



**NICOLE GALLOWAY, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Audrain County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Audrain County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA  
State Auditor

August 2018  
Report No. 2018-057



ANNUAL FINANCIAL REPORT

**AUDRAIN COUNTY, MISSOURI**

For the Years Ended  
December 31, 2017 and 2016

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**McBRIDE, LOCK & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY



# AUDRAIN COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**



AUDRAIN COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Steve Hobbs

Eastern Commissioner – Alan Winders

Western Commissioner – Tracy Graham

*Other Elected Officials*

Assessor – Melissa Maupin

Circuit Clerk – Penny Creed-Craghead

Collector – Kate Becker

County Clerk – Shelley Harvey

Recorder – Janis Deimeke

Coroner – Todd Yager

Prosecuting Attorney – Jacob Shellabarger

Public Administrator – Connie Hagan

Sheriff – Matt Oller

Treasurer – Patty Meyers



## **FINANCIAL SECTION**



## **McBRIDE, LOCK & ASSOCIATES, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Audrain County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Audrain County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory basis and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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



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

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

As described in Note 1, the financial statements are prepared by Audrain County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Audrain County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Audrain County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Audrain County, Missouri’s basic financial statements. The accompanying 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 not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated June 6, 2018, on our consideration of Audrain County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 6, 2018



AUDRAIN COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1, 2016			December 31, 2016			December 31, 2017
General Revenue	\$ 5,102,858	\$ 4,665,913	\$ 4,905,099	\$ 4,863,672	\$ 4,617,747	\$ 4,049,426	\$ 5,431,993
Special Road & Bridge	854,524	2,780,191	3,233,397	401,318	3,406,722	3,107,106	700,934
Assessment	592,500	410,917	322,041	681,376	388,620	300,723	769,273
Bridge Trust	27,917	-	27,917	-	-	-	-
Small Structure Tax	-	49,858	-	49,858	650,112	174,196	525,774
Law Enforcement Sales Tax	5,134	3,223,666	3,205,096	23,704	2,964,210	2,982,726	5,188
Law Enforcement Training	182	3,468	3,056	594	3,695	2,311	1,978
Sheriff Civil Fees	8,816	24,518	20,897	12,437	37,782	45,660	4,559
Prosecuting Attorney Training	2,171	583	-	2,754	679	-	3,433
Prosecuting Attorney Administrative	3,660	17,251	18,026	2,885	21,039	19,264	4,660
Prosecuting Attorney Delinquent Tax	25,264	2,047	9,019	18,292	3,529	8,299	13,522
Law Enforcement Bond	281	439,512	439,240	553	244,801	245,354	-
Election Services	23,180	15,292	19,351	19,121	4,253	1,238	22,136
Recorder User Fee	18,921	7,282	323	25,880	7,286	-	33,166
Recorder Technology	21,440	6,193	-	27,633	6,356	1,137	32,852
Collector's Maintenance	8,130	32,086	18,595	21,621	30,285	13,638	38,268
Local Emergency Planning Commission	2,575	4,842	1,810	5,607	9,695	2,665	12,637
Victims of Domestic Violence	3,196	3,345	3,769	2,772	3,813	3,344	3,241
Sheriff Revolving	24,442	32,519	48,789	8,172	4,974	8,238	4,908
Inmate Security	6,213	47,908	34,242	19,879	80,296	77,510	22,665
Law Enforcement Restitution	30,396	28,264	47,543	11,117	25,536	21,918	14,735
Federal Forfeiture	29,237	21	2,696	26,562	123,188	20,167	129,583
Project	-	-	-	-	5,489,828	1,816,150	3,673,678
Total	<u>\$ 6,791,037</u>	<u>\$ 11,795,676</u>	<u>\$ 12,360,906</u>	<u>\$ 6,225,807</u>	<u>\$ 18,124,446</u>	<u>\$ 12,901,070</u>	<u>\$ 11,449,183</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 955,000	\$ 955,575	\$ 955,000	\$ 963,382
Sales taxes	2,500,000	2,617,524	2,640,000	2,608,572
Intergovernmental	435,300	423,668	429,100	406,025
Charges for services	600,000	603,023	596,500	533,452
Interest	5,000	13,105	15,000	24,662
Other	295,900	53,018	85,500	81,654
Transfers in	-	-	-	-
Total Receipts	<u>\$ 4,791,200</u>	<u>\$ 4,665,913</u>	<u>\$ 4,721,100</u>	<u>\$ 4,617,747</u>
DISBURSEMENTS				
County Commission	\$ 134,145	\$ 132,189	\$ 136,525	\$ 135,969
County Clerk	160,310	156,355	164,545	161,623
Elections	117,000	69,848	44,350	12,789
Buildings and grounds	1,086,500	730,196	655,000	196,728
Employee fringe benefits	362,500	297,488	382,000	352,512
Treasurer	70,770	63,893	71,945	65,372
Collector	136,820	111,007	139,495	114,818
Recorder of Deeds	122,020	113,647	126,230	112,451
Circuit Clerk	45,320	27,422	49,400	32,409
Court administration	54,200	18,037	53,700	6,546
Public Administrator	64,970	62,075	78,145	63,140
Prosecuting Attorney	565,455	537,934	563,837	551,792
Juvenile Officer	342,600	335,876	342,600	300,168
Coroner	40,070	36,793	41,495	32,808
Other County government	1,704,870	859,435	1,493,640	951,950
Health and welfare	5,100	2,904	5,100	3,351
Debt services	-	-	-	-
Transfers out	1,695,000	1,350,000	1,795,000	955,000
Emergency fund	143,650	-	142,000	-
Total Disbursements	<u>\$ 6,851,300</u>	<u>\$ 4,905,099</u>	<u>\$ 6,285,007</u>	<u>\$ 4,049,426</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (2,060,100)	\$ (239,186)	\$ (1,563,907)	\$ 568,321
CASH AND INVESTMENTS, JANUARY 1	<u>5,102,858</u>	<u>5,102,858</u>	<u>4,863,672</u>	<u>4,863,672</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,042,758</u>	<u>\$ 4,863,672</u>	<u>\$ 3,299,765</u>	<u>\$ 5,431,993</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 1,505,000	\$ 1,660,093	\$ 1,645,000	\$ 1,576,649	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	188	-	-	-	-	-	-
Intergovernmental	1,442,450	1,065,270	2,876,500	1,782,827	295,715	402,682	447,850	380,366
Charges for services	-	-	-	-	-	-	-	-
Interest	1,000	2,357	2,000	6,290	500	1,921	500	3,810
Other	175,000	32,375	16,000	40,956	7,750	6,314	900	4,444
Transfers in	27,900	19,908	-	-	-	-	-	-
Total Receipts	<u>\$ 3,151,350</u>	<u>\$ 2,780,191</u>	<u>\$ 4,539,500</u>	<u>\$ 3,406,722</u>	<u>\$ 303,965</u>	<u>\$ 410,917</u>	<u>\$ 449,250</u>	<u>\$ 388,620</u>
DISBURSEMENTS								
Salaries	\$ 490,000	\$ 463,032	\$ 490,350	\$ 447,653	\$ 209,070	\$ 188,833	\$ 232,350	\$ 191,293
Employee fringe benefits	212,000	176,917	222,500	193,443	73,000	60,628	82,000	70,369
Materials and supplies	383,500	300,519	313,500	198,057	20,300	14,683	20,300	12,891
Services and other	1,165,500	985,531	1,116,320	880,442	42,800	19,731	54,300	21,954
Capital outlay	465,000	226,057	555,000	262,163	42,000	38,166	40,000	4,216
Construction	1,195,000	1,081,341	2,200,000	1,125,348	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,911,000</u>	<u>\$ 3,233,397</u>	<u>\$ 4,897,670</u>	<u>\$ 3,107,106</u>	<u>\$ 387,170</u>	<u>\$ 322,041</u>	<u>\$ 428,950</u>	<u>\$ 300,723</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (759,650)	\$ (453,206)	\$ (358,170)	\$ 299,616	\$ (83,205)	\$ 88,876	\$ 20,300	\$ 87,897
CASH AND INVESTMENTS, JANUARY 1	<u>854,524</u>	<u>854,524</u>	<u>401,318</u>	<u>401,318</u>	<u>592,500</u>	<u>592,500</u>	<u>681,376</u>	<u>681,376</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 94,874</u>	<u>\$ 401,318</u>	<u>\$ 43,148</u>	<u>\$ 700,934</u>	<u>\$ 509,295</u>	<u>\$ 681,376</u>	<u>\$ 701,676</u>	<u>\$ 769,273</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BRIDGE TRUST FUND				SMALL STRUCTURE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	49,846	650,000	648,271
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	12	200	1,841
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,858</u>	<u>\$ 650,200</u>	<u>\$ 650,112</u>
DISBURSEMENTS								
Salaries	\$ -	\$ 5,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	2,139	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	600,000	174,196
Transfers out	27,917	19,908	-	-	-	-	-	-
Total Disbursements	<u>\$ 27,917</u>	<u>\$ 27,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 174,196</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (27,917)	\$ (27,917)	\$ -	\$ -	\$ -	\$ 49,858	\$ 50,200	\$ 475,916
CASH AND INVESTMENTS, JANUARY 1	<u>27,917</u>	<u>27,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,858</u>	<u>49,858</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,858</u>	<u>\$ 100,058</u>	<u>\$ 525,774</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,250,000	1,308,678	1,320,000	1,304,246	-	-	-	-
Intergovernmental	325,000	427,025	330,000	571,651	1,500	-	-	1,114
Charges for services	90,500	92,543	90,000	81,223	3,000	2,264	3,000	2,581
Interest	15	167	100	144	-	-	-	-
Other	25,000	45,253	40,000	51,946	-	1,204	1,500	-
Transfers in	1,695,000	1,350,000	1,795,000	955,000	-	-	-	-
Total Receipts	<u>\$ 3,385,515</u>	<u>\$ 3,223,666</u>	<u>\$ 3,575,100</u>	<u>\$ 2,964,210</u>	<u>\$ 4,500</u>	<u>\$ 3,468</u>	<u>\$ 4,500</u>	<u>\$ 3,695</u>
DISBURSEMENTS								
Salaries	\$ 1,282,595	\$ 1,440,174	\$ 1,379,170	\$ 1,489,323	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	474,000	424,624	532,500	457,400	-	-	-	-
Materials and supplies	69,000	64,271	65,500	44,550	-	-	-	-
Services and other	889,500	685,217	914,000	637,841	4,500	3,056	5,000	2,311
Capital outlay	227,400	151,310	138,500	108,814	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	443,000	439,500	475,000	244,798	-	-	-	-
Total Disbursements	<u>\$ 3,385,495</u>	<u>\$ 3,205,096</u>	<u>\$ 3,504,670</u>	<u>\$ 2,982,726</u>	<u>\$ 4,500</u>	<u>\$ 3,056</u>	<u>\$ 5,000</u>	<u>\$ 2,311</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20	\$ 18,570	\$ 70,430	\$ (18,516)	\$ -	\$ 412	\$ (500)	\$ 1,384
CASH AND INVESTMENTS, JANUARY 1	<u>5,134</u>	<u>5,134</u>	<u>23,704</u>	<u>23,704</u>	<u>182</u>	<u>182</u>	<u>594</u>	<u>594</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,154</u>	<u>\$ 23,704</u>	<u>\$ 94,134</u>	<u>\$ 5,188</u>	<u>\$ 182</u>	<u>\$ 594</u>	<u>\$ 94</u>	<u>\$ 1,978</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL FEES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	26,000	24,390	36,000	35,586	1,000	583	1,000	679
Interest	10	16	15	16	-	-	-	-
Other	-	112	-	2,180	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 26,010</u>	<u>\$ 24,518</u>	<u>\$ 36,015</u>	<u>\$ 37,782</u>	<u>\$ 1,000</u>	<u>\$ 583</u>	<u>\$ 1,000</u>	<u>\$ 679</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	473	-	-	-	-
Services and other	34,500	20,897	48,415	37,676	3,000	-	3,700	-
Capital outlay	-	-	-	7,511	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 34,500</u>	<u>\$ 20,897</u>	<u>\$ 48,415</u>	<u>\$ 45,660</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,700</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,490)	\$ 3,621	\$ (12,400)	\$ (7,878)	\$ (2,000)	\$ 583	\$ (2,700)	\$ 679
CASH AND INVESTMENTS, JANUARY 1	<u>8,816</u>	<u>8,816</u>	<u>12,437</u>	<u>12,437</u>	<u>2,171</u>	<u>2,171</u>	<u>2,754</u>	<u>2,754</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 326</u>	<u>\$ 12,437</u>	<u>\$ 37</u>	<u>\$ 4,559</u>	<u>\$ 171</u>	<u>\$ 2,754</u>	<u>\$ 54</u>	<u>\$ 3,433</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,600	2,030	4,000	3,662	-	-	-	-
Interest	5	4	5	12	-	-	-	-
Other	8,000	15,217	20,000	17,365	5,000	2,047	5,000	3,529
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 11,605</u>	<u>\$ 17,251</u>	<u>\$ 24,005</u>	<u>\$ 21,039</u>	<u>\$ 5,000</u>	<u>\$ 2,047</u>	<u>\$ 5,000</u>	<u>\$ 3,529</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	848	-	1,167	30,000	8,479	23,250	8,299
Services and other	15,200	17,178	26,800	18,097	-	540	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,200</u>	<u>\$ 18,026</u>	<u>\$ 26,800</u>	<u>\$ 19,264</u>	<u>\$ 30,000</u>	<u>\$ 9,019</u>	<u>\$ 23,250</u>	<u>\$ 8,299</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,595)	\$ (775)	\$ (2,795)	\$ 1,775	\$ (25,000)	\$ (6,972)	\$ (18,250)	\$ (4,770)
CASH AND INVESTMENTS, JANUARY 1	<u>3,660</u>	<u>3,660</u>	<u>2,885</u>	<u>2,885</u>	<u>25,264</u>	<u>25,264</u>	<u>18,292</u>	<u>18,292</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 65</u>	<u>\$ 2,885</u>	<u>\$ 90</u>	<u>\$ 4,660</u>	<u>\$ 264</u>	<u>\$ 18,292</u>	<u>\$ 42</u>	<u>\$ 13,522</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT BOND FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	2,061	3,000	2,678
Charges for services	-	-	-	-	6,200	5,551	2,000	1,488
Interest	10	12	-	3	10	27	25	65
Other	-	-	-	-	-	7,653	8,000	22
Transfers in	443,000	439,500	475,000	244,798	-	-	-	-
Total Receipts	<u>\$ 443,010</u>	<u>\$ 439,512</u>	<u>\$ 475,000</u>	<u>\$ 244,801</u>	<u>\$ 11,210</u>	<u>\$ 15,292</u>	<u>\$ 13,025</u>	<u>\$ 4,253</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	443,000	439,240	475,000	245,354	34,000	19,351	31,800	1,238
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 443,000</u>	<u>\$ 439,240</u>	<u>\$ 475,000</u>	<u>\$ 245,354</u>	<u>\$ 34,000</u>	<u>\$ 19,351</u>	<u>\$ 31,800</u>	<u>\$ 1,238</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 10	\$ 272	\$ -	\$ (553)	\$ (22,790)	\$ (4,059)	\$ (18,775)	\$ 3,015
CASH AND INVESTMENTS, JANUARY 1	<u>281</u>	<u>281</u>	<u>553</u>	<u>553</u>	<u>23,180</u>	<u>23,180</u>	<u>19,121</u>	<u>19,121</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 291</u>	<u>\$ 553</u>	<u>\$ 553</u>	<u>\$ -</u>	<u>\$ 390</u>	<u>\$ 19,121</u>	<u>\$ 346</u>	<u>\$ 22,136</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				RECORDER TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,000	7,250	8,500	7,194	7,000	6,158	7,000	6,263
Interest	20	32	25	92	20	35	25	93
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,020</u>	<u>\$ 7,282</u>	<u>\$ 8,525</u>	<u>\$ 7,286</u>	<u>\$ 7,020</u>	<u>\$ 6,193</u>	<u>\$ 7,025</u>	<u>\$ 6,356</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	26,000	323	33,500	-	-	-	-	-
Capital outlay	-	-	-	-	28,000	-	34,200	1,137
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 26,000</u>	<u>\$ 323</u>	<u>\$ 33,500</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ -</u>	<u>\$ 34,200</u>	<u>\$ 1,137</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,980)	\$ 6,959	\$ (24,975)	\$ 7,286	\$ (20,980)	\$ 6,193	\$ (27,175)	\$ 5,219
CASH AND INVESTMENTS, JANUARY 1	<u>18,921</u>	<u>18,921</u>	<u>25,880</u>	<u>25,880</u>	<u>21,440</u>	<u>21,440</u>	<u>27,633</u>	<u>27,633</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 941</u>	<u>\$ 25,880</u>	<u>\$ 905</u>	<u>\$ 33,166</u>	<u>\$ 460</u>	<u>\$ 27,633</u>	<u>\$ 458</u>	<u>\$ 32,852</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S MAINTENANCE FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	32,000	29,175	35,000	29,281	-	-	-	-
Interest	20	28	25	104	5	9	5	28
Other	-	2,883	2,500	900	5,000	4,833	5,000	9,667
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 32,020</u>	<u>\$ 32,086</u>	<u>\$ 37,525</u>	<u>\$ 30,285</u>	<u>\$ 5,005</u>	<u>\$ 4,842</u>	<u>\$ 5,005</u>	<u>\$ 9,695</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	40,000	9,346	59,100	7,044	-	109	-	463
Services and other	-	3,020	-	4,054	7,500	1,199	10,500	1,968
Capital outlay	-	6,229	-	2,540	-	502	-	234
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 18,595</u>	<u>\$ 59,100</u>	<u>\$ 13,638</u>	<u>\$ 7,500</u>	<u>\$ 1,810</u>	<u>\$ 10,500</u>	<u>\$ 2,665</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,980)	\$ 13,491	\$ (21,575)	\$ 16,647	\$ (2,495)	\$ 3,032	\$ (5,495)	\$ 7,030
CASH AND INVESTMENTS, JANUARY 1	<u>8,130</u>	<u>8,130</u>	<u>21,621</u>	<u>21,621</u>	<u>2,575</u>	<u>2,575</u>	<u>5,607</u>	<u>5,607</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 150</u>	<u>\$ 21,621</u>	<u>\$ 46</u>	<u>\$ 38,268</u>	<u>\$ 80</u>	<u>\$ 5,607</u>	<u>\$ 112</u>	<u>\$ 12,637</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,000	3,341	5,000	3,804	26,000	32,519	40,000	4,974
Interest	5	4	5	9	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,005</u>	<u>\$ 3,345</u>	<u>\$ 5,005</u>	<u>\$ 3,813</u>	<u>\$ 26,000</u>	<u>\$ 32,519</u>	<u>\$ 40,000</u>	<u>\$ 4,974</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	332	-	288
Services and other	7,000	3,769	7,500	3,344	50,000	19,625	48,100	6,012
Capital outlay	-	-	-	-	-	28,832	-	1,938
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,000</u>	<u>\$ 3,769</u>	<u>\$ 7,500</u>	<u>\$ 3,344</u>	<u>\$ 50,000</u>	<u>\$ 48,789</u>	<u>\$ 48,100</u>	<u>\$ 8,238</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,995)	\$ (424)	\$ (2,495)	\$ 469	\$ (24,000)	\$ (16,270)	\$ (8,100)	\$ (3,264)
CASH AND INVESTMENTS, JANUARY 1	<u>3,196</u>	<u>3,196</u>	<u>2,772</u>	<u>2,772</u>	<u>24,442</u>	<u>24,442</u>	<u>8,172</u>	<u>8,172</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 201</u>	<u>\$ 2,772</u>	<u>\$ 277</u>	<u>\$ 3,241</u>	<u>\$ 442</u>	<u>\$ 8,172</u>	<u>\$ 72</u>	<u>\$ 4,908</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	55,000	44,415	78,600	78,197	30,000	28,239	32,000	25,489
Interest	15	20	20	55	25	25	25	47
Other	3,000	3,473	5,000	2,044	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 58,015</u>	<u>\$ 47,908</u>	<u>\$ 83,620</u>	<u>\$ 80,296</u>	<u>\$ 30,025</u>	<u>\$ 28,264</u>	<u>\$ 32,025</u>	<u>\$ 25,536</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	1,409	-	-	-	-
Services and other	64,000	21,309	103,400	45,341	-	-	-	-
Capital outlay	-	12,933	-	30,760	60,000	47,543	43,100	21,918
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 64,000</u>	<u>\$ 34,242</u>	<u>\$ 103,400</u>	<u>\$ 77,510</u>	<u>\$ 60,000</u>	<u>\$ 47,543</u>	<u>\$ 43,100</u>	<u>\$ 21,918</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,985)	\$ 13,666	\$ (19,780)	\$ 2,786	\$ (29,975)	\$ (19,279)	\$ (11,075)	\$ 3,618
CASH AND INVESTMENTS, JANUARY 1	<u>6,213</u>	<u>6,213</u>	<u>19,879</u>	<u>19,879</u>	<u>30,396</u>	<u>30,396</u>	<u>11,117</u>	<u>11,117</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 228</u>	<u>\$ 19,879</u>	<u>\$ 99</u>	<u>\$ 22,665</u>	<u>\$ 421</u>	<u>\$ 11,117</u>	<u>\$ 42</u>	<u>\$ 14,735</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEDERAL FORFEITURE FUND				PROJECT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	20,000	-	20,000	123,047	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	10	21	20	141	-	-	-	19,828
Other	-	-	-	-	-	-	5,470,000	5,470,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,010</u>	<u>\$ 21</u>	<u>\$ 20,020</u>	<u>\$ 123,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,000</u>	<u>\$ 5,489,828</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	49,000	2,696	46,500	20,167	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	5,470,000	1,816,150
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 49,000</u>	<u>\$ 2,696</u>	<u>\$ 46,500</u>	<u>\$ 20,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,000</u>	<u>\$ 1,816,150</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (28,990)	\$ (2,675)	\$ (26,480)	\$ 103,021	\$ -	\$ -	\$ -	\$ 3,673,678
CASH AND INVESTMENTS, JANUARY 1	<u>29,237</u>	<u>29,237</u>	<u>26,562</u>	<u>26,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 247</u>	<u>\$ 26,562</u>	<u>\$ 82</u>	<u>\$ 129,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,673,678</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



AUDRAIN COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Audrain County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

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

The financial statements referred to above include the primary government of Audrain County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The Senate Bill 40 Board is separately audited by an independent certified public accountant and is therefore not included in this report in accordance with the regulatory basis of accounting. The Senate Bill 40 Board's audit report may be obtained from Audrain Developmental Disability Services at 222 East Jackson St., Mexico, MO 65265 or by calling (573) 581-8210.

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

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from



accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

#### D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
  2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
  3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
  4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
  5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
  6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
  7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
  8. Budgets are prepared and adopted on the cash basis of accounting.
  9. Adoption of a formal budget is required by law.
  10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Prosecuting Attorney Administrative Fund in 2016.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the



following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 218,414,782	\$ 208,668,829
Personal Property	85,899,359	81,815,602
Railroad and Utilities	79,015,574	82,642,892
Total	<u>\$ 383,329,715</u>	<u>\$ 373,127,323</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.2391	\$ 0.2296
Special Road & Bridge	0.3036	0.3036
Common Road District	0.3608	0.3468

The Common Road District levy was applied to an assessed valuation of \$115,869,385 and \$115,838,824 for the years ended December 31, 2017 and 2016, respectively, and is recognized in the Special Road & Bridge Fund.

#### F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

#### G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.



## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - 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. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$11,449,183 and \$6,225,807, respectively, and the bank balances were \$11,849,314 and \$8,197,335, respectively. Of the bank balances, \$352,074 for December 31, 2017 and \$351,819 for December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$15,835,781 and \$15,333,616 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$252,490 as of December 31, 2017 and \$252,567 as of December 31, 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

### A. Missouri Local Government Employees Retirement System (LAGERS)

#### 1) Plan Description

Audrain County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, [www.molagers.org](http://www.molagers.org).



## 2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

## 3) Funding Policy

Full-time employees of Audrain County do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates were 9.7% and 6.7% (General), and 8.7% and 7.1% (Police) of annual covered payroll for 2017 and 2016 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$259,763 and \$230,850 to LAGERS.

## 4) Funding Status

As of February 28, 2017, the actuarial value of assets exceeded the accrued liabilities of the plan by \$53,181 for the General division and \$327,136 for the Police division. As of February 29, 2016, the actuarial value of assets exceeded the accrued liabilities of the plan by \$153,766 for the General division and \$409,651 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

## B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

### 1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.



## 2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, [www.mocerf.org](http://www.mocerf.org).

## 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$214,122 and \$205,356, respectively, for the years then ended.

## C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

## 4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.



## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full-time employees with up to 48 hours of sick time each year, up to a maximum of 480 hours. Upon termination, employees are not compensated for unused sick leave. Vacation time is accrued for every full-time employee, and accrues at the rate of 40 hours per year up to 160 hours per year depending on length of employment, up to a maximum of 200 hours. The maximum amount of vacation allowed to be carried over from one year to the next is 40 hours. Employees leaving County service due to resignation, death or termination are compensated for unused vacation leave accrued.

### B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

## 6. RISK MANAGEMENT

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

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

## 7. LONG-TERM DEBT

In October 2013, the County entered into a lease purchase agreement for improvements to the County Courthouse in the amount of \$700,000. The final payment on this agreement was made in June 2016 in the amount of \$433,672, of which \$7,541 was interest.

In 2010, the County issued Series 2010 Missouri Public Facilities Corporation Leasehold Revenue Refunding Bonds in the amount of \$2,830,000. The final payment on this agreement was made in February 2017 in the amount of \$171,300. The remaining balance of \$283,700 was covered by a debt reserve account held by the bank.

In June 2017, the County entered into a Certificates of Participation (COPS) agreement for a jail expansion project in the amount of \$5,470,000. The debt is to be paid in semi-annual payments



over 17 years, with a fixed interest rate of 2.6% for the first seven years and then two five-year adjustments floored at 2.6% and capped at 4.5%. The schedule of future payments assumes a 4.5% interest rate after the first seven years.

The following schedule shows changes in long-term debt during the years ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Courthouse Improvements	\$ 426,131	\$ -	\$ 426,131	\$ -	\$ 7,541
Series 2010	870,000	-	415,000	455,000	22,490

The following schedule shows changes in long-term debt during the years ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Series 2010	\$ 455,000	\$ -	\$ 455,000	\$ -	\$ 8,418
COPS	-	5,470,000	-	5,470,000	63,209

The following schedule represents future payments under long-term debt obligations:

Year	Principal	Interest	Total
2018	\$ 270,000	\$ 140,465	\$ 410,465
2019	275,000	133,445	408,445
2020	285,000	126,230	411,230
2021	290,000	118,755	408,755
2022	300,000	111,150	411,150
2023-2027	1,610,000	641,073	2,251,073
2028-2032	1,840,000	366,637	2,206,637
2033-2034	600,000	27,000	627,000
Total	\$ 5,470,000	\$ 1,664,755	\$ 7,134,755

## 8. CHANGE IN REPORTING ENTITY

As of January 1, 2016, the County has changed its definition of the reporting entity to exclude the Election Fund. The effect of this change was to decrease the January 1, 2016 cash and cash equivalents/investments balance by \$20.

## 9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 6, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



## **COMPLIANCE SECTION**



## McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Audrain County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Audrain County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Audrain County, Missouri's basic financial statements and have issued our report thereon dated June 6, 2018.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Audrain 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Audrain County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Audrain 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 6, 2018



## **McBRIDE, LOCK & ASSOCIATES, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the County Commission and  
Officeholders of Audrain County, Missouri

#### **Report on Compliance for Each Major Federal Program**

We have audited Audrain County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Audrain County, Missouri's major federal programs for the years ended December 31, 2017 and 2016. Audrain County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

#### ***Opinion on Each Major Federal Program***

In our opinion, Audrain County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017 and 2016.



## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

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

## **Report on Internal Control over Compliance**

Management of Audrain 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 Audrain 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 Audrain County, Missouri's internal control over compliance.

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

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

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

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 6, 2018



AUDRAIN COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2016	2017
U.S. DEPARTMENT OF JUSTICE				
16.738	Passed through Missouri Department of Public Safety			
	Edward Byrne Memorial Justice Assistance Grant Program	2014-JAG-002	\$ 65,186	\$ -
		2014-LLEBG-111	8,845	-
		2015-JAG-001	54,480	58,552
		2016-JAG-001	-	65,674
	Total 16.738		<u>\$ 128,511</u>	<u>\$ 124,226</u>
U. S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through Missouri Department of Transportation -			
	Highway Planning and Construction	BRO-B004(38)	417,537	68,044
		BRO-B004(41)	46,730	460,094
		BRO-B004(42)	41,465	8,502
	Total 20.205 / Highway Planning and Construction Cluster		<u>\$ 505,732</u>	<u>\$ 536,640</u>
20.600	Passed through Missouri Department of Public Safety -			
	State and Community Highway Safety	17-OP-05-002	-	1,950
20.616	National Priority Safety Programs	16-M2OP-06-006	1,957	-
		17-M5HVE-03-022	-	698
	Total 20.616		<u>\$ 1,957</u>	<u>\$ 698</u>
	Total Highway Safety Cluster		<u>\$ 1,957</u>	<u>\$ 2,648</u>
20.607	Alcohol Open Container Requirements	16-154-AL-141	219	-
		SAF074-0006	760	-
		Total	<u>\$ 979</u>	<u>\$ -</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.563	Passed through Missouri Department of Social Services -			
	Child Support Enforcement	n/a	115,170	103,818
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.036	Passed through Missouri Department of Public Safety -			
	Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)	FEMA-4238-DR-MO	146,929	-
97.042	Emergency Management Performance Grants	EMK-2016-00006-004	34,566	
		EMK-2016-EP-APP-0004-SL01		22,900
		EMK-2017-EP-APP-00006-004		37,306
		Total	<u>\$ 34,566</u>	<u>\$ 60,206</u>
	Total Expenditures of Federal Awards		<u>\$ 933,844</u>	<u>\$ 827,538</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards



**AUDRAIN COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Audrain County, Missouri for the years ended December 31, 2017 and 2016. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – SUBRECIPIENTS**

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2017 and 2016.



AUDRAIN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements:**

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported
- Noncompliance material to financial statements noted?      Yes   X   No

**Federal Awards:**

Internal Control Over Major Programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance section 200.516?   X   Yes      No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk:      Yes   X   No



## **SECTION II – FINANCIAL STATEMENTS FINDINGS**

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

None noted

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **2017-001. Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Justice, U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Public Safety, Missouri Department of Transportation

Federal CFDA Number: 16.738, 20.205

Program Title: Edward Byrne Memorial Justice Assistance Grant, Highway Planning and Construction

Pass-through Entity Identifying Number: 2015-JAG-001, BRO-B004(38), BRO-B004(41), BRO-B004(42)

Award Year: 2016 and 2017

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2016 and 2017 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures of the Highway Planning and Construction program were understated by \$119,439 in 2016 and \$107,330 in 2017, and the expenditures of the Edward Byrne Memorial Justice Assistance Grant were understated by \$34,782 in 2016.

Cause: The County reported only 80% of the expenditures of the Highway Planning and Construction grants, however, the County qualified for 100% reimbursement of expenditures with federal funds from the Missouri Department of Transportation. The expenditures reported for the Edward Byrne Memorial Justice Assistance Grant in 2016 included only two of the six months of expenditures claimed for reimbursements under award 2015-JAG-001 during the year. The amounts of expenditures reimbursed by the JAG grant were included on the same line item as non-grant expenditures in the general ledger, which resulted in additional calculations needed to arrive at the number to report on the SEFA.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2017 and 2016.

Recommendation: We recommend that the County implement procedures to ensure that the SEFA accurately states the expenditures of federal awards of the County each year.



County Response: We feel we have procedures in place at this time, but will try to improve. In past audits the amount reported for Federal Bridges has always been reported at 80% as the 20 % was soft match. Going forward if that amount is required to be reported we will do so.



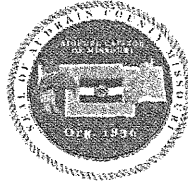
**MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:**

- **Summary Schedule of Prior Audit Findings**
  - **Corrective Action Plan**



***Audrain County, Missouri***

101 N. Jefferson St.  
Mexico MO 65265



Tracy Graham  
Associate Commissioner

Steve Hobbs  
Presiding Commissioner

Alan Winders  
Associate Commissioner

**AUDRAIN COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Audrain County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

**2015-001:** Documentation of the County's internal controls has not been prepared. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

**2015-002:** There is no formal fraud risk assessment in place. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

**2015-003:** Cash and fund balance was not being accurately tracked within the accounting system. The county is however, tracking cash and fund balance on spreadsheets outside the accounting system. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

**2015-004:** The Sheriff's bank accounts did not have formal bank reconciliations.

Status: This finding is considered to be resolved.



## *Audrain County, Missouri*

101 N. Jefferson St.  
Mexico MO 65265



Tracy Graham  
Associate Commissioner

Steve Hobbs  
Presiding Commissioner

Alan Winders  
Associate Commissioner

### AUDRAIN COUNTY, MISSOURI CORRECTIVE ACTION PLAN

**Finding Reference Number:** 2017-001

**Federal Agency:** U.S. Department of Transportation

**Program Name:** Highway Planning and Construction

**CFDA Number:** 20.205

**Responsible Official:** Shelley Harvey, County Clerk

**Views of Responsible Individuals:** We feel we have procedures in place at this time, but will try to improve. In past audits the amount reported for Federal Bridges has always been reported at 80% as the 20% was soft match. Going forward if that amount is required to be reported we will do so.