



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wright County, Missouri

The Office of the State Auditor contracted for an audit of Wright County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by CR Williams & Associates LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-097



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Wright County

2019-001

The County Clerk should not approve expenditures in excess of budgeted amounts. When unforeseen circumstances arise that necessitate increased expenditures in the Assessment Fund, the County Commission should consider amending the budgets.

WRIGHT COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY:
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Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the County Commission
and Officeholders of
Wright County, Missouri

We have audited the accompanying financial statements of Wright County, Missouri, which collectively comprise cash for each fund as of December 31, 2019, and the related statements of revenues and expenditures—budget to actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by Wright County, Missouri, using accounting practices prescribed or permitted by Missouri law which is a basis of accounting other than accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT – continued

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 to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Wright County, Missouri, as of December 31, 2019, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Wright County, Missouri, as of December 31, 2019, and their respective revenues and expenditures, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by Governmental Auditing Standards

In accordance with the *Government Auditing Standards*, we have also issued our report dated June 8, 2020, on our consideration of the Wright 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wright County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wright County, Missouri's internal control over financial reporting and compliance.

CRWilliams & Associates LLC

St. Louis, Missouri
June 8, 2020

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fund	Cash January 1, 2019	Revenues	Expenditures	Cash December 31, 2019
General Revenue	\$ 356,093	1,801,684	1,538,454	\$ 619,323
Special Road and Bridge	382,028	1,781,915	1,726,078	437,865
Assessment	307	262,672	259,633	3,346
Assessor Tech	10,794	55,551	62,500	3,845
Sheriff Fee	25,802	67,279	81,043	12,038
Law Enforcement Training (LET)	5,235	5,348	8,431	2,152
Inmate Security	41,547	41,765	21,874	61,438
Concealed Weapons	70,747	12,340	15,131	67,956
Restitution	13,522	25,906	33,770	5,658
Prosecuting Attorney Training (PAT)	647	1,750	912	1,485
Prosecuting Attorney Delinquent	891	500	-	1,391
Recorder User Fee	55,523	7,586	5,900	57,209
Recorder Tech	4,444	4,172	2,341	6,275
Election Service	29,887	3,252	1,529	31,610
HAVA Income	16,921	9,940	18,810	8,051
Computer Upgrade and Remodeling	21,488	50,492	55,573	16,407
Plat Book	12,997	4,947	-	17,944
Domestic Shelter	211	535	724	22
Local Emergency Planning Committee (LEPC)	8,033	197	170	8,060
Law Enforcement Tax	1 376,260	1,708,214	1,531,794	552,680
Prosecuting Attorney Administrative Handling Cost	2 5,420	6,506	5,766	6,160
Tax Maintenance	2 33,464	23,102	14,223	42,343
Developmentally Disabled (Senate Bill 40) Board	3 140,208	188,109	146,073	182,244
Totals	\$ <u>1,612,469</u>	<u>6,063,762</u>	<u>5,530,729</u>	\$ <u>2,145,502</u>

Monies for the county funds are held in the hands of the County Treasurer but budgets are prepared by the County Commission and County Clerk or by other county officeholders.

- 1 New sales tax passed in April 2017 for the purpose of constructing and administration of a new jail.
- 2 Budget prepared by elected officials but monies are controlled by the County Treasurer.
- 3 Budget prepared and monies controlled by a separate governmental entity.

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

		General Revenue Fund		
		Final Budget	Actual	Actual Over (Under) Budget
Revenues				
Property tax	\$	215,000	192,338	(22,662)
Sales tax		830,000	868,892	38,892
Intergovernmental		239,100	357,634	118,534
Charges for services		253,900	267,352	13,452
Interest		9,000	16,456	7,456
Other		19,035	11,317	(7,718)
Transfers in		98,100	87,695	(10,405)
Total Revenues		1,664,135	1,801,684	137,549
Expenditures				
General County Government-				
County Commission		88,955	87,576	(1,379)
County Clerk		66,030	66,129	99
Elections		52,768	40,898	(11,870)
Buildings and grounds		94,581	73,220	(21,361)
Employee fringe benefits		182,136	154,493	(27,643)
County Treasurer		44,230	43,911	(319)
County Collector		110,020	91,125	(18,895)
Recorder of Deeds		66,520	56,090	(10,430)
Circuit Clerk		16,300	12,731	(3,569)
Court Administration		18,855	17,310	(1,545)
Public Administrator		43,090	43,018	(72)
Public Safety-				
Jail		-	453	453
Transfers out		740,350	741,441	1,091
Emergency Fund		49,924	-	(49,924)
Other government expenditures		194,470	110,059	(84,411)
Total Expenditures		1,768,229	1,538,454	(229,775)
Revenues Over(Under) Expenditures		(104,094)	263,230	367,324
Cash, January 1		356,093	356,093	-
Cash, December 31	\$	251,999	619,323	367,324

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Special Road and Bridge Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Sales tax	\$ 830,000	867,781	37,781
Intergovernmental	823,500	811,838	(11,662)
Charges for services	3,800	2,547	(1,253)
Interest	8,500	9,956	1,456
Other	17,000	13,217	(3,783)
Transfers in	65,313	76,576	11,263
Total Revenues	<u>1,748,113</u>	<u>1,781,915</u>	<u>33,802</u>
Expenditures			
Salaries	545,000	494,644	(50,356)
Employee fringe benefits	200,250	165,062	(35,188)
Supplies	229,500	190,858	(38,642)
Insurance	35,000	28,057	(6,943)
Road and bridge materials	269,000	160,140	(108,860)
Equipment repairs	125,000	178,995	53,995
Rentals	4,000	1,379	(2,621)
Equipment purchases	250,000	124,981	(125,019)
Construction, repair, and maintenance	276,500	287,679	11,179
Other	18,550	11,280	(7,270)
Transfers out	87,000	83,003	(3,997)
Total Expenditures	<u>2,039,800</u>	<u>1,726,078</u>	<u>(313,722)</u>
Revenues Over(Under) Expenditures	<u>(291,687)</u>	<u>55,837</u>	<u>347,524</u>
Cash, January 1	382,028	382,028	-
Cash, December 31	<u>\$ 90,341</u>	<u>437,865</u>	<u>347,524</u>

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Assessment Fund			
	Final		Actual Over
	Budget	Actual	(Under)
			Budget
Revenues			
Intergovernmental	\$ 113,841	113,799	(42)
Charges for services	120	40	(80)
Interest	275	518	243
Other	1,600	1,542	(58)
Transfers in	151,000	146,773	(4,227)
Total Revenues	266,836	262,672	(4,164)
Expenditures			
Assessor's annual salary	41,500	41,500	-
Deputy and clerical annual salaries	106,488	106,394	(94)
Employee fringe benefits	41,963	41,614	(349)
Office supplies	7,200	3,827	(3,373)
Fuel and repair	5,000	12,581	7,581
GIS mapping	27,000	30,365	3,365
Office and administrative	27,704	23,255	(4,449)
Transfers out	313	97	(216)
Total Expenditures	257,168	259,633	2,465
Revenues Over(Under) Expenditures	9,668	3,039	(6,629)
Cash, January 1	307	307	-
Cash, December 31	9,975	3,346	(6,629)

Assessor Tech Fund			
	Final		Actual Over
	Budget	Actual	(Under)
			Budget
Revenues			
Intergovernmental revenues	51,485	50,077	(1,408)
Interest	508	406	(102)
Other	9,500	-	(9,500)
Transfers in	5,500	5,068	(432)
Total Revenues	66,993	55,551	(11,442)
Expenditures			
Transfers out	75,000	62,500	(12,500)
Total Expenditures	75,000	62,500	(12,500)
Revenues Over(Under) Expenditures	(8,007)	(6,949)	1,058
Cash, January 1	10,794	10,794	-
Cash, December 31	\$ 2,787	3,845	1,058

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Sheriff Fee Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 6,667	4,511	(2,156)
Charges for services	64,000	53,214	(10,786)
Interest	290	554	264
Other	1,200	-	(1,200)
Transfers in	9,000	9,000	-
Total Revenues	81,157	67,279	(13,878)
Expenditures			
Guard and bailiff salaries	8,200	16,141	7,941
Jailer salaries	65,784	50,254	(15,530)
Equipment	2,500	1,188	(1,312)
Uniforms	2,000	559	(1,441)
Other	2,770	11,212	8,442
Transfers out	1,800	1,689	(111)
Total Expenditures	83,054	81,043	(2,011)
Revenues Over(Under) Expenditures	(1,897)	(13,764)	(11,867)
Cash, January 1	25,802	25,802	-
Cash, December 31	\$ 23,905	12,038	(11,867)

Law Enforcement Training (LET) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 5,000	5,264	264
Interest	95	84	(11)
Total Revenues	5,095	5,348	253
Expenditures			
Training	7,500	8,431	931
Transfers out	2,500	-	(2,500)
Total Expenditures	10,000	8,431	(1,569)
Revenues Over(Under) Expenditures	(4,905)	(3,083)	1,822
Cash, January 1	5,235	5,235	-
Cash, December 31	\$ 330	2,152	1,822

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Inmate Security Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 26,000	40,436	14,436
Interest	700	1,329	629
Total Revenues	26,700	41,765	15,065
Expenditures			
CrimeStar license	300	-	(300)
Repair to jail	500	150	(350)
Prisoner transport	2,000	511	(1,489)
Camera system	1,500	1,020	(480)
Other	4,500	3,097	(1,403)
Transfers out	17,100	17,096	(4)
Total Expenditures	25,900	21,874	(4,026)
Revenues Over(Under) Expenditures	800	19,891	19,091
Cash, January 1	41,547	41,547	-
Cash, December 31	\$ 42,347	61,438	19,091

Concealed Weapons Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 5,000	10,600	5,600
Interest	1,250	1,740	490
Total Revenues	6,250	12,340	6,090
Expenditures			
Office expenditures	2,000	5,022	3,022
Criminal record fee	1,500	1,609	109
Live scan	7,000	-	(7,000)
Other	2,000	-	(2,000)
Transfers out	8,500	8,500	-
Total Expenditures	21,000	15,131	(5,869)
Revenues Over(Under) Expenditures	(14,750)	(2,791)	11,959
Cash, January 1	70,747	70,747	-
Cash, December 31	\$ 55,997	67,956	11,959

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Restitution Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 30,250	25,749	(4,501)
Interest	275	157	(118)
Total Revenues	30,525	25,906	(4,619)
Expenditures			
Sheriff	20,000	19,890	(110)
Prosecutor	-	-	-
Transfers out	20,000	13,880	(6,120)
Total Expenditures	40,000	33,770	(6,230)
Revenues Over(Under) Expenditures	(9,475)	(7,864)	1,611
Cash, January 1	13,522	13,522	-
Cash, December 31	\$ 4,047	5,658	1,611

Prosecuting Attorney Training (PAT) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 1,060	1,733	673
Interest	12	17	5
Total Revenues	1,072	1,750	678
Expenditures			
Mileage and training	1,700	912	(788)
Total Expenditures	1,700	912	(788)
Revenues Over(Under) Expenditures	(628)	838	1,466
Cash, January 1	647	647	-
Cash, December 31	\$ 19	1,485	1,466

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Prosecuting Attorney Delinquent Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 1,000	471	(529)
Interest	12	29	17
Total Revenues	1,012	500	(512)
Expenditures			
Transfers out	1,900	-	(1,900)
Total Expenditures	1,900	-	(1,900)
Revenues Over(Under) Expenditures	(888)	500	1,388
Cash, January 1	891	891	-
Cash, December 31	\$ 3	1,391	1,388

Recorder User Fee Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 5,000	6,309	1,309
Interest	800	1,277	477
Total Revenues	5,800	7,586	1,786
Expenditures			
Computer and programming	20,000	2,900	(17,100)
Preservation of records	10,000	1,850	(8,150)
Scanning	4,000	-	(4,000)
Book binding	4,000	-	(4,000)
Other	7,000	-	(7,000)
Transfers out	10,000	1,150	(8,850)
Total Expenditures	55,000	5,900	(49,100)
Revenues Over(Under) Expenditures	(49,200)	1,686	50,886
Cash, January 1	55,523	55,523	-
Cash, December 31	\$ 6,323	57,209	50,886

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Recorder Tech Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 4,255	4,029	(226)
Interest	65	143	78
Total Revenues	4,320	4,172	(148)
Expenditures			
Tech support	7,800	-	(7,800)
Computer	-	2,341	2,341
Total Expenditures	7,800	2,341	(5,459)
Revenues Over(Under) Expenditures	(3,480)	1,831	5,311
Cash, January 1	4,444	4,444	-
Cash, December 31	\$ 964	6,275	5,311

Election Service Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 2,000	1,863	(137)
Interest	450	748	298
Transfers in	1,500	641	(859)
Total Revenues	3,950	3,252	(698)
Expenditures			
Mileage and training	5,000	1,463	(3,537)
Other	20,000	66	(19,934)
Total Expenditures	25,000	1,529	(23,471)
Revenues Over(Under) Expenditures	(21,050)	1,723	22,773
Cash, January 1	29,887	29,887	-
Cash, December 31	\$ 8,837	31,610	22,773

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

HAVA Income Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Interest	\$ 350	297	(53)
Grant	7,000	6,643	(357)
Transfers in	6,150	3,000	(3,150)
Total Revenues	13,500	9,940	(3,560)
Expenditures			
Equipment upgrade/repair	20,000	13,400	(6,600)
Insight extended warranty	5,500	-	(5,500)
AERO license	4,500	5,410	910
Total Expenditures	30,000	18,810	(11,190)
Revenues Over(Under) Expenditures	(16,500)	(8,870)	7,630
Cash, January 1	16,921	16,921	-
Cash, December 31	\$ 421	8,051	7,630

Computer Upgrade and Remodeling Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Interest	\$ 380	492	112
Transfers in	50,000	50,000	-
Total Revenues	50,380	50,492	112
Expenditures			
Computer upgrades and remodeling	-	4,058	4,058
Other	60,000	46,104	(13,896)
Transfers out	10,000	5,411	(4,589)
Total Expenditures	70,000	55,573	(14,427)
Revenues Over(Under) Expenditures	(19,620)	(5,081)	14,539
Cash, January 1	21,488	21,488	-
Cash, December 31	\$ 1,868	16,407	14,539

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Plat Book Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ -	4,565	4,565
Interest	265	382	117
Other	7,600	-	(7,600)
Total Revenues	7,865	4,947	(2,918)
Expenditures			
Wall maps	10,000	-	(10,000)
Purchase of plat books	10,000	-	(10,000)
Total Expenditures	20,000	-	(20,000)
Revenues Over(Under) Expenditures	(12,135)	4,947	17,082
Cash, January 1	12,997	12,997	-
Cash, December 31	\$ 862	17,944	17,082
Domestic Shelter Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 1,000	525	(475)
Interest	10	10	-
Total Revenues	1,010	535	(475)
Expenditures			
Domestic shelters	1,200	724	(476)
Total Expenditures	1,200	724	(476)
Revenues Over(Under) Expenditures	(190)	(189)	1
Cash, January 1	211	211	-
Cash, December 31	\$ 21	22	1

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Local Emergency Planning Committee (LEPC) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 2,000	-	(2,000)
Interest	155	197	42
Total Revenues	2,155	197	(1,958)
Expenditures			
Contract service	1,000	-	(1,000)
Postage/publication	5	-	(5)
Meeting expenditures	200	170	(30)
Training	200	-	(200)
Equipment	6000	-	(6,000)
Total Expenditures	7,405	170	(7,235)
Revenues Over(Under) Expenditures	(5,250)	27	5,277
Cash, January 1	8,033	8,033	-
Cash, December 31	\$ 2,783	8,060	5,277

Law Enforcement Tax Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Sales tax	\$ 830,000	869,198	39,198
Intergovernmental	312,304	185,028	(127,276)
Charges for services	4,000	495	(3,505)
Interest	6,400	12,777	6,377
Other	-	5,778	5,778
Transfers in	649,900	634,938	(14,962)
Total Revenues	1,802,604	1,708,214	(94,390)
Expenditures			
Law enforcement	1,862,841	1,378,029	(484,812)
Vehicles	83,000	82,829	(171)
Transfers out	50,000	70,936	20,936
Total Expenditures	1,995,841	1,531,794	(464,047)
Revenues Over(Under) Expenditures	(193,237)	176,420	369,657
Cash, January 1	376,260	376,260	-
Cash, December 31	\$ 183,023	552,680	369,657

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Prosecuting Attorney Administrative Handling Cost Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ -	5,700	5,700
Charges for services	9,150	660	(8,490)
Interest	30	146	116
Total Revenues	9,180	6,506	(2,674)
Expenditures			
Missouri Office of Prosecution Services	1,400	1,368	(32)
Office	250	-	(250)
Transfers out	9,000	4,398	(4,602)
Total Expenditures	10,650	5,766	(4,884)
Revenues Over(Under) Expenditures	(1,470)	740	2,210
Cash, January 1	5,420	5,420	-
Cash, December 31	\$ 3,950	6,160	2,210

Tax Maintenance Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 21,000	22,081	1,081
Interest	450	1,021	571
Total Revenues	21,450	23,102	1,652
Expenditures			
Office	14,250	10,169	(4,081)
Professional service	1,000	464	(536)
Transfers out	3,000	3,590	590
Total Expenditures	18,250	14,223	(4,027)
Revenues Over(Under) Expenditures	3,200	8,879	5,679
Cash, January 1	33,464	33,464	-
Cash, December 31	\$ 36,664	42,343	5,679

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Developmentally Disabled (Senate Bill 40) Board Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Property taxes	\$ 179,750	162,317	(17,433)
Intergovernmental	500	11	(489)
Interest income	800	1,249	449
Other	24,000	24,532	532
Total Revenues	205,050	188,109	(16,941)
Expenditures			
Services -			
Unique Services	100,000	100,000	-
Camp Wonderland/Barnabas	30,000	16,700	(13,300)
Education programs	5,000	21,280	16,280
Special projects	20,000	-	(20,000)
Property and equipment -			
Property improvements to workshop	3,400	-	(3,400)
Maintenance roof	10,000	7,460	(2,540)
Lot care	1,000	-	(1,000)
Administrative/office	1,755	633	(1,122)
Total Expenditures	171,155	146,073	(25,082)
Revenues Over(Under) Expenditures	33,895	42,036	8,141
Cash, January 1	140,208	140,208	-
Cash, December 31	\$ 174,103	182,244	8,141

See notes to the financial statements

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., 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 Governmental 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 administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials.

The financial statements referred to above include the primary government of Wright County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. The Developmentally Disabled (Senate Bill 40) Board is also included within this audit report.

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 and expenditures. 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.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

C. BASIS OF ACCOUNTING

The financial statements are prepared on the regulatory 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, including the Developmentally Disabled (Senate Bill 40) Board Fund.
2. Prior to January, each elected officer or 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. The Developmentally Disabled (Senate Bill 40) Board will also prepare its budget for approval.
3. The County Clerk submits to the County Commission and the Developmentally Disabled (Senate Bill 40) Board Secretary and Treasurer submits a proposed budget to the Board 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. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. 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. The County or Developmentally Disabled (Senate Bill 40) Board did not have any funds that reflected a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Developmentally Disabled (Senate Bill 40) Board, the budget documents are 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.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission. The budget of Inmate Security Fund, Restitution Fund and the Developmentally Disabled (Senate Bill 40) Board Fund budget were amended during the year ended December 31, 2019.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and the Developmentally Disabled (Senate Bill 40) Board.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2019. A new law enforcement sales tax was passed in April 2017 and a new fund was created when the sales tax monies started coming in November 2017.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. For the year ended December 31, 2019, expenditures exceeded the total appropriated budgeted amount in the following funds:

	2018
Assessment Fund	\$ <u>2,465</u>

E. PROPERTY TAXES

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 in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county taxes, bills and collects its own property taxes for most other local governments in the county.

The total assessed valuation for the County of the tangible property for calendar year 2019 for purposes of local taxation was:

Real Estate	\$ 133,120,858
Personal Property	47,483,481
Railroad and Utilities	<u>13,128,443</u>
Total Assessed Valuation	\$ <u><u>193,732,782</u></u>

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2019 for purposes of local taxation was:

General Revenue	\$	0.1000
Senate Bill 40 Board	\$	0.0822

F. SALES TAXES

The county has the following sales tax rates: (The county does not have a use tax.)

General sales tax	1/2%	\$	0.00500
General sales tax – road and bridge	1/2%		0.00500
Law enforcement sales tax (1)	1/2%		0.00500
Total sales tax rate		\$	0.01500

(1) The law enforcement sales tax was passed by the voters in April 2017 for the purpose of building and operation of a new jail.

G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on 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; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

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. Cash deposits by the Developmentally Disabled (Senate Bill 40) Board are held in various banking facilities and invested as needed in certificates of deposit.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

H. 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.

Transfers between funds for the year ended December 31, 2019, were as follows:

	TRANSFER IN	TRANSFER OUT
General Revenue	87,695	741,441
Special Road and Bridge	76,576	83,003
Assessment	146,773	97
Assessor Tech	5,068	62,500
Sheriff Fee	9,000	1,689
Inmate Security	-	17,096
Concealed Weapons	-	8,500
Restitution	-	13,880
Recorder User Fee	-	1,150
Election Service	641	-
HAVA Income	3,000	-
Computer Upgrade and Remodeling	50,000	5,411
Law Enforcement Tax	634,938	70,936
Prosecuting Attorney Administrative Handling Cost	-	4,398
Tax Maintenance	-	3,590
Totals	<u>1,013,691</u>	<u>1,013,691</u>

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2019, the published financial statements included all applicable funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy.

Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

The County and the Developmentally Disabled (Senate Bill 40) Board have determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County Treasurer maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption. At December 31, 2019, the County Treasurer had three checking accounts and four savings accounts at one banking facility.

The Developmentally Disabled (Senate Bill 40) Board Fund deposits its monies in two banks and invested in one certificate of deposit. At December 31, 2019, the Board had two bank checking accounts at two different banking facilities.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All County bank balances at the depository banks at December 31, 2019, were covered by federal depository insurance and additional collateral securities held at the County's safekeeping bank agent in the County's name or by its agent in the County's name. All bank account accounts held by the Developmentally Disabled (Senate Bill 40) Board Fund at December 31, 2019, were also covered by federal depository insurance.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Wright 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. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). As of December 31, 2019, Wright County had 54 employees enrolled in LAGERS.

3) Funding Policy

Wright County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the rate for 2018 was 6.6% (general) and 8.5% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2019, total payments to LAGERS were \$140,392.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees. Laws governing the retirement fund are found in Sections 50.1000-50.1300, RSMo.

1) Plan Description

The Fund was created by an act of the legislature and was effective August 28, 1994. The Retirement Fund is a mandatory cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of 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 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 with nine of whom are county employee participants.

As of December 31, 2019, Wright County had 54 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. 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 formula). An eligible 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 or a reduced benefit annuity 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.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2019, the County collected and remitted to CERF total receipts of \$166,891 of which \$42,249 was employee's contribution.

NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with 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 for the year ended December 31, 2019.

NOTE 5. COMMITMENTS AND CONTINGENCIES

1) Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from County employment, an employee is not reimbursed for unused vacation and but paid for overtime. Full time employees receive 24 hours of sick leave after 6 months of employment and 4 hours for each month of continuous service thereafter. They can carry a maximum of 48 hours into a new year.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees, and the county incurs no cost for these benefits. The county has one employee on COBRA coverage for the year ended December 31, 2019.

2) 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.

WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

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

NOTE 7. LONG-TERM DEBT

The County has the following debt outstanding at December 31, 2019:

A. The County Commission entered into a lease-purchase agreement in September 2016 with Ford Motor Credit for the purchase of two police interceptor utility vehicles for a total cash price of \$53,858 plus a \$545 underwriting fee totaling \$54,403 plus interest payable in four annual installments totaling \$14,802.

The first payment was made in September 2016 for \$14,802 in principal only; the second payment was made in September 2017 for \$12,445 in principal and \$2,357 in interest; the third payment was made in September 2018 for \$13,186 in principal and \$1,616 in interest. The remaining due on the contract amounting \$13,970 in principal and \$832 in interest was fully paid on September 2019.

B. The County Commission also entered into a lease-purchase agreement with Ford Motor Credit in January 2019 for the purchase of a 2019 police interceptor utility vehicle for a total cash price of \$28,619 plus a \$545 underwriting fee totaling \$29,164 plus interest payable in three annual installments. The County paid the first installment of \$9,989 in December 2018 of principal only before the agreement was effective. The remaining amount due on the lease-purchase agreement as of December 31, 2019, is as follows:

	Principal	Interest	Total
January 14, 2020	\$ 9,254	1,381	10,635
January 14, 2021	9,921	714	10,635
Total	<u>\$ 19,175</u>	<u>2,095</u>	<u>21,270</u>

WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7. LONG-TERM DEBT (continued)

C. The Certificate of Participation, Series 2019 (the “Certificate”) for Wright County Law Enforcement Facility Project was issued by the County for the purpose of providing funds to construct and add improvement on the jail facility. The Certificate is being issued in the aggregate principal amount of \$7,015,000 evidencing a proportionate interest in basic rent payments to be made by the County. The Certificate is dated as of the date of original issuance June 15, 2019 and delivery thereof. Basic rent is payable each June 1 and December 1 during the lease term, commencing on December 1, 2019. The lease is effective from June 15, 2019 until the end of the fiscal year and renewable every year up to the last possible renewal date June 2, 2044.

The remaining amount due on the certificate as of December 31, 2019, is as follows

Due in	Principal	Interest	Total
2020	155,000	262,238	417,238
2021	180,000	255,906	435,906
2022	190,000	248,913	438,913
2023	195,000	241,637	436,637
2024	200,000	234,171	434,171
2025-2029	1,135,000	1,047,911	2,182,911
2030-2034	1,350,000	813,645	2,163,645
2035-2039	1,635,000	532,130	2,167,130
2040-2044	1,975,000	192,308	2,167,308
TOTAL	7,015,000	3,828,859	10,843,859

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 8, 2020 which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to operations. Future potential impacts may include disruptions or restrictions on our employees’ ability to work and participation in the programs provided to the community. Changes to the operating environment may increase operating costs. Additional impacts may include the ability to apply and receive grants as well as the availability of grants. The future effects of these issues are unknown.

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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
Wright County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Wright County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Wright County, Missouri's basic financial statements and have issued our report thereon dated June 8, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding and response as item 2019-01 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wright 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

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*

accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of finding and response as item 2019-01.

Wright County, Missouri’s Response to Finding

Wright County, Missouri’s response to the finding identified in our audit is described in the accompanying schedule of finding and response. Wright County, Missouri’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

CRWilliams & Associates LLC

St. Louis, Missouri
June 8, 2020

**WRIGHT COUNTY, MISSOURI
SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2019**

2019-01 Budgetary Procedures Not in Compliance With State Law

Conditions: Expenditures were approved by the County Clerk for the Assessment Fund in the total amount of \$2,465 in excess of the total amount approved or appropriated in the 2019 budget. Budgets are prepared and expenditures are approved by the County Clerk although the monies are maintained by the County Treasurer.

Criteria: Section 50.540, RSMo requires the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: The County Clerk did not review the budget documents properly to ensure the budgets were not overspent and to amend the budgets when excess expenditures are made.

Effect: The County Clerk did not properly follow state law to amend the budgets when overspending is deemed necessary.

Recommendations: The County Clerk should not approve expenditures in excess of budgeted amounts. When unforeseen circumstances arise that necessitate increased expenditures in the Assessment Fund, the County Commission should consider amending the budgets.

Response: The County Clerk agrees with the finding and will watch the Assessment Fund Budget closer in the future and make amendments when necessary.

**WRIGHT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on the action taken by Wright County, Missouri, on the applicable findings in the prior audit reports issued for the years ended December 31, 2018, 2017 and 2016.

1. Actual Expenditures Exceeded Total Appropriated Expenditures in Various Funds

Condition: For 2018, 2017 and 2016, total expenditures exceeded the total appropriated or budgetary expenditures in various funds.

Status: Partially implemented. The budgets for various county funds were not exceeded but one fund under the control of the County Clerk did exceed the budgeted appropriation. See current finding No. 2019-01.

2. Transfers Between County Funds Were Not Accurately Reported

Condition: For 2018, 2017 and 2016, total transfers in and transfers out were not properly or accurately reported in the budget documents causing total revenues and expenditures to be misrepresented of the actual amounts.

Status: Corrected in 2019.