015 and 2014, the County collected and remitted to CERF, employee contributions of \$278,953 and \$251,887, respectively, for the years then ended. The County's contributions to CERF were \$522,210 for the year ended December 31, 2015.

Pension Liability. At December 31, 2015, the County had a liability of \$3,166,506 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of December 31, 2014, and determined by an actuarial valuation as of that date. The County's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$536,749 paid to CERF for the year ended December 31, 2014, relative to the actual contributions of \$19,781,513 from all participating employers. At December 31, 2014, the County's proportionate share was 2.7134%.

Actuarial Assumptions. Actuarial valuations of the Plan involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future compensation increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial assumptions are based on an experience study covering the period January 1, 2002, through December 31, 2007. A new experience study was recently completed for the period January 1, 2008, through December 31, 2013. However, assumption changes that were otherwise indicated have not been adopted because of the aberrant economic conditions during that time period.

The total pension liability as of December 31, 2014, was based on the most recent actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014, using the following actuarial assumptions:

- Measurement date - December 31, 2014
- Valuation date - December 31, 2014
- Actuarial cost method – Entry age
- Investment rate of return – 8%
- Inflation – 3%
- Compensation increases – Inflation plus an age-graded allowance for merit, promotion, and seniority. Total average increases, including inflation, are approximately 5.3%
- Mortality rates – RP 2000 table separately for males and females projected for mortality improvement through 2010.
- Fiduciary Net Position – CERF issues a publicly available financial report that can be obtained at www.mocerf.org.

NOTE L – EMPLOYEE PENSION PLAN – CERF (continued)

The long-term expected rate of return on the Plan’s investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target allocation as of June 30, 2013, is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. This method eliminates the effects created by cash flows.

Asset Class	Target Asset Allocation	Long-Term Arithmetic Basis	
		Expected Real Return	Weighted Expected Real Return
Core Plus	15.00%	3.11%	0.47%
Absolute Return	15.00%	4.35%	0.65%
U.S. Large Cap Equity	25.00%	7.77%	1.94%
U.S. Small Cap Equity	10.00%	9.03%	0.90%
Non-U.S. Equity	15.00%	8.99%	1.35%
Long/Short Equity	10.00%	7.64%	0.76%
Private Equity	5.00%	1.65%	0.08%
Core Real Estate	5.00%	5.30%	0.27%
Total	100.00%		6.42%
		Inflation	3.00%
		Long-term expected geometric return	9.42%

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the Plan’s revenue sources (various fees and penalties paid by the counties). Such revenue was assumed to increase at the rate of 1.0% per year. This increase assumption has been used by the Plan in prior funding status projects. Historically, revenue increase has averaged more than 1.0% per year. Based on the assumptions, the Plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the Plan’s investments was applied to projected benefit payments.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE L – EMPLOYEE PENSION PLAN – CERF (continued)

Discount Rate Sensitivity. The sensitivity of the net pension liability to changes in the discount rate is presented below. The net pension liability calculated using the discount rate of 8.0% is presented as well as what the net pension liability would be using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	<u>1.0% Decrease (7.0%)</u>	<u>Current Rate (8.0%)</u>	<u>1.0% Increase (9.0%)</u>
Proportionate share of the Net Pension Liability	\$ 5,130,716	\$ 3,166,506	\$ 1,621,531

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

For the year ended 2015, the employer recognized pension expense of \$482,733. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences in experiences	\$ 336,389	\$ (39,280)	\$ 297,109
Excess investment returns	-	-	-
Contributions subsequent to the measurement date*	<u>522,210</u>	<u>-</u>	<u>522,210</u>
	<u>\$ 858,599</u>	<u>\$ (39,280)</u>	<u>\$ 819,319</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending December 31, 2016.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE L – EMPLOYEE PENSION PLAN – CERF (continued)

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 596,488
2017	74,277
2018	74,277
2019	74,277
	<u>\$ 819,319</u>

Payable to the Pension Plan

At December 31, 2015, the County had no outstanding amounts of contributions to the pension plan required, therefore no payable was reported.

NOTE M – EMPLOYEE PENSION PLAN – LAGERS

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

Plan Description. Cass County’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with 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.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

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) 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 receive a reduced allowance.

	<u>2015 Valuation</u>
Benefit Multiplier	1.25% for life
Final Average Salary	3 Years
Member Contributions	0%

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:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	91	26	117
Inactive employees entitled to but not yet receiving benefits	53	36	89
Active employees	<u>127</u>	<u>69</u>	<u>196</u>
	<u>271</u>	<u>131</u>	<u>402</u>

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 do not contribute to the pension plan. Employer contribution rates are 6.4% (General) and 7.7% (Police) of annual covered payroll.

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

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

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 wage inflation for general and police
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 estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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.

CASS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

Changes in the Net Pension (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
<i>General Division</i>			
Balance at June 30, 2014	\$ 18,449,448	\$ 17,687,662	\$ 761,786
Changes for the year:			
Service Cost	398,595	-	398,595
Interest	1,320,071	-	1,320,071
Difference between expected and actual experiences	(624,845)	-	(624,845)
Contributions - employer	-	690,534	(690,534)
Net investment income	-	348,239	(348,239)
Benefits paid, including refunds	(890,341)	(890,341)	-
Administrative expenses	-	(24,326)	24,326
Other changes	-	(20,885)	20,885
Net Changes	203,480	103,221	100,259
Balances at June 30, 2015	18,652,928	17,790,883	862,045
<i>Police Division</i>			
Balance at June 30, 2014	9,602,487	10,145,022	(542,535)
Changes for the year:			
Service Cost	284,195	-	284,195
Interest	699,430	-	699,430
Difference between expected and actual experiences	(273,481)	-	(273,481)
Contributions - employer	-	356,369	(356,369)
Net investment income	-	199,625	(199,625)
Benefits paid, including refunds	(192,952)	(192,952)	-
Administrative expenses	-	(10,532)	10,532
Other changes	-	179,859	(179,859)
Net Changes	517,192	532,369	(15,177)
Balances at June 30, 2015	10,119,679	10,677,391	(557,712)
Total Plan Balances at June 30, 2015	\$ 28,772,607	\$ 28,468,274	\$ 304,333

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following present the Net Pension Asset of the employer, calculated using the discount rate of 7.25%, as well as what the employer’s Net Pension Asset would be using a discount rate that is one 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%
<i>General Division</i>			
Total Pension Liability	\$ 21,285,341	\$ 18,652,928	\$ 16,483,295
Fiduciary Net Position	<u>17,790,883</u>	<u>17,790,883</u>	<u>17,790,883</u>
Net Pension (Asset) Liability	3,494,458	862,045	(1,307,588)
<i>Police Division</i>			
Total Pension Liability	12,026,971	10,119,679	8,591,098
Fiduciary Net Position	<u>10,677,391</u>	<u>10,677,391</u>	<u>10,677,391</u>
Net Pension (Asset) Liability	<u>1,349,580</u>	<u>(557,712)</u>	<u>(2,086,293)</u>
Total Net Pension (Asset) Liability	<u>\$ 4,844,038</u>	<u>\$ 304,333</u>	<u>\$ (3,393,881)</u>

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

For the year ended 2015, the employer recognized pension expense of \$710,906 in all divisions. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>General Division</i>			
Differences in experiences	\$ 740,312	\$ (505,956)	\$ 234,356
Excess investment returns	-	-	-
Contributions subsequent to the measurement date*	<u>349,426</u>	<u>-</u>	<u>349,426</u>
	1,089,738	(505,956)	583,782
<i>Police Division</i>			
Differences in experiences	438,192	(231,768)	206,424
Excess investment returns	-	-	-
Contributions subsequent to the measurement date*	<u>188,106</u>	<u>-</u>	<u>188,106</u>
	<u>626,298</u>	<u>(231,768)</u>	<u>394,530</u>
	<u>\$ 1,716,036</u>	<u>\$ (737,724)</u>	<u>\$ 978,312</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending December 31, 2016.

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

Year Ending December 31,	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2016	\$ 415,615	\$ 255,941	\$ 671,556
2017	66,189	67,835	134,024
2018	66,189	67,835	134,024
2019	66,189	67,835	134,024
2020	(30,400)	(41,713)	(72,113)
Thereafter	<u>-</u>	<u>(23,203)</u>	<u>(23,203)</u>
	<u>\$ 583,782</u>	<u>\$ 394,530</u>	<u>\$ 978,312</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE M – EMPLOYEE PENSION PLAN – LAGERS (continued)

Payable to the Pension Plan

At December 31, 2015, the County had no outstanding amounts of contributions to the pension plan required, therefore no payable was reported.

NOTE N – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

The 2015 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

Assessed Valuation	
Real estate	\$ 1,067,010,878
Personal property	243,789,749
Railroad and utilities	<u>129,289,032</u>
	TOTAL <u>\$ 1,440,089,659</u>
Tax Rate Per \$100 of Assessed Valuation	
Road and Bridge Fund	<u>\$.2300</u>

The legal debt margin at December 31, 2015, is computed as follows:

Constitutional debt limit	\$ 144,008,966
General obligation bonds outstanding	(20,776,000)
Amount available in Debt Service Funds	<u>5,617,594</u>
	LEGAL DEBT MARGIN <u>\$ 128,850,560</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE O – DEFICIT FUND BALANCE

As of December 31, 2015, the County had a deficit fund balance in the 2011 CIA Bond Project Fund in the amount of \$1,606.

NOTE P – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2015, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,132,407
Road and Bridge Fund	-	1,992,384
Justice Center Sales Tax Fund	2,181,038	-
Justice Center Debt Service Fund	2,964,956	-
CIA Public Works Debt Service Fund	1,865,759	-
Non-Major Governmental Funds	113,038	-
	<u>\$ 7,124,791</u>	<u>\$ 7,124,791</u>

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

NOTE Q – INTERNAL BALANCES

Internal balances as of December 31, 2015, consisted of the following:

	<u>General Fund</u>	<u>Health Fund</u>
Internal balances	<u>\$ (9,047)</u>	<u>\$ 9,047</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE R – INTERNAL BALANCES (continued)

During the course of its operations, the County has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2015, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

NOTE S – COMMITMENTS

At December 31, 2015, the County had the following commitments:

<u>Vendor</u>	<u>Project</u>	<u>Commitment</u>
CFS Engineers	School Road Phase II	\$ 52,500
Metro Asphalt	School Road Phase II	461,799
		<u>\$ 514,299</u>

NOTE T – RESTATEMENT

Net position as of January 1, 2015, has been restated as follows for the prior year capital additions and for implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

Governmental Activities:	
Net Position as previously stated, December 31, 2014	\$ 21,409,389
Capital Assets	(87,787)
Deferred pension outflows	1,093,982
Net pension liability	<u>(3,142,664)</u>
Net Position as restated, January 1, 2015	<u>\$ 19,272,920</u>

NOTE U - DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$17,500 per year (participants 50 and older may contribute an additional \$5,500). The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Investments are managed by the plan's trustee and the choice of the investment option(s) is made by the participants.

NOTE V – CONTINGENCIES

In March 2012 the Missouri Department of Revenue (DOR) notified the County of a potential error in sales tax revenues the County received from the DOR. The DOR asserted that a utility provider incorrectly reported its sales tax payments and as a result the DOR improperly paid taxes to the County instead of another local governmental entity. The amount involved includes sales taxes paid to the County during the previous three years and is estimated to be approximately \$910,000. Since March 2012 the utility provider has correctly calculated and remitted the sales tax to the DOR.

There are several parties involved in this dispute including the County, DOR, the utility provider and the local governmental entity. In the opinion of the County's legal counsel the only party that has recourse against the County is the utility provider. Currently the utility provider has not brought action against the County to recover the overpaid sales tax. Moreover, the statute of limitations for any tax overpayment is three years. Thus, the amount for which there may be a recovery is limited to what was overpaid during the preceding thirty-six months, which as of April 1, 2016 was approximately \$300,000. This amount continues to decline each month as long as the utility provider does not take formal action against the County. The ultimate outcome of this matter is not presently determinable and no provision for any liability that may result has been made in the financial statements.

On January 29, 2013, the City of Harrisonville made demand on the County for payment of \$245,497 directly related to the County's use of the Justice Center generator, including \$164,894 for the percentage of the City's coincidental peak usage directly attributable to the Justice Center, \$69,603 for the cost and installation of a recloser and riser switch to protect the utility system from unanticipated charges when the generator is generating power and \$11,000 for costs incurred for equipment usage and reserve circuit capacity. Under advice from its legal counsel, management does not believe the City of Harrisonville has a valid claim against the County.

NOTE W – TRANSPORTATION DEVELOPMENT DISTRICT FUTURE RECEIVABLE

In June 2015, the Cass County Transportation Development District (the District) issued \$3,305,000 in revenue bonds to construct North Cass Parkway Interchange on Highway 71. Cass County, Missouri has made the debt service payments on these bonds and funded preliminary work on the project. In future years, after development takes place at the District, the County is anticipating being reimbursed for these payments on the project. However, future reimbursements are dependent upon future development. At December 31, 2014, the County estimates it is owed approximately \$5,158,031 (which includes interest compounded at 6%) from the District. An allowance for doubtful account for the entire amount owed to the County has been recorded in the accompanying financial statements due to the ultimate uncertainty of the collectability of this receivable balance.

NOTE X - PLEDGED REVENUES:

The County has pledged its law enforcement sales tax revenues to repay \$33,475,000 in Refunding Certificates of Participation issued in November, 2010. The outstanding principal on these bonds as of December 31, 2015, was \$25,930,000. The Certificates of Participation were originally used to finance the construction of the Cass County Justice Center. The Certificates of Participation are payable solely from the sales taxes generated, which in 2015 were \$6,080,205. Total principal and interest remaining on the Certificates of Participation is \$31,572,637, with the final maturity scheduled for May 1, 2025. For the current year, principal and interest paid were \$1,820,000 and \$1,144,956, respectively.

The County has pledged its revenues from its capital improvement sales tax revenues to repay \$20,000,000 in General Obligation Bonds issued in June, 2010 and February, 2011. Additionally, the County will also receive recovery zone interest subsidies over the life of the bonds which will amount to approximately \$3,970,000. The outstanding principal on these bonds as of December 31, 2015, was \$17,725,000. The General Obligation Bonds were used to finance road and bridge projects in Cass County. Total principal and interest remaining on the bonds is \$25,545,860, with the final maturity scheduled for March 1, 2027. For the current year, principal and interest paid were \$525,000 and \$899,500, respectively.

The County has pledged revenues generated from cost savings from its Tri-Generation Project to repay approximately \$2,944,000 in Series 2010A and Series 2010B Certificates of Participation. Additionally, the County will also receive recovery zone interest subsidies over the life of the Certificates of Participation. These recovery zone credits will amount to approximately \$1,335,630 over the life of the Certificates of Participation. The outstanding principal on these bonds as of December 31, 2015, was \$2,599,000. Total principal and interest remaining on the Certificates of Participation is \$4,763,928, with the final maturity scheduled for April 1, 2035. For the current year, principal and interest paid were \$78,000 and \$174,562, respectively.

NOTE Y – MEDICAL MALPRACTICE CLAIMS – CASS REGIONAL MEDICAL CENTER

The Medical Center is self-insured for the first \$25,000 per occurrence of medical malpractice risks. The Medical Center purchases commercial insurance coverage above the self-insurance limits. Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. The malpractice expense accrual at December 31, 2015, was \$200,000. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

NOTE Z – WORKERS' COMPENSATION CLAIMS - CASS REGIONAL MEDICAL CENTER

The Medical Center has obtained workers' compensation insurance through membership in the Hospitals Self-Insurance Fund of Missouri (the Fund), a trust formed for the benefit of qualified health care providers in the state of Missouri that wish to pool their resources to qualify as a group self-insurer as permitted under the Workmen's Compensation Law, Chapter 287 of the Revised Statutes of Missouri, as amended. The Fund and its members jointly fund and severally agree to assume and discharge, by payment, any lawful awards entered against any member of the Fund. Workers' compensation expense through participation in the Fund was \$277,093 for the year ended December 31, 2015. No additional liability was accrued for workers' compensation claims at December 31, 2015.

NOTE AA – EMPLOYEE HEALTH CLAIMS – CASS REGIONAL MEDICAL CENTER

Substantially all of the Medical Center's employees and their dependents are eligible to participate in the Medical Center's employee health insurance plan. The Medical Center is self-insured for health claims of participating employees and dependents up to \$100,000 per individual claim and an annual aggregate amount of \$1,000,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the individual and aggregate annual amounts. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Medical Center's estimate will change by a material amount in the near term.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE AA – EMPLOYEE HEALTH CLAIMS – CASS REGIONAL MEDICAL CENTER (continued)

Activity in the Medical Center's accrued employee health claims liability during 2015 is summarized as follows:

	<u>2015</u>
Balance, beginning of year	\$ 381,970
Current year claims incurred	2,612,475
Claims and expenses paid	<u>(2,609,818)</u>
	<u>\$ 384,627</u>

NOTE BB – LONG-TERM OBLIGATIONS – CASS REGIONAL MEDICAL CENTER

The following is a summary of long-term debt transactions for the Medical Center for the year ended December 31, 2015:

	<u>2015</u>				
	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>Portion</u>
Medical Center					
Revenue bonds payable	\$ 46,470,000	\$ -	\$ 980,000	\$ 45,490,000	\$ 980,000
Unamortized premium	226,635	-	15,786	210,849	-
Corporation					
Note payable to bank (A)	205,539	-	30,808	174,731	34,554
Note payable to bank (B)	<u>423,945</u>	<u>-</u>	<u>25,340</u>	<u>398,605</u>	<u>29,842</u>
Total	<u>\$ 47,326,119</u>	<u>\$ -</u>	<u>\$ 1,051,934</u>	<u>\$ 46,274,185</u>	<u>\$ 1,044,396</u>

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE BB – LONG-TERM OBLIGATIONS – CASS REGIONAL MEDICAL CENTER (continued)

Revenue Bonds Payable

The Medical Center issued Hospital Revenue Bonds (Bonds) in the original amount of \$49,905,000 dated November 7, 2007, which bear interest at 4.25% to 4.5%. The Bonds are payable in annual installments through May 1, 2038. The Bonds are collateralized by the net revenues and accounts receivable of the Medical Center and the assets restricted under the bond indenture agreement. The revenue bonds are anticipated to be refinanced in November 2016. See *Note 16*.

The debt service requirements as of December 31, 2015, are as follows:

Years Ending December 31,	Total to be Paid	Principal	Interest
2016	\$ 3,454,925	\$ 980,000	\$ 2,474,925
2017	3,502,175	1,080,000	2,422,175
2018	3,500,422	1,135,000	2,365,422
2019	3,504,169	1,200,000	2,304,169
2020	3,504,422	1,265,000	2,239,422
2021-2025	17,513,740	7,435,000	10,078,740
2026-2030	17,513,965	9,775,000	7,738,965
2031-2035	17,515,312	12,900,000	4,615,312
2036-2038	10,556,157	9,720,000	836,157
	<u>\$ 80,565,287</u>	<u>\$ 45,490,000</u>	<u>\$ 35,075,287</u>

Notes Payable to Bank

- A) The note payable to bank is due in monthly installments of \$3,476, which includes interest at 4.5%, through July 2020. The note is collateralized by certain property.
- B) The note payable was refinanced in December 2014. The note payable to bank is due in monthly installments of \$3,624, which includes interest at 3.5%, through December 2019, at which time a balloon payment of the remainder of the balance is due. The note is collateralized by certain property.

CASS COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE BB – LONG-TERM OBLIGATIONS – CASS REGIONAL MEDICAL CENTER (continued)

The debt service requirements as of December 31, 2015, are as follows:

<u>Years Ending December 31,</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 85,210	\$ 64,396	\$ 20,814
2017	85,211	67,145	18,066
2018	85,211	69,947	15,264
2019	356,447	344,105	12,342
2020	28,110	27,743	367
	<u>\$ 640,189</u>	<u>\$ 573,336</u>	<u>\$ 66,853</u>

NOTE CC – OPERATING LEASES – CASS REGIONAL MEDICAL CENTER

The Medical Center has noncancellable operating leases for equipment and office facilities expiring through 2029 that require the Medical Center to pay all executory costs (property taxes, maintenance and insurance).

Future minimum lease payments on noncancellable leases with initial terms of more than one year at December 31, 2015 were:

2016	\$ 1,427,072
2017	1,294,966
2018	1,120,301
2019	1,050,848
2020	1,006,201
2021-2025	1,590,039
2026-2029	<u>1,142,558</u>
Future minimum lease payments	<u>\$ 8,631,985</u>

NOTE DD – CONTINGENCIES – CASS REGIONAL MEDICAL CENTER

Litigation

In the normal course of business, the Medical Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by commercial insurance. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

NOTE EE – SUBSEQUENT EVENT – CASS REGIONAL MEDICAL CENTER

In 2015, the Medical Center committed to issue \$40,445,000 of Hospital Refunding Revenue Bonds Series 2015 (the Bonds). The Bonds are anticipated to be issued on or before November 1, 2016. Issuance costs associated with the Bonds incurred in 2015 totaled approximately \$534,000 and were expensed as incurred.

REQUIRED SUPPLEMENTARY INFORMATION

CASS COUNTY, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION (ASSET) AND RELATED RATIOS – LAGERS
Year Ended December 31, 2015

Missouri Local Government Employees Retirement System (LAGERS)

	General Division	Police Division
	June 30, 2015	June 30, 2015
TOTAL PENSION LIABILITY		
Service Cost	\$ 398,595	\$ 284,195
Interest on the Total Pension Liability	1,320,071	699,430
Difference between expected and actual experience	(624,845)	(273,481)
Benefit Payments	(890,341)	(192,952)
NET CHANGE IN TOTAL PENSION LIABILITY	203,480	517,192
TOTAL PENSION LIABILITY, BEGINNING	18,449,448	9,602,487
TOTAL PENSION LIABILITY, ENDING	18,652,928	10,119,679
PLAN FIDUCIARY NET POSITION		
Contributions - employer	690,534	356,369
Contributions - employee	-	-
Pension Plan Net Investment Income	348,239	199,625
Benefit Payments	(890,341)	(192,952)
Pension Plan Administrative Expense	(24,326)	(10,532)
Other	(20,885)	179,859
NET CHANGE IN PLAN FIDUCIARY NET POSITION	103,221	532,369
PLAN FIDUCIARY NET POSITION, BEGINNING	17,687,662	10,145,022
PLAN FIDUCIARY NET POSITION, ENDING	17,790,883	10,677,391
EMPLOYER NET PENSION LIABILITY (ASSET)	\$ 862,045	\$ (557,712)
Plan fiduciary net position as a percentage of the total pension liability	95.38%	105.51%
Covered employee payroll	\$ 5,001,264	\$ 3,560,172
Employer's net pension asset/liability as a percentage of covered employee payroll	17.24%	-15.67%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CASS COUNTY, MISSOURI
 SCHEDULE OF CONTRIBUTIONS – LAGERS
 Year Ended December 31, 2015

Missouri Local Government Employees Retirement System (LAGERS)
Schedule of Contributions
Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 1,025,440	\$ 939,985	\$ 950,660	\$ 965,861	\$ 1,499,320	\$ 1,569,499	\$ 1,479,066	\$ 1,437,865	\$ 1,417,984	\$ 1,363,236
Contributions in relation to the actuarially determined contribution	<u>1,025,440</u>	<u>1,028,171</u>	<u>950,660</u>	<u>965,861</u>	<u>1,054,542</u>	<u>1,526,563</u>	<u>1,479,066</u>	<u>1,437,865</u>	<u>1,417,984</u>	<u>1,363,236</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (88,186)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,778</u>	<u>\$ 42,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,786,618	\$ 9,120,775	\$ 8,914,611	\$ 8,329,280	\$ 8,216,138	\$ 8,722,387	\$ 8,935,712	\$ 8,523,905	\$ 8,309,353	\$ 7,632,379
Contributions as a percentage of covered-employee payroll	11.67%	11.27%	10.66%	11.60%	12.84%	17.50%	16.55%	16.87%	17.06%	17.86%

CASS COUNTY, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS – LAGERS
Year Ended December 31, 2015

Valuation Date: February 28, 2015.

Notes: The roll-forward of total pension liability from February 28, 2015, to June 30, 2015, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Percentage of Payroll, Closed

Remaining Amortization Period – Multiple bases from 14 to 15 years

Asset Valuation Method – 5-Year smoothed market; 20% corridor

Inflation – 3.5% wage inflation; 3.0% price inflation

Salary Increases – 3.5% to 6.8% including wage inflation for the general and police division

Investment Rate of Return – 7.25%, net of investment and administrative expenses

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition

Mortality – 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other Information – None

CASS COUNTY, MISSOURI
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED
 RATIOS – CERF
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) (a)</u>	<u>Actual Covered Employee Payroll (b)</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2015	2.7134%	\$ 3,166,506	\$ 9,979,798	31.73%	78.83%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

*The data provided in the schedule is based as of the measurement date of CERFs' net pension liability, which is as of the beginning of the County's fiscal year.

CASS COUNTY, MISSOURI
 SCHEDULE OF EMPLOYER CONTRIBUTIONS – CERF
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 536,749	\$ 536,749	\$ -	\$ 9,979,798	5.38%
12/31/2015	522,210	522,210	-	10,281,192	5.08%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CASS COUNTY, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS – CERF
Year Ended December 31, 2015

Actuarial Methods and Assumptions: The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of January 1 of the respective calendar year. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule.

Actuarial Cost Method – Entry Age

Amortization Method – Remaining amortization period from January 1, 2014:

For each year from 1995-2010, level percent of payroll for a 30 year closed period from January 1, 1995 – 20 years

Beginning on January 1, 2011, a fresh start level percent of payroll over the 20 year closed period beginning on that date – 17 years

For subsequent years, additional 20 year bases are established for actuarial gains and losses, benefit improvements, and changes in actuarial assumptions – 18 years for the 2012 base, 19 years for the 2013 base, and 20 years for the 2014 base

Asset Valuation Method – Market value from 2005 through 2008 and 5-year smoothing of actual returns above or below expected returns from 2009 through 2014

Investment Rate of Return – 8%

Inflation – 3%

Compensation Increases – 4% for those with less than 15 years of service and 3% for those with 15 or more years of service, including inflation, from 2005 to 2007. Inflation plus an age-graded allowance for merit, promotion, and seniority from 2008 through 2014. Total average increases are approximately 5.3%

Retirement Age – Expected retirement ages were adjusted in 2008 based on an experience study covering the years 2002 through 2007

Mortality Rates – RP 2000 table separately for males and females projected for mortality improvement through 2010

CASS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Taxes				
Property taxes	\$ 56,000	\$ 56,000	\$ 74,901	\$ 18,901
County sales taxes	6,899,000	6,899,000	7,009,211	110,211
PILOT distribution tax	721,500	721,500	1,148,427	426,927
Other	1,800	1,800	1,844	44
	<u>7,678,300</u>	<u>7,678,300</u>	<u>8,234,383</u>	<u>556,083</u>
Collector's Commission				
Collection commissions	1,505,000	1,505,000	1,479,469	(25,531)
	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,479,469</u>	<u>(25,531)</u>
Licenses and Permits				
Beverage licenses	48,000	48,000	50,463	2,463
Other licenses	500	500	690	190
	<u>48,500</u>	<u>48,500</u>	<u>51,153</u>	<u>2,653</u>
Intergovernmental Revenues				
Federal	300,784	300,784	231,472	(69,312)
Other	210,000	210,000	100,610	(109,390)
	<u>510,784</u>	<u>510,784</u>	<u>332,082</u>	<u>(178,702)</u>
Fees and Charges				
County administration	200,000	200,000	200,000	-
County clerk	4,300	4,300	14,635	10,335
Recorder of deeds	400,000	400,000	404,224	4,224
Codes/zoning	403,000	403,000	542,508	139,508
	<u>1,007,300</u>	<u>1,007,300</u>	<u>1,161,367</u>	<u>154,067</u>
Other				
Miscellaneous	440,000	440,000	75,627	(364,373)
TOTAL REVENUES	<u>11,189,884</u>	<u>11,189,884</u>	<u>11,334,081</u>	<u>144,197</u>

CASS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
EXPENDITURES				
Current				
General Government				
County administration	2,876,877	2,876,877	3,061,114	(184,237)
Building and grounds	194,848	194,848	172,589	22,259
Codes/zoning	436,800	436,800	366,505	70,295
Auditor	250,544	250,544	236,116	14,428
County collector	401,861	401,861	376,913	24,948
County clerk	244,024	244,024	247,218	(3,194)
Voter registration	16,000	16,000	13,390	2,610
Elections	312,000	312,000	167,162	144,838
Recorder of deeds	358,559	358,559	365,091	(6,532)
County treasurer	123,977	123,977	123,604	373
University outreach	58,500	58,500	58,333	167
Parks	8,763	8,763	-	8,763
	<u>5,282,753</u>	<u>5,282,753</u>	<u>5,188,035</u>	<u>94,718</u>
Public Works				
Emergency management	64,288	64,288	64,610	(322)
Health and Welfare				
Medical examiner	116,800	116,800	116,796	4
Health department	228,979	228,979	197,351	31,628
	<u>345,779</u>	<u>345,779</u>	<u>314,147</u>	<u>31,632</u>
County reserve	<u>600,500</u>	<u>600,500</u>	<u>-</u>	<u>600,500</u>
TOTAL EXPENDITURES	<u>6,293,320</u>	<u>6,293,320</u>	<u>5,566,792</u>	<u>726,528</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,896,564	4,896,564	5,767,289	870,725
OTHER FINANCING SOURCES (USES)				
Operating transfers in	636,093	636,093	746,003	109,910
Operating transfers (out)	<u>(5,892,239)</u>	<u>(5,892,239)</u>	<u>(5,878,410)</u>	<u>13,829</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,256,146)</u>	<u>(5,256,146)</u>	<u>(5,132,407)</u>	<u>123,739</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	(359,582)	(359,582)	634,882	994,464
FUND BALANCE, January 1	<u>1,718,329</u>	<u>1,718,329</u>	<u>1,718,329</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 1,358,747</u>	<u>\$ 1,358,747</u>	<u>\$ 2,353,211</u>	<u>\$ 994,464</u>

CASS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Taxes	\$ 8,054,200	\$ 8,054,200	\$ 8,299,207	\$ 245,007
Fees and charges	8,000	8,000	8,390	390
Interest	5,000	5,000	777	(4,223)
Other revenues	37,000	37,000	21,757	(15,243)
TOTAL REVENUES	8,104,200	8,104,200	8,330,131	225,931
EXPENDITURES				
Current				
Road and bridge	8,210,200	8,210,200	6,944,350	1,265,850
Debt service	188,000	188,000	187,386	614
TOTAL EXPENDITURES	8,398,200	8,398,200	7,131,736	1,266,464
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES				
	(294,000)	(294,000)	1,198,395	1,492,395
OTHER FINANCING (USES)				
Operating transfers (out)	(2,141,626)	(2,141,626)	(1,992,384)	149,242
(DEFICIT) OF REVENUES OVER EXPENDITURES AND OTHER (USES)				
	(2,435,626)	(2,435,626)	(793,989)	1,641,637
FUND BALANCE, January 1	3,320,356	3,320,356	2,315,051	(1,005,305)
FUND BALANCE, December 31	\$ 884,730	\$ 884,730	\$ 1,521,062	\$ 636,332

CASS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – JUSTICE CENTER SALES TAX FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Taxes	\$ 6,898,000	\$ 6,898,000	\$ 7,009,188	\$ 111,188
Fees and charges	890,123	890,123	594,358	(295,765)
Intergovernmental	881,508	881,508	820,101	(61,407)
Other	29,550	29,550	31,423	1,873
TOTAL REVENUES	<u>8,699,181</u>	<u>8,699,181</u>	<u>8,455,070</u>	<u>(244,111)</u>
EXPENDITURES				
Current				
Public safety	11,054,358	11,054,358	10,494,035	560,323
TOTAL EXPENDITURES	<u>11,054,358</u>	<u>11,054,358</u>	<u>10,494,035</u>	<u>560,323</u>
(DEFICIT) OF REVENUES OVER EXPENDITURES	(2,355,177)	(2,355,177)	(2,038,965)	316,212
OTHER FINANCING SOURCES				
Sale of property	195,000	195,000	148,009	(46,991)
Operating transfers in	2,160,177	2,160,177	2,181,038	20,861
TOTAL OTHER FINANCING SOURCES	<u>2,355,177</u>	<u>2,355,177</u>	<u>2,329,047</u>	<u>(26,130)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	290,082	290,082
FUND BALANCE, January 1	<u>2,454,936</u>	<u>2,454,936</u>	<u>2,454,936</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 2,454,936</u></u>	<u><u>\$ 2,454,936</u></u>	<u><u>\$ 2,745,018</u></u>	<u><u>\$ 290,082</u></u>

CASS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ASSESSOR FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Intergovernmental	\$ 145,164	\$ 145,164	\$ 153,225	\$ 8,061
Fees and charges	1,026,485	1,026,485	1,097,197	70,712
Interest	1,000	1,000	475	(525)
Other	2,000	2,000	1,570	(430)
TOTAL REVENUES	1,174,649	1,174,649	1,252,467	77,818
EXPENDITURES				
Current				
General government	1,469,024	1,469,024	1,199,660	269,364
TOTAL EXPENDITURES	1,469,024	1,469,024	1,199,660	269,364
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(294,375)	(294,375)	52,807	347,182
FUND BALANCE, January 1	605,657	605,657	605,657	-
FUND BALANCE, December 31	\$ 311,282	\$ 311,282	\$ 658,464	\$ 347,182

CASS COUNTY, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended December 31, 2015

Budgets and Budgetary Accounting

The County utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, Administration submits to the County Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the County Commission in late November or early December to obtain taxpayers' comments on the proposed budget.
3. Prior to January 10 in even years or January 31 in odd years, appropriation orders are passed by the County Commission which provide for legally adopted budgets for all funds of the County.
4. The County operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Commission.
5. Formal budgetary integration is employed as a management control device for all funds of the County.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by the County Commission.

OTHER FINANCIAL INFORMATION

CASS COUNTY, MISSOURI
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2015

	Special Revenue Funds							Sheriff Training Post Fund
	Federal Bridge Fund	Impact Fee Fund	Inmate Security Fund	Local Law Enforcement Block Grant Fund	Sheriff Civil Process Fund	Sheriff Revolving Fund	Sheriff Training Fund	
ASSETS								
Cash and cash equivalents	\$ 696,059	\$ 164,688	\$ 66,022	\$ 1,936	\$ 174,837	\$ 199,894	\$ 19,820	\$ 10,752
Investments	-	-	-	-	-	-	-	-
Other accounts receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	47,353	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 743,412	\$ 164,688	\$ 66,022	\$ 1,936	\$ 174,837	\$ 199,894	\$ 19,820	\$ 10,752
LIABILITIES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
Fund Balances (Deficits)								
Restricted for:								
Judicial	-	-	-	-	-	-	-	-
Public safety	-	164,688	66,022	1,936	174,837	199,894	19,820	10,752
Health and welfare	-	-	-	-	-	-	-	-
Tax maintenance	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-
Road and bridge	743,412	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	743,412	164,688	66,022	1,936	174,837	199,894	19,820	10,752
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 743,412	\$ 164,688	\$ 66,022	\$ 1,936	\$ 174,837	\$ 199,894	\$ 19,820	\$ 10,752

CASS COUNTY, MISSOURI
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS (continued)
 December 31, 2015

	Special Revenue Funds								
	Prosecuting Attorney Check Fee Fund	Prosecuting Attorney Contingency Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Training Fund	Law Enforcement Restitution Fund	Drug Court Fund	Domestic Violence Fund	HAVA Grant Fund	Clerk Training Fund
ASSETS									
Cash and cash equivalents	\$ 15,806	\$ 2,500	\$ 16,244	\$ 12,568	\$ 43,190	\$ 77,982	\$ 13,834	\$ -	\$ 24,231
Investments	-	-	-	-	-	-	-	-	-
Other accounts receivable	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 15,806	\$ 2,500	\$ 16,244	\$ 12,568	\$ 43,190	\$ 77,982	\$ 13,834	\$ -	\$ 24,231
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
Fund Balances (Deficits)									
Restricted for:									
Judicial	15,806	2,500	16,244	12,568	-	-	13,834	-	-
Public safety	-	-	-	-	43,190	77,982	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	24,231
Tax maintenance	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-
Road and bridge	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	15,806	2,500	16,244	12,568	43,190	77,982	13,834	-	24,231
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 15,806	\$ 2,500	\$ 16,244	\$ 12,568	\$ 43,190	\$ 77,982	\$ 13,834	\$ -	\$ 24,231

CASS COUNTY, MISSOURI
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS (continued)
 December 31, 2015

	Special Revenue Funds					Capital Project Funds		Debt Service Fund	Total
	Collector	Collector	Recorder	Health	Courthouse	2011 CIA	2015 CIA	Tri Gen	
	Maintenance	Tax				Bond	Bond		
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
ASSETS									
Cash and cash equivalents	\$ 57,604	\$ 152,690	\$ 136,565	\$ 34,879	\$ 103,254	\$ 14	\$ -	\$ -	\$ 2,025,369
Investments	-	-	200,000	-	-	-	-	-	200,000
Other accounts receivable	-	-	-	88,660	-	-	-	-	88,660
Intergovernmental receivable	-	-	-	25,736	-	-	-	-	73,089
Due from other funds	-	-	-	9,047	-	-	-	-	9,047
Restricted cash and cash equivalents	-	-	-	-	-	-	1,881,590	267,000	2,148,590
TOTAL ASSETS	\$ 57,604	\$ 152,690	\$ 336,565	\$ 158,322	\$ 103,254	\$ 14	\$ 1,881,590	\$ 267,000	\$ 4,544,755
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 450	\$ -	\$ 1,620	\$ 243,093	\$ -	\$ 245,163
Accrued expenses	-	-	-	5,631	-	-	-	-	5,631
TOTAL LIABILITIES	-	-	-	6,081	-	1,620	243,093	-	250,794
Fund Balances (Deficits)									
Restricted for:									
Judicial	-	-	-	-	103,254	-	-	267,000	431,206
Public safety	-	-	-	-	-	-	-	-	759,121
Health and welfare	-	-	-	152,241	-	-	-	-	176,472
Tax maintenance	57,604	152,690	-	-	-	-	-	-	210,294
Recorder	-	-	336,565	-	-	-	-	-	336,565
Road and bridge	-	-	-	-	-	-	-	-	743,412
Capital projects	-	-	-	-	-	-	1,638,497	-	1,638,497
Unassigned	-	-	-	-	-	(1,606)	-	-	(1,606)
TOTAL FUND BALANCES (DEFICITS)	57,604	152,690	336,565	152,241	103,254	(1,606)	1,638,497	267,000	4,293,961
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 57,604	\$ 152,690	\$ 336,565	\$ 158,322	\$ 103,254	\$ 14	\$ 1,881,590	\$ 267,000	\$ 4,544,755

CASS COUNTY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2015

	Special Revenue Funds							
	Federal Bridge Fund	Impact Fee Fund	Inmate Security Fund	Local Law Enforcement Block Grant Fund	Sheriff Civil Process Fund	Sheriff Revolving Fund	Sheriff Training Fund	Sheriff Training Post Fund
REVENUES								
Intergovernmental revenues	\$ 570,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and charges	-	6,006	25,778	-	50,000	161,940	10,815	4,729
Interest	-	-	-	-	-	-	-	-
Other	-	-	9,039	-	-	-	-	-
TOTAL REVENUES	570,683	6,006	34,817	-	50,000	161,940	10,815	4,729
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	6,438	-	79,860	138,950	27,308	2,314
Health and welfare	-	-	-	-	-	-	-	-
Road and bridge	570,690	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	570,690	-	6,438	-	79,860	138,950	27,308	2,314
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES								
	(7)	6,006	28,379	-	(29,860)	22,990	(16,493)	2,415
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	-	-	-
Operating transfers in (out)	-	126,626	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	126,626	-	-	-	-	-	-
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)								
	(7)	132,632	28,379	-	(29,860)	22,990	(16,493)	2,415
FUND BALANCE, January 1	743,419	32,056	37,643	1,936	204,697	176,904	36,313	8,337
FUND BALANCE (DEFICIT), December 31	\$ 743,412	\$ 164,688	\$ 66,022	\$ 1,936	\$ 174,837	\$ 199,894	\$ 19,820	\$ 10,752

CASS COUNTY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS
 (continued)
 Year Ended December 31, 2015

	Special Revenue Funds								
	Prosecuting Attorney Check Fee Fund	Prosecuting Attorney Contingency Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Training Fund	Law Enforcement Restitution Fund	Drug Court Fund	Domestic Violence Fund	HAVA Grant Fund	Clerk Training Fund
REVENUES									
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,105	\$ -	\$ -	\$ -
Fees and charges	17,582	-	2,325	2,717	15,963	36,317	23,628	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	38
TOTAL REVENUES	17,582	-	2,325	2,717	15,963	91,422	23,628	-	38
EXPENDITURES									
Current									
General government	-	-	-	-	-	-	-	868	3,028
Judicial	5,417	14,322	134	-	-	121,875	-	-	-
Public safety	-	-	-	-	11,883	-	-	-	-
Health and welfare	-	-	-	-	-	-	13,876	-	-
Road and bridge	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	5,417	14,322	134	-	11,883	121,875	13,876	868	3,028
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	12,165	(14,322)	2,191	2,717	4,080	(30,453)	9,752	(868)	(2,990)
OTHER FINANCING SOURCES (USES)									
Bond proceeds	-	-	-	-	-	-	-	-	-
Operating transfers in (out)	-	14,322	-	-	-	86,708	-	(135,932)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	14,322	-	-	-	86,708	-	(135,932)	-
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	12,165	-	2,191	2,717	4,080	56,255	9,752	(136,800)	(2,990)
FUND BALANCE, January 1	3,641	2,500	14,053	9,851	39,110	21,727	4,082	136,800	27,221
FUND BALANCE (DEFICIT), December 31	\$ 15,806	\$ 2,500	\$ 16,244	\$ 12,568	\$ 43,190	\$ 77,982	\$ 13,834	\$ -	\$ 24,231

CASS COUNTY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS
 (continued)
 Year Ended December 31, 2015

	Special Revenue Funds					Capital Project Funds		Debt Service Fund	Total
	Collector Maintenance Fund	Collector Tax Maintenance Fund	Recorder Fund	Health Fund	Courthouse Restoration Fund	2011 CIA Bond Project Fund	2015 CIA Bond Project Fund	Tri Gen Bio Gas Fund	
	REVENUES								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 270,669	\$ 73,780	\$ -	\$ -	\$ 65,615	\$ 1,035,852
Fees and charges	49,590	184,095	87,991	275,889	54,079	-	-	-	1,009,444
Interest	-	37	146	-	-	-	67	-	250
Other	-	-	-	20,762	-	-	-	-	29,839
TOTAL REVENUES	49,590	184,132	88,137	567,320	127,859	-	67	65,615	2,075,385
EXPENDITURES									
Current									
General government	32,169	81,404	54,116	-	67,493	-	-	-	239,078
Judicial	-	-	-	-	-	-	-	-	141,748
Public safety	-	-	-	-	-	-	-	-	266,753
Health and welfare	-	-	-	538,324	-	-	-	-	552,200
Road and bridge	-	-	-	-	-	-	-	-	570,690
Debt service	-	-	-	-	-	-	-	251,038	251,038
Capital outlay	-	-	-	-	-	25,620	1,412,570	-	1,438,190
TOTAL EXPENDITURES	32,169	81,404	54,116	538,324	67,493	25,620	1,412,570	251,038	3,459,697
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	17,421	102,728	34,021	28,996	60,366	(25,620)	(1,412,503)	(185,423)	(1,384,312)
OTHER FINANCING SOURCES (USES)									
Bond proceeds	-	-	-	-	-	-	3,051,000	-	3,051,000
Operating transfers in (out)	(27,593)	(90,000)	(45,000)	-	-	-	-	183,907	113,038
TOTAL OTHER FINANCING SOURCES (USES)	(27,593)	(90,000)	(45,000)	-	-	-	3,051,000	183,907	3,164,038
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	(10,172)	12,728	(10,979)	28,996	60,366	(25,620)	1,638,497	(1,516)	1,779,726
FUND BALANCE, January 1	67,776	139,962	347,544	123,245	42,888	24,014	-	268,516	2,514,235
FUND BALANCE (DEFICIT), December 31	\$ 57,604	\$ 152,690	\$ 336,565	\$ 152,241	\$ 103,254	\$ (1,606)	\$ 1,638,497	\$ 267,000	\$ 4,293,961



**INDEPENDENT AUDITORS' 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**

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Cass County, Missouri's basic financial statements, and have issued our report thereon, dated January 20, 2017.

The financial statements of Cass Regional Medical Center were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Cass Regional Medical Center.

Internal Control over Financial Reporting

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

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be material weaknesses. They are identified as 2015-001, 2015-002, 2015-003, 2015-004 and 2015-005.

Compliance and Other Matters

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

Response to Findings

Cass County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Cass County'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.

KPM CPAs, PC

KPM CPAs PC
Springfield, Missouri
January 20, 2017



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

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Cass 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 its major federal program for the year ended December 31, 2015. Cass County, Missouri's major federal program is 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 program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Cass County, Missouri's major federal program 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 Cass 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 the major federal program. However, our audit does not provide a legal determination on Cass County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Cass County, Missouri, complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of Cass 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 Cass 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 Cass 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 identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-006 and 2015-007, that we consider to be material weaknesses.

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

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

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

KPM CPAs, PC

KPM CPAS, PC
Springfield, Missouri
January 20, 2017

CASS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number/ Identifying number	Pass-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Department of Health and Senior Services				
Team Nutrition Grants	10.574	DH150005009	\$ -	\$ 1,468
State Administrative Expenses for Child Nutrition	10.560	DH150008104	-	94
Special Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	ERS04515106 ERS04516075	- -	118,034 89,961
			-	207,995
Child Nutrition Cluster Summer Food Service Program	10.559	ERS216-1516i	-	60
Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Breakfast Program	10.553	820-036	-	3,724
National School Lunch Program	10.555	820-036	-	7,117
			-	10,901
TOTAL CHILD NUTRITION CLUSTER				10,901
TOTAL U.S. DEPARTMENT OF AGRICULTURE				220,458
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement	93.563	ER10214C015	-	157,023
Missouri Department of Health and Senior Services				
Public Health Emergency Preparedness	93.069	AOC14380155 AOC14380147	- -	19,596 54,758
			-	74,354
Preventative Health and Health Services Block Grant Funded				
Solely with Prevention and Public Health Funds	93.758	AOC15380167 DH150004029	- -	42,746 1,378
			-	44,124
Centers for Disease Control and Prevention				
Investigations and Technical Assistance	93.283	DH150004029	-	4,634
Children's Health Insurance Program				
	93.767	AOC13380023 AOC16380037	- -	30,671 48,322
			-	78,993
Child Care and Development Block Grant				
	93.575	DH150008104 ERS220-11017	- -	274 9,510
			-	9,784
Maternal and Child Health Services Block Grants to the States				
	93.994	DH150008104 AOC15380069	- -	52 36,336
			-	36,388
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHELP) Aligned Cooperative Agreements				
	93.074	DH160015016	-	4,860
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				410,160

CASS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended December 31, 2015

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number/ Identifying number	Pass-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
State Emergency Management Agency				
Emergency Management Performance Grants	97.042	2015-EP-00043-024	-	23,477
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	23,477
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Department of Transportation				
Highway Planning and Construction Grant	20.205	BRO-19(30)	-	570,683
Highway Safety Cluster				
State and Community Highway Safety	20.600	15-PT-02-030	-	5,104
Alcohol Impaired Driving Countermeasures				
Incentive Grants I	20.601	15-154-AL-028	-	7,438
Total Highway Safety Cluster			-	12,542
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	583,225
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,237,320

CASS COUNTY, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Cass County 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 Cass County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Cass County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual 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. Cass County is not using the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

Cass County did not provide funds to subrecipients in the current year.

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified: yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified: yes X none reported

Type of auditor’s report issued on compliance For the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X yes no

Identification of the major federal program:

CFDA Number(s)

20.205

Name of Federal Program or Cluster

Highway Planning and Construction Grant

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section II – Financial Statement Findings

2015-001 Sheriff Inmate and Bond Accounts

Condition: The Sheriff inmate and bond accounts are not reconciled on monthly basis to inmate accounts or bond records.

Criteria: The Sheriff inmate account should be reconciled to inmate balances on a monthly basis. A listing by inmate name and balance should be maintained that reconciles back to the inmate account balance. The balance in the sheriff bond account should be reconciled back to the outstanding bond listing on a monthly basis.

Cause: The County does not have policies or procedures in place to require these monthly reconciliations.

Effect: The balance in the Sheriff's inmate account and bond account could not be reconciled at the end of the year to an inmate listing or outstanding bond listing.

Recommendation: We recommend the County adopt policies and procedures which requires these accounts to be reconciled on a monthly basis.

County Response: The County will adopt policies and procedures that will require that these reconciliations to be performed on a monthly basis.

2015-002 Public Administrator Ward Receipts

Condition: The County does not have a policy in place to obtain receipts from the wards of the Public Administrator for items purchased by the Public Administrator's Office and given to the wards to evidence the transfer of property has taken place.

Criteria: The County should obtain receipts from the wards to evidence items purchased for the wards where in fact turned over to the wards.

Cause: The County does not have a policy requiring receipts be obtained when transferring items to the wards.

Effect: The Public Administrator purchases items for the wards from county monies which are then reimbursed by the ward accounts. The items are given to the wards however a receipt is not obtained to show the items were turned over. Risk is present that County expenditures are not properly accounted for.

Recommendation: The County adopt a policy requiring receipts be obtained when transferring property from to the wards.

County Response: The County will adopt a policy requiring the Public Administrator's Office to obtain receipts from the wards when purchasing items for the wards.

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section II – Financial Statement Findings (continued)

2015-003 Sheriff's daily collection report

Condition: The Sheriff's Office is not reconciling the daily collection report out of the receipting system to the deposits being made.

Criteria: The daily deposit should be reconciled back to the daily collection report from the receipting system. The County Auditor's Office should periodically check that this procedure is being performed.

Cause: The County does not have a policy in place to require the Sheriff's office to perform these procedures. The County Auditor's Office is not monitoring daily deposits reconciliation in the Sheriff's Office.

Effect: Risk is present that County monies are not being properly accounted for.

Recommendation: The County adopt a policy requiring daily deposit be reconciled to the daily collection report. The County should also adopt a policy requiring the County Auditor's Office to inspect these procedures periodically.

County Response: The County will adopt the necessary policies to ensure daily deposits are reconciled to the daily collection report. The County's Auditor's Office should inspect these procedures periodically.

2015-004 Health Center daily collection report

Condition: The Health Center is not reconciling the daily receipts issued to the deposits being made.

Criteria: The daily deposit should be reconciled back to the daily receipts issued from the receipting system. The County Auditor's Office should periodically check that this procedure is being performed.

Cause: The County does not have a policy in place to require the Health Center to perform these procedures. The County Auditor's office is not monitoring daily deposits reconciliation in the Health Center.

Effect: Risk is present that County monies are not being properly accounted for.

Recommendation: The County adopt a policy requiring daily deposit be reconciled to the daily receipts issued. The County should also adopt a policy requiring the County Auditor's Office to inspect these procedures periodically.

County Response: The County will adopt the necessary policies to ensure daily deposits are reconciled to the daily receipts issued.

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section II – Financial Statement Findings (continued)

2015-005 Grant Administration and Controls

Condition: The County does not have a centralized office or individual responsible for tracking grants on a county wide basis to ensure that grant compliance requirements are being met.

Criteria: The County is responsible to ensure internal controls are in place to ensure compliance with laws and regulation regarding grants.

Cause: County does not have policies and procedures in place to centralize grant reporting and monitoring.

Effect: Risk is present noncompliance with grant laws and regulations could go undetected.

Recommendation: The County adopt policies and procedures to centralize grant reporting and monitoring to ensure compliance with grant laws and regulations The County should consider assigning or hiring personnel to administer grant awards across all departments.

County's Response: The County will adopt policies and procedures to ensure the County is in compliance with grant laws and regulations.

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Transportation
Missouri Department of Transportation
Highway Planning and Construction Grant
CFDA #20.205
Award Year: Not applicable

2015-006 Equipment and Real Property Management

Condition: The County maintains an equipment listing however the listing does not identify equipment purchased with federal funds. The County has not conducted an inventory of items purchased with federal fund during the past two years.

Criteria: The County is required under A-102 Common Rule to maintain equipment records for items purchased with federal funds. A physical inventory of the equipment should be taken at least once every 2 years and reconciled to the equipment records.

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section III – Federal Award Findings and Questioned Costs (continued)

Cause: The County does not have procedures and policies in place that require the County's equipment listing identify those items purchased with federal funds. The County also does not have a policy in place to ensure an inventory of the equipment is conducted at least once every two years.

Effect: Risk is present that equipment purchased with federal funds are not being used in the federal program.

Context: Upon inquiry of management regarding the management of equipment purchased with federal funds it was determine that the proper procedures were not in place to track equipment purchased with federal funds.

Questioned Costs: The questionable costs are undeterminable as the County could not identify equipment originally purchased with federal funds that are still on hand or that was disposed of.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County adopt policies and procedures to identify equipment purchased with federal funds and to conduct a physical inventory of these items at least once every two years.

County Response: The County will adopt policies and procedures to identify equipment purchased with federal funds and to conduct an inventory of these items at least once every two years.

U.S. Department of Agriculture
Missouri Department of Health and Senior Services
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
CFDA #10.557
Aware Year: Not applicable

2015-007 Activities Allowed

Condition: The reimbursement requests submitted for the Special Supplemental Nutrition Program for Women, Infants, and Children were not reviewed prior to submission. In addition, timesheet allocation between programs was not supported by appropriate documentation.

Criteria: The County is responsible for internal control over the preparation of reimbursement requests and the accuracy of the information submitted.

CASS COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section III – Federal Award Findings and Questioned Costs (continued)

Cause: The County internal control policies and procedures were not sufficient to ensure reviews of reimbursement requests before submission or to ensure that all timesheet allocations were supported by appropriate documentation.

Effect: The County submitted reimbursement requests that were not reviewed before submission or supported by appropriate documentation.

Question Costs: Not determined.

Recommendation: We recommend that the County review and revise policies and procedures over reimbursement request submission and timesheet allocation to grants to ensure that requests are accurate and supported by adequate documentation.

County Response: The County will implement internal control procedures to ensure that employee time is properly allocated prior to submitting reimbursement requests and to ensure that appropriate documentation is maintained.

CASS COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2015

Financial Statement Findings

2014-001 Financial Reporting

Auditors' Recommendation: Management review year-end closing procedures to ensure that transactions are reviewed to determine the proper reporting in accordance with the County's policies and accounting principles generally accepted in the United States of America

Status: Corrected

2014-002 Grant Administration and Controls

Auditors' Recommendation: County implement a system for monitoring the compliance requirements of all County grants as well as maintaining appropriate supporting documentation for these requirements. We also recommend that this system centralize the grant process and the County consider either assigning or hiring personnel to administer grant awards across all departments. In addition to addressing the items noted above, this person's responsibilities would include, among many other duties, ensuring that financial and performance reports are correct and submitted timely, that the County is maintaining adequate documentation for procurement, suspension and debarment, and wage rate requirements, and preparing the schedule of expenditures of federal awards.

Status: Repeated in current year as finding 2015-005. The original expected completion date from the 2014 report was October 2016 as the County did not become aware of the issue until the year 2016. Therefore the condition reported for 2014 existed in 2015 as well.

Federal Award Findings

2014-003 Activities Allowed – Special Supplemental Nutrition Program for Women, Infants, and Children

Auditors' Recommendation: The County review and revise policies and procedures over reimbursement request submission and timesheet allocation to grants to ensure that requests are accurate and supported by adequate documentation.

Status: Repeated in current year as finding 2015-007. The original expected completion date from the 2014 report was October 2016 as the County did not become aware of the issue until the year 2016. Therefore the condition reported for 2014 existed in 2015 as well.

CASS COUNTY, MISSOURI
CORRECTIVE ACTION PLAN
December 31, 2015

Cass County respectfully submits the following corrective action plan for the year ended December 31, 2015.

Contact information for the individual responsible for the corrective action:

Mr. Ryan Wescoat
Cass County Auditor
Cass County, Missouri
102 E. Wall St.
Harrisonville, MO 64701
(816) 380-8209

Independent public accounting firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804

Audit period: Year ended December 31, 2015

The findings from the December 31, 2015, schedule of findings and questioned costs are discussed below. The findings are numbered with the numbers assigned in the schedule.

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2015-001 Sheriff Inmate and Bond Accounts

Recommendations: We recommend the County adopt policies and procedures which requires these accounts to be reconciled on a monthly basis.

Corrective Action to be Taken: The County will adopt policies and procedures that will require that these reconciliations to be performed on a monthly basis.

Anticipated Completion Date: April 1, 2017

2015-002 Public Administrator Ward Receipts

Recommendation: The County adopt a policy requiring receipts be obtained when transferring property from to the wards.

Corrective Action to be Taken: The County will adopt a policy requiring the Public Administrator's Office to obtain receipts from the wards when purchasing items for the wards.

Anticipated Completion Date: April 1, 2017

CASS COUNTY, MISSOURI
CORRECTIVE ACTION PLAN (continued)
December 31, 2015

2015-003 Sheriff's daily collection report

Recommendation: The County adopt a policy requiring daily deposit be reconciled to the daily collection report. The County should also adopt a policy requiring the County Auditor's Office to inspect these procedures periodically.

Corrective Action to be Taken: The County will adopt the necessary polices to ensure daily deposits are reconciled to the daily collection report.

Anticipated Completion Date: April 1, 2017

2015-004 Health Center daily collection report

Recommendation: The County adopt a policy requiring daily deposit be reconciled to the daily receipts issued. The County should also adopt a policy requiring the County Auditor's Office to inspect these procedures periodically.

Corrective Action to be Taken: The County will adopt the necessary polices to ensure daily deposits are reconciled to the daily receipts issued.

Anticipated Completion Date: April 1, 2017

2015-005 Grant Administration and Controls

Recommendation: The County adopt policies and procedures to centralize grant reporting and monitoring to ensure compliance with grant laws and regulations. The County should consider assigning or hiring personnel to administer grant awards across all departments.

Corrective Action to be Taken: The will adopt policies and procedures to ensure the County is in compliance with grant laws and regulations.

Anticipated Completion Date: April 1, 2017

Federal Award Findings

MATERIAL WEAKNESSES

U.S. DEPARTMENT OF TRANSPORTATION

2015-006 Equipment and Real Property Management

Recommendation: We recommend the County adopt policies and procedures to identify equipment purchased with federal funds and to conduct a physical inventory of these items at least once every two years.

Corrective Action to be Taken: The County will adopt policies and procedures to identify equipment purchased with federal funds and to conduct an inventory of these items at once every two years.

Anticipated Completion Date: April 1, 2017

U.S. DEPARTMENT OF AGRICULTURE

2015-007 Activities Allowed

Recommendation: We recommend that the County review and revise policies and procedures over reimbursement request submission and timesheet allocation to grants to ensure that requests are accurate and supported by adequate documentation.

Corrective Action to be Taken: The County will implement internal control procedures to ensure that employee time is properly allocated prior to submitting reimbursement requests and to ensure that appropriate documentation is maintained.

Anticipated Completion Date: April 1, 2017