



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Morgan County, Missouri

The Office of the State Auditor contracted for an audit of Morgan County's financial statements for the 2 years ended December 31, 2020, 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 Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

October 2021
Report No. 2021-084



Recommendations in the contracted audit of Morgan County

2020-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the county should prepare a budget for all applicable funds.
2020-002	The Morgan County Senate Bill 40 Board review the accuracy of prepared budgets prior to adoption by the Board. Additionally, the Board should continue to monitor budgets on a routine basis in comparison to actual revenues and disbursements to determine if any amendments should be made.
2020-003	The county address various risks in the environment, including the risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2020-004	The County Clerk implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.
2020-005	In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget.
2020-006	Management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate Schedule of Expenditures of Federal Awards (SEFA) is prepared.

**The County of Morgan
Versailles, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2020 & 2019**



**The County of Morgan
Versailles, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Morgan County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Morgan County, Missouri, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Morgan County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 of the financial statements, the financial statements are prepared by Morgan County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to

demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, 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 to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Morgan County, Missouri as of December 31, 2020 and 2019, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Morgan County, Missouri as of December 31, 2020 and 2019, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information

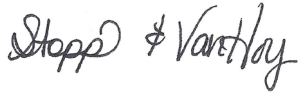
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morgan County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2021 on our consideration of Morgan 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 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 Morgan County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Stopp & Vantley".

Creve Coeur, Missouri
August 16, 2021

The County of Morgan
Versailles, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2020

<u>Fund</u>	Cash and Equivalents January 1, 2020	Receipts 2020	Disbursements 2020	Cash and Equivalents December 31, 2020
General Revenue	\$ 3,493,773	\$ 3,465,022	\$ 2,551,649	\$ 4,407,146
Special Road and Bridge	618,607	1,833,288	1,862,276	589,619
Assessment	231,012	492,235	466,885	256,362
Law Enforcement Training	12,151	1,308	3,652	9,807
Prosecuting Attorney Training	1,113	1,510	1,000	1,623
Johnson Grass	134,876	1,880	2,641	134,115
911	-	656,021	656,021	-
Local Emergency Planning Committee	10,349	-	-	10,349
Prosecuting Attorney Delinquent Sales Tax	7,440	807	-	8,247
Recorder User Fees	43,580	25,425	28,500	40,505
Domestic Violence	5,253	3,169	2,400	6,022
Administrative Handling Cost	10,809	4,613	7,030	8,392
Law Enforcement Sales Tax	2,101,987	3,518,492	3,640,326	1,980,153
NID Debt Service Bond	13,635	21,066	18,421	16,280
NID Ongoing Maintenance & Construction	3,684,451	626,058	5,820	4,304,689
Sheriff Fees	29,468	11,194	3,924	36,738
Election Services	14,945	6,894	-	21,839
County Law Enforcement Restitution	53,125	44,232	53,400	43,957
Sheriff Revolving	65,825	22,188	13,001	75,012
Inmate Security	72,956	199,713	168,460	104,209
Help America Vote Act	25,386	52,380	24,450	53,316
Tax Maintenance	69,437	55,494	43,795	81,136
Little Proctor Road Overlay	112,234	1,565	-	113,799
Coronavirus Relief	-	2,430,791	2,375,568	55,223
Senior Citizens Services Board	133,302	237,713	196,206	174,809
Senate Bill 40 Board	537,807	669,307	485,905	721,209
Total	<u>\$ 11,483,521</u>	<u>\$ 14,382,365</u>	<u>\$ 12,611,330</u>	<u>\$ 13,254,556</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 2,925,004	\$ 2,870,259	\$ 2,301,490	\$ 3,493,773
Special Road and Bridge	625,120	2,147,090	2,153,603	618,607
Assessment	210,056	478,670	457,714	231,012
Law Enforcement Training	11,190	1,951	990	12,151
Prosecuting Attorney Training	943	920	750	1,113
Johnson Grass	135,539	1,451	2,114	134,876
911	38,207	647,931	686,138	-
Local Emergency Planning Committee	10,349	-	-	10,349
Prosecuting Attorney Delinquent Sales Tax	7,312	128	-	7,440
Recorder User Fees	33,422	27,258	17,100	43,580
Domestic Violence	3,855	3,698	2,300	5,253
Administrative Handling Cost	10,524	7,322	7,037	10,809
Law Enforcement Sales Tax	1,725,616	4,187,150	3,810,779	2,101,987
NID Debt Service Bond	25,183	19,892	31,440	13,635
NID Ongoing Maintenance & Construction	3,099,754	584,697	-	3,684,451
Sheriff Fees	25,620	30,876	27,028	29,468
Election Services	8,939	6,006	-	14,945
County Law Enforcement Restitution	52,565	56,460	55,900	53,125
Sheriff Revolving	58,802	13,322	6,299	65,825
Inmate Security	92,205	174,238	193,487	72,956
Help America Vote Act	22,297	3,089	-	25,386
Tax Maintenance	73,575	52,579	56,717	69,437
Little Proctor Road Overlay	111,042	1,192	-	112,234
Coronavirus Relief	-	-	-	-
Senior Citizens Services Board	117,204	216,832	200,734	133,302
Senate Bill 40 Board	383,430	679,559	525,182	537,807
Total	<u>\$ 9,807,753</u>	<u>\$ 12,212,570</u>	<u>\$ 10,536,802</u>	<u>\$ 11,483,521</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	General Revenue Fund			
	2020		2019	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 575,000	\$ 626,796	\$ 600,000	\$ 555,496
Sales Taxes	1,450,000	1,682,467	1,500,000	1,461,350
Intergovernmental	69,000	85,757	94,000	68,854
Charges for Services	592,500	707,917	603,000	610,864
Interest	30,000	53,380	20,000	35,315
Other Receipts	66,900	147,938	81,587	69,980
Transfers In	153,400	160,767	70,000	68,400
Total Receipts	2,936,800	3,465,022	2,968,587	2,870,259
Disbursements				
County Commission	133,549	129,015	130,355	127,504
County Clerk	138,989	129,337	140,049	110,731
Elections	157,600	66,195	36,500	47,751
Buildings and Grounds	88,964	89,164	91,177	79,340
Employee Fringe Benefits	204,100	204,022	200,500	192,526
County Treasurer	50,305	48,709	50,305	48,853
County Collector	153,868	154,267	149,336	147,859
Recorder of Deeds	115,646	120,556	114,862	101,621
Circuit Clerk	60,944	52,282	58,630	50,212
Court Administration	12,000	1,347	10,000	7,504
Public Administrator	99,786	90,285	93,483	86,258
Sheriff	-	-	-	12,100
Prosecuting Attorney	516,193	513,673	470,393	471,571
Juvenile Officer	84,024	74,709	84,024	65,088
County Coroner	55,231	42,200	54,231	34,946
Other Disbursements	692,807	589,343	787,508	490,602
Transfers Out	555,569	246,545	449,684	227,024
Emergency Fund	90,000	-	90,000	-
Total Disbursements	3,209,575	2,551,649	3,011,037	2,301,490
Receipts Over (Under)				
Disbursements	\$ (272,775)	\$ 913,373	\$ (42,450)	\$ 568,769
Cash and Equivalents, Jan 1	3,493,773	3,493,773	2,925,004	2,925,004
Cash and Equivalents, Dec 31	\$ 3,220,998	\$ 4,407,146	\$ 2,882,554	\$ 3,493,773

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Special Road and Bridge Fund			
	2020		2019	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 410,000	\$ 485,101	\$ 845,000	\$ 779,322
Sales Taxes	265,000	273,610	265,000	269,242
Intergovernmental	1,060,000	1,012,966	1,140,000	1,075,599
Charges for Services	-	-	-	-
Interest	8,500	11,519	6,000	8,119
Other Receipts	7,000	46,032	7,000	14,808
Transfers In	150,000	4,060	-	-
Total Receipts	1,900,500	1,833,288	2,263,000	2,147,090
<u>Disbursements</u>				
Salaries	700,000	664,244	682,395	625,787
Employee Fringe Benefits	165,500	175,211	166,000	150,594
Supplies	215,000	185,479	222,000	211,561
Insurance	45,000	67,017	46,000	113,469
Road and Bridge Materials	370,000	356,717	280,000	332,855
Equipment Repairs	95,000	180,682	80,000	99,587
Equipment Purchases	275,000	45,875	750,000	445,365
Road and Bridge Construction	110,000	47,930	175,000	35,079
Other Disbursements	135,000	139,121	142,000	139,306
Transfers Out	-	-	-	-
Total Disbursements	2,110,500	1,862,276	2,543,395	2,153,603
Receipts Over (Under)				
Disbursements	\$ (210,000)	\$ (28,988)	\$ (280,395)	\$ (6,513)
Cash and Equivalents, Jan 1	618,607	618,607	625,120	625,120
Cash and Equivalents, Dec 31	\$ 408,607	\$ 589,619	\$ 344,725	\$ 618,607

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Assessment Fund			
	2020		2019	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	448,440	466,724	435,000	463,506
Charges for Services	-	-	-	-
Interest	2,000	5,100	1,500	3,152
Other Receipts	10,000	20,411	10,000	12,012
Transfers In	-	-	-	-
Total Receipts	<u>460,440</u>	<u>492,235</u>	<u>446,500</u>	<u>478,670</u>
<u>Disbursements</u>				
Salaries	329,876	325,771	293,721	291,776
Employee Fringe Benefits	60,900	66,089	63,400	59,125
Materials and Supplies	21,000	24,302	33,000	24,396
Services	86,772	50,620	76,050	82,323
Other Disbursements	1,000	103	1,000	94
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>499,548</u>	<u>466,885</u>	<u>467,171</u>	<u>457,714</u>
Receipts Over (Under)				
Disbursements	\$ (39,108)	\$ 25,350	\$ (20,671)	\$ 20,956
Cash and Equivalents, Jan 1	<u>231,012</u>	<u>231,012</u>	<u>210,056</u>	<u>210,056</u>
Cash and Equivalents, Dec 31	<u>\$ 191,904</u>	<u>\$ 256,362</u>	<u>\$ 189,385</u>	<u>\$ 231,012</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,000	1,162	2,000	1,822	800	1,491	550	910
Interest	-	146	-	129	10	19	10	10
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>2,000</u>	<u>1,308</u>	<u>2,000</u>	<u>1,951</u>	<u>810</u>	<u>1,510</u>	<u>560</u>	<u>920</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	4,000	3,652	2,000	990	500	1,000	500	750
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>4,000</u>	<u>3,652</u>	<u>2,000</u>	<u>990</u>	<u>500</u>	<u>1,000</u>	<u>500</u>	<u>750</u>
Receipts Over (Under)								
Disbursements	\$ (2,000)	\$ (2,344)	\$ -	\$ 961	\$ 310	\$ 510	\$ 60	\$ 170
Cash and Equivalents, Jan 1	<u>12,151</u>	<u>12,151</u>	<u>11,190</u>	<u>11,190</u>	<u>1,113</u>	<u>1,113</u>	<u>943</u>	<u>943</u>
Cash and Equivalents, Dec 31	<u>\$ 10,151</u>	<u>\$ 9,807</u>	<u>\$ 11,190</u>	<u>\$ 12,151</u>	<u>\$ 1,423</u>	<u>\$ 1,623</u>	<u>\$ 1,003</u>	<u>\$ 1,113</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Johnson Grass Fund				911 Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	325,946	408,528	298,946	420,676
Interest	1,200	1,880	1,200	1,451	-	104	-	231
Other Receipts	-	-	-	-	-	844	-	-
Transfers In	-	-	-	-	405,569	246,545	449,684	227,024
Total Receipts	1,200	1,880	1,200	1,451	731,515	656,021	748,630	647,931
Disbursements								
Salaries	3,000	1,578	3,000	1,268	488,077	448,270	496,230	451,641
Employee Fringe Benefits	173	120	173	97	96,400	56,942	100,700	69,675
Materials and Supplies	650	250	650	374	6,500	6,569	8,500	9,215
Services	2,400	693	2,400	375	24,350	35,276	22,200	35,553
Other Disbursements	-	-	-	-	50,000	50,075	50,000	46,497
Capital Outlay	-	-	-	-	66,188	58,889	71,000	73,557
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	6,223	2,641	6,223	2,114	731,515	656,021	748,630	686,138
Receipts Over (Under)								
Disbursements	\$ (5,023)	\$ (761)	\$ (5,023)	\$ (663)	\$ -	\$ -	\$ -	\$ (38,207)
Cash and Equivalents, Jan 1	134,876	134,876	135,539	135,539	-	-	38,207	38,207
Cash and Equivalents, Dec 31	\$ 129,853	\$ 134,115	\$ 130,516	\$ 134,876	\$ -	\$ -	\$ 38,207	\$ -

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Local Emergency Planning Committee Fund				Prosecuting Attorney Delinquent Sales Tax Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000	-	3,000	-	-	-	-	-
Charges for Services	-	-	-	-	50	700	150	50
Interest	-	-	-	-	73	107	65	78
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>123</u>	<u>807</u>	<u>215</u>	<u>128</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,000	-	3,000	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 123	\$ 807	\$ 215	\$ 128
Cash and Equivalents, Jan 1	<u>10,349</u>	<u>10,349</u>	<u>10,349</u>	<u>10,349</u>	<u>7,440</u>	<u>7,440</u>	<u>7,312</u>	<u>7,312</u>
Cash and Equivalents, Dec 31	<u>\$ 10,349</u>	<u>\$ 10,349</u>	<u>\$ 10,349</u>	<u>\$ 10,349</u>	<u>\$ 7,563</u>	<u>\$ 8,247</u>	<u>\$ 7,527</u>	<u>\$ 7,440</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Recorder User Fees Fund				Domestic Violence Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	25,000	24,883	30,000	26,903	4,000	3,104	4,000	3,665
Interest	350	542	100	355	10	65	10	33
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>25,350</u>	<u>25,425</u>	<u>30,100</u>	<u>27,258</u>	<u>4,010</u>	<u>3,169</u>	<u>4,010</u>	<u>3,698</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	31,000	28,500	31,000	17,100	4,500	2,400	4,200	2,300
Other Disbursements	-	-	-	-	500	-	500	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>31,000</u>	<u>28,500</u>	<u>31,000</u>	<u>17,100</u>	<u>5,000</u>	<u>2,400</u>	<u>4,700</u>	<u>2,300</u>
Receipts Over (Under)								
Disbursements	\$ (5,650)	\$ (3,075)	\$ (900)	\$ 10,158	\$ (990)	\$ 769	\$ (690)	\$ 1,398
Cash and Equivalents, Jan 1	<u>43,580</u>	<u>43,580</u>	<u>33,422</u>	<u>33,422</u>	<u>5,253</u>	<u>5,253</u>	<u>3,855</u>	<u>3,855</u>
Cash and Equivalents, Dec 31	<u>\$ 37,930</u>	<u>\$ 40,505</u>	<u>\$ 32,522</u>	<u>\$ 43,580</u>	<u>\$ 4,263</u>	<u>\$ 6,022</u>	<u>\$ 3,165</u>	<u>\$ 5,253</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Administrative Handling Cost Fund				Law Enforcement Sales Tax Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	1,300,000	1,581,934	1,300,000	1,421,337
Intergovernmental	-	-	-	-	30,000	100,458	30,000	30,581
Charges for Services	7,400	4,495	10,000	7,242	2,245,000	1,724,309	2,440,000	2,652,968
Interest	75	118	50	80	18,000	27,777	10,000	19,942
Other Receipts	-	-	-	-	30,000	58,330	31,000	52,322
Transfers In	-	-	-	-	-	25,684	-	10,000
Total Receipts	7,475	4,613	10,050	7,322	3,623,000	3,518,492	3,811,000	4,187,150
Disbursements								
Salaries	-	-	-	-	2,509,359	2,417,922	2,391,634	2,432,277
Employee Fringe Benefits	-	-	-	-	374,400	377,522	391,800	399,128
Materials and Supplies	-	-	-	-	127,500	94,190	139,500	121,967
Services	7,050	7,030	7,050	7,037	435,000	370,815	611,000	545,362
Other Disbursements	-	-	-	-	88,000	79,319	93,000	75,061
Capital Outlay	-	-	-	-	170,000	300,558	257,000	236,984
Transfers Out	-	-	-	-	75,000	-	-	-
Total Disbursements	7,050	7,030	7,050	7,037	3,779,259	3,640,326	3,883,934	3,810,779
Receipts Over (Under)								
Disbursements	\$ 425	\$ (2,417)	\$ 3,000	\$ 285	\$ (156,259)	\$ (121,834)	\$ (72,934)	\$ 376,371
Cash and Equivalents, Jan 1	10,809	10,809	10,524	10,524	2,101,987	2,101,987	1,725,616	1,725,616
Cash and Equivalents, Dec 31	\$ 11,234	\$ 8,392	\$ 13,524	\$ 10,809	\$ 1,945,728	\$ 1,980,153	\$ 1,652,682	\$ 2,101,987

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	NID Debt Service Bond Fund				NID Ongoing Maintenance & Construction Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 20,000	\$ 21,034	\$ 20,000	\$ 19,833	\$ 575,000	\$ 585,361	\$ 575,000	\$ 561,840
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	50	32	50	59	5,000	40,697	5,000	22,857
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	20,050	21,066	20,050	19,892	580,000	626,058	580,000	584,697
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	13,434	580,000	5,820	580,000	-
Debt Service	20,000	18,421	20,000	18,006	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	20,000	18,421	20,000	31,440	580,000	5,820	580,000	-
Receipts Over (Under)								
Disbursements	\$ 50	\$ 2,645	\$ 50	\$ (11,548)	\$ -	\$ 620,238	\$ -	\$ 584,697
Cash and Equivalents, Jan 1	13,635	13,635	25,183	25,183	3,684,451	3,684,451	3,099,754	3,099,754
Cash and Equivalents, Dec 31	\$ 13,685	\$ 16,280	\$ 25,233	\$ 13,635	\$ 3,684,451	\$ 4,304,689	\$ 3,099,754	\$ 3,684,451

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Sheriff Fees Fund				Election Services Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	26,000	10,744	18,000	30,588	5,000	6,691	5,000	5,905
Interest	100	450	100	288	50	203	50	101
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>26,100</u>	<u>11,194</u>	<u>18,100</u>	<u>30,876</u>	<u>5,050</u>	<u>6,894</u>	<u>5,050</u>	<u>6,006</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	3,000	-	3,000	5,000	-	5,000	-
Services	26,000	924	7,000	3,578	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	20,450	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>26,000</u>	<u>3,924</u>	<u>7,000</u>	<u>27,028</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ 100	\$ 7,270	\$ 11,100	\$ 3,848	\$ 50	\$ 6,894	\$ 50	\$ 6,006
Cash and Equivalents, Jan 1	<u>29,468</u>	<u>29,468</u>	<u>25,620</u>	<u>25,620</u>	<u>14,945</u>	<u>14,945</u>	<u>8,939</u>	<u>8,939</u>
Cash and Equivalents, Dec 31	<u>\$ 29,568</u>	<u>\$ 36,738</u>	<u>\$ 36,720</u>	<u>\$ 29,468</u>	<u>\$ 14,995</u>	<u>\$ 21,839</u>	<u>\$ 8,989</u>	<u>\$ 14,945</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	County Law Enforcement Restitution Fund				Sheriff Revolving Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	53,400	43,590	45,000	55,964	5,000	20,212	5,000	11,780
Interest	450	642	400	496	250	936	250	632
Other Receipts	-	-	-	-	1,000	1,040	1,000	910
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	53,850	44,232	45,400	56,460	6,250	22,188	6,250	13,322
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	2,500	10,000	13,001	10,000	6,299
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	53,400	53,400	45,000	53,400	-	-	-	-
Total Disbursements	53,400	53,400	45,000	55,900	10,000	13,001	10,000	6,299
Receipts Over (Under)								
Disbursements	\$ 450	\$ (9,168)	\$ 400	\$ 560	\$ (3,750)	\$ 9,187	\$ (3,750)	\$ 7,023
Cash and Equivalents, Jan 1	53,125	53,125	52,565	52,565	65,825	65,825	58,802	58,802
Cash and Equivalents, Dec 31	\$ 53,575	\$ 43,957	\$ 52,965	\$ 53,125	\$ 62,075	\$ 75,012	\$ 55,052	\$ 65,825

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Inmate Security Fund				Help America Vote Act Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	22,472	-	-
Charges for Services	154,000	165,141	120,000	173,462	-	29,418	-	2,864
Interest	500	1,093	500	776	-	490	-	225
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	33,479	-	-	-	-	-	-
Total Receipts	154,500	199,713	120,500	174,238	-	52,380	-	3,089
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	30,000	16,647	30,000	29,474	-	-	-	-
Services	10,000	7,722	10,000	6,931	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	150,000	144,091	60,000	157,082	-	24,450	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	190,000	168,460	100,000	193,487	-	24,450	-	-
Receipts Over (Under)								
Disbursements	\$ (35,500)	\$ 31,253	\$ 20,500	\$ (19,249)	\$ -	\$ 27,930	\$ -	\$ 3,089
Cash and Equivalents, Jan 1	72,956	72,956	92,205	92,205	25,386	25,386	22,297	22,297
Cash and Equivalents, Dec 31	<u>\$ 37,456</u>	<u>\$ 104,209</u>	<u>\$ 112,705</u>	<u>\$ 72,956</u>	<u>\$ 25,386</u>	<u>\$ 53,316</u>	<u>\$ 22,297</u>	<u>\$ 25,386</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Tax Maintenance Fund				Little Proctor Road Overlay Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	52,200	55,150	46,600	52,229	-	-	-	-
Interest	400	344	400	350	-	1,565	-	1,192
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	52,600	55,494	47,000	52,579	-	1,565	-	1,192
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,800	3,367	3,500	2,001	-	-	-	-
Services	1,875	1,352	1,908	4,524	-	-	-	-
Other Disbursements	5,500	7,243	5,000	5,072	-	-	-	-
Capital Outlay	10,760	6,833	16,500	20,120	-	-	-	-
Transfers Out	25,000	25,000	25,000	25,000	-	-	-	-
Total Disbursements	46,935	43,795	51,908	56,717	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ 5,665	\$ 11,699	\$ (4,908)	\$ (4,138)	\$ -	\$ 1,565	\$ -	\$ 1,192
Cash and Equivalents, Jan 1	69,437	69,437	73,575	73,575	112,234	112,234	111,042	111,042
Cash and Equivalents, Dec 31	\$ 75,102	\$ 81,136	\$ 68,667	\$ 69,437	\$ 112,234	\$ 113,799	\$ 111,042	\$ 112,234

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Coronavirus Relief Fund				Senior Citizens Services Board Fund			
	2020		2019		2020		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ 237,321	\$ 204,000	\$ 216,241
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,419,959	2,419,959	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	10,832	-	-	510	392	510	591
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>2,419,959</u>	<u>2,430,791</u>	<u>-</u>	<u>-</u>	<u>210,510</u>	<u>237,713</u>	<u>204,510</u>	<u>216,832</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	202,500	196,206	181,840	200,734
Other Disbursements	2,419,959	2,229,978	-	-	50,000	-	50,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	145,590	-	-	-	-	-	-
Total Disbursements	<u>2,419,959</u>	<u>2,375,568</u>	<u>-</u>	<u>-</u>	<u>252,500</u>	<u>196,206</u>	<u>231,840</u>	<u>200,734</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 55,223	\$ -	\$ -	\$ (41,990)	\$ 41,507	\$ (27,330)	\$ 16,098
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,302</u>	<u>133,302</u>	<u>117,204</u>	<u>117,204</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 55,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,312</u>	<u>\$ 174,809</u>	<u>\$ 89,874</u>	<u>\$ 133,302</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2020 & 2019

	Senate Bill 40 Board Fund			
	2020		2019	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 217,732	\$ 238,241	\$ 218,415	\$ 217,047
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	375,000	423,590	375,000	452,372
Interest	1,680	355	1,200	-
Other Receipts	-	7,121	12,000	10,140
Transfers In	-	-	-	-
Total Receipts	<u>594,412</u>	<u>669,307</u>	<u>606,615</u>	<u>679,559</u>
<u>Disbursements</u>				
Salaries	320,465	251,442	320,465	235,628
Employee Fringe Benefits	-	52,389	-	44,879
Materials and Supplies	4,550	5,735	4,550	3,901
Services	257,485	164,075	288,685	222,145
Other Disbursements	-	-	-	-
Capital Outlay	28,300	12,264	28,300	18,629
Transfers Out	-	-	-	-
Total Disbursements	<u>610,800</u>	<u>485,905</u>	<u>642,000</u>	<u>525,182</u>
Receipts Over (Under)				
Disbursements	\$ (16,388)	\$ 183,402	\$ (35,385)	\$ 154,377
Cash and Equivalents, Jan 1	<u>537,807</u>	<u>537,807</u>	<u>383,430</u>	<u>383,430</u>
Cash and Equivalents, Dec 31	<u>\$ 521,419</u>	<u>\$ 721,209</u>	<u>\$ 348,045</u>	<u>\$ 537,807</u>

See Notes to the Financial Statements

The County of Morgan
Versailles, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Custodial Funds - Regulatory Basis
December 31, 2020 & 2019

2020							
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney	Treasurer	Total
Assets							
Cash and Equivalents	\$ 15,001	\$ 17,691,289	\$ 35,414	\$ 71,843	\$ 18,755	\$ 190,172	\$ 18,022,474
Total Assets	15,001	17,691,289	35,414	71,843	18,755	190,172	18,022,474
Liabilities and Fund Balances							
Total Liabilities	15,001	17,691,289	35,414	71,843	18,755	190,172	18,022,474
	15,001	17,691,289	35,414	71,843	18,755	190,172	18,022,474
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 15,001	\$ 17,691,289	\$ 35,414	\$ 71,843	\$ 18,755	\$ 190,172	\$ 18,022,474
2019							
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney	Treasurer	Total
Assets							
Cash and Equivalents	\$ 35,540	\$ 18,036,883	\$ 20,766	\$ 94,463	\$ 17,193	\$ 216,406	\$ 18,421,251
Total Assets	35,540	18,036,883	20,766	94,463	17,193	216,406	18,421,251
Liabilities and Fund Balances							
Total Liabilities	35,540	18,036,883	20,766	94,463	17,193	216,406	\$ 18,421,251
	35,540	18,036,883	20,766	94,463	17,193	216,406	18,421,251
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 35,540	\$ 18,036,883	\$ 20,766	\$ 94,463	\$ 17,193	\$ 216,406	\$ 18,421,251

See Notes to the Financial Statements

**The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019**

Note 1 - Summary of Significant Accounting Policies

Organized in 1833, the county of Morgan was named after Revolutionary War General Daniel Morgan. It is a third-class county, and the county seat is Versailles. Morgan County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Morgan County, Missouri, the Morgan County Senior Citizens Services Board, and the Morgan County Senate Bill 40 Board.

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

The financial statements referred to above include only the primary government of Morgan County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Morgan County's legal entity. The Morgan County Senior Citizens Services Board and the Morgan County Senate Bill 40 Board are controlled by separate boards and are also included under the control of Morgan County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Custodial Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Morgan County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Morgan County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Morgan County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded budgeted expenditures in 2020: Prosecuting Attorney Training Fund and Sheriff Revolving Fund. The following funds had actual expenditures that exceeded budgeted expenditures in 2019: Prosecuting Attorney Training Fund, NID Debt Service Bond Fund, Sheriff Fees Fund, County Law Enforcement Restitution Fund, Inmate Security Fund, and Tax Maintenance Fund. The following funds did not have a budget prepared in 2020 and 2019: Help America Vote Act Fund and Little Proctor Road Overlay Fund.

The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Morgan County's boundaries for the calendar year 2020 and 2019, respectively, for the purposes of County taxation was as follows:

	<u>2020</u>	<u>2019</u>
Real Estate	\$ 415,192,730	\$ 410,216,200
Personal Property	95,175,261	91,377,079
Railroad and Utilities	39,212,964	33,417,089
	<u>\$ 549,580,955</u>	<u>\$ 535,010,368</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2020 and 2019, respectively, for the purpose of County taxation, was as follows:

	<u>2020</u>	<u>2019</u>
General Revenue	\$ 0.1100	\$ 0.1100
Special Road and Bridge	0.1327	0.1313
Senior Citizens Services Board	0.0423	0.0423
Senate Bill 40 Board	0.0423	0.0423

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's 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 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, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Morgan County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

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.

Note 2 - Deposits and Investments

Morgan County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents". Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2020, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 29,550,366	\$ 27,609,669
Investments	<u>1,726,664</u>	<u>1,726,664</u>
Total Deposits and Investments as of December 31, 2020	<u>\$ 31,277,030</u>	<u>\$ 29,336,333</u>
Total Cash and Equivalents - Governmental Funds	\$ 13,254,556	
Total Cash and Equivalents - Agency Funds	<u>18,022,474</u>	
	<u>\$ 31,277,030</u>	

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 28,214,872	\$ 26,135,376
Investments	<u>1,689,900</u>	<u>1,689,900</u>
Total Deposits and Investments as of December 31, 2019	<u>\$ 29,904,772</u>	<u>\$ 27,825,276</u>
Total Cash and Equivalents - Governmental Funds	\$ 11,483,521	
Total Cash and Equivalents - Agency Funds	<u>18,421,251</u>	
	<u>\$ 29,904,772</u>	

The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2020, \$503,111 of Morgan County's deposits were not properly insured. At December 31, 2019, \$487,087 of Morgan County's deposits were not properly insured. The remainder of Morgan County's deposits were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Morgan County or its agent but not in the government's name. Morgan County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Morgan County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Morgan County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Morgan County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Morgan County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2020 Balance	% of Portfolio	2019 Balance	% of Portfolio
Citizens Bank of Eldon	Cert. of Deposit	\$ 984,381	57%	\$ 968,017	57%
Community Point Bank	Cert. of Deposit	742,283	43%	721,883	43%

The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2020 and 2019 are as follows:

Fund	2020		2019	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 160,767	\$ 246,545	\$ 68,400	\$ 227,024
Special Road and Bridge	4,060	-	-	-
911	246,545	-	227,024	-
Law Enforcement Sales Tax	25,684	-	10,000	-
County Law Enforcement Restitution	-	53,400	-	53,400
Inmate Security	33,479	-	-	-
Tax Maintenance	-	25,000	-	25,000
Coronavirus Relief	-	145,590	-	-
Total	<u>\$ 470,535</u>	<u>\$ 470,535</u>	<u>\$ 305,424</u>	<u>\$ 305,424</u>

Note 4 - Long-Term Debt

Limited General Obligation Bonds

In 2006, Morgan County issued \$222,000 in Limited General Obligation Bonds for the purpose of capital improvements located within the Saddle Road Neighborhood Improvement District. The Bonds are paid through a special assessment that is assessed on the benefitted properties located within the District. Principal and interest payments are due annually on March 1 with interest payable at 4.875%.

Balance at 12/31/18	Amount Borrowed	Amount Repaid	Balance at 12/31/19	Amount Borrowed	Amount Repaid	Balance at 12/31/20
<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 103,000</u>	<u>\$ -</u>	<u>\$ (13,000)</u>	<u>\$ 90,000</u>

Interest expense for the years ended December 31, 2020 and 2019 was \$5,421 and \$6,006, respectively.

Future minimum payments due on the Series 2006 Limited General Obligation Bonds are as follows:

Year	Principal	Interest	Total
2021	\$ 13,000	\$ 4,387	\$ 17,387
2022	14,000	3,754	17,754
2023	15,000	3,071	18,071
2024	15,000	2,340	17,340
2025	16,000	1,609	17,609
2026	17,000	829	17,829
	<u>\$ 90,000</u>	<u>\$ 15,990</u>	<u>\$ 105,990</u>

Principal payments made on the Series 2006 Limited General Obligation Bonds are made from the NID Debt Service Bond Fund.

**The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019**

Note 4 - Long-Term Debt (continued)

Lease Purchase Agreements

In 2012, the County entered into a \$229,070 lease purchase agreement with U.S. Bank for 911 Equipment, payable in monthly installments of \$5,437 with a final payment due November 7, 2019. The lease agreement carries an interest rate of 2.035%. This lease was paid in full in 2019.

In 2012, the County entered into a \$487,527 lease purchase agreement with U.S. Bank for 911 Equipment, payable in monthly installments of \$6,177 with a final payment due October 20, 2019. The lease agreement carries an interest rate of 1.781%. This lease was paid in full in 2019.

Balance at 12/31/18	Amount Borrowed	Amount Repaid	Balance at 12/31/19	Amount Borrowed	Amount Repaid	Balance at 12/31/20
\$ 115,139	\$ -	\$ (115,139)	\$ -	\$ -	\$ -	\$ -

Interest expense for the years ended December 31, 2020 and 2019 was \$0 and \$1,004, respectively.

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a 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 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 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.

Benefits Provided

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, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019**

Note 5 - County Employees' Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. The County collected and remitted CERF employee contributions of \$227,589 and \$221,234 for the years ended December 31, 2020 and 2019, respectively.

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

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

The County collected and remitted CERF fees and penalties of \$286,995 and \$247,139 for the years ended December 31, 2020 and 2019, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Morgan County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Morgan County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2020 and 2019.

Note 7 - Other Retirement Plan

Morgan County has 457 and 401(a) plans which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2020 and 2019 for the 457 plan were \$71,740 and \$67,197, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2020 and 2019 for the 401(a) plan were \$29,634 and \$28,781, respectively.

The Morgan County Senate Bill 40 Board participates in a SIMPLE IRA plan and matches up to 3% of an employee's elective deferrals. These contributions qualify under the Internal Revenue Code and are tax exempt. Pension plan expense for the years ended December 31, 2020 and 2019 was \$4,035 and \$3,804, respectively.

**The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019**

Note 8 - Post-Employment Benefits

Morgan 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 Morgan County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Vacation time is accrued for every full-time employee, and accrues at the rate of six days per year for employees with three years of service time or less, 12 days for employees with four to nine years of service time, or 18 days for employees with ten years of service time or more. If an employee has reached the maximum amount of unused vacation (one and one-half times the annual vacation amount), vacation will stop accruing on a monthly basis until the employee is below the limit. Upon separation, employees with ninety days or more of continuous service will be compensated for unused vacation time. The County provides fulltime employees with 12 days of sick time per year, up to a maximum of 36 days. Employees are not compensated for unused sick time upon separation. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

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

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is 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 \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**The County of Morgan
Versailles, Missouri
Notes to the Financial Statements
For the years ended December 31, 2020 & 2019**

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 16, 2021, 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.

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

Independent Auditor's Report

To the County Commissioners and
Officeholders of Morgan County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Morgan County, Missouri as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Morgan County, Missouri's basic financial statements, and have issued our report thereon dated August 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan County, Missouri's internal control over financial reporting (internal control) as a basis for designing 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 Morgan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Missouri's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-003 to be a significant deficiency.

Compliance and Other Matters

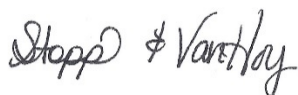
As part of obtaining reasonable assurance about whether Morgan County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the schedule of findings and questioned costs as items 2020-001 and 2020-002.

Morgan County, Missouri's Response to Findings

Morgan County, Missouri's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Morgan 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.



Creve Coeur, Missouri
August 16, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission and
Officeholders of Morgan County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Morgan 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 Morgan County, Missouri's major federal programs for the years ended December 31, 2020 and 2019. Morgan County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Morgan 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* (CFR) 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 Morgan 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 Morgan County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Morgan 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, 2020 and 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as 2020-006. Our opinion on each major federal program is not modified with respect to these matters.

Morgan County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan 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

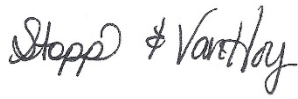
Management of Morgan County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morgan County, Missouri's internal control over 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 Morgan 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-006, that we consider to be a significant deficiency.

Morgan County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan 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.

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

A handwritten signature in black ink, appearing to read "Stopp & Vantley". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 16, 2021

**The County of Morgan
Versailles, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2020 & 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures		Awards Provided to Subrecipients	
			Year Ended December 31,		Year Ended December 31,	
			2020	2019	2020	2019
U.S. Department of Justice						
Passed through state:						
Missouri Association of Prosecuting Attorneys -						
Crime Victim Assistance	16.575	MAPAMorgan19-21	37,402	5,899	-	-
Crime Victim Assistance	16.575	MAPAMorgan17-19	-	30,850	-	-
			37,402	36,749	-	-
Passed through state:						
Missouri Department of Public Safety -						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-LLEBG-047	9,975	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-061	-	9,883	-	-
			9,975	9,883	-	-
U.S. Department of Transportation						
Highway Safety Cluster						
Passed through:						
University of Central Missouri -						
State & Community Highway Safety	20.600	19-PT-02-067	-	1,250	-	-
Passed through:						
University of Central Missouri -						
National Priority Safety Programs	20.616	20-M2HVE-05-030	850	-	-	-
			850	1,250	-	-
Total Highway Safety Cluster						
Passed through:						
University of Central Missouri -						
Alcohol Open Container Requirements	20.607	20-154-AL-017	2,950	-	-	-
Alcohol Open Container Requirements	20.607	19-154-AL-019	-	1,650	-	-
			2,950	1,650	-	-
U.S. Department of Treasury						
Passed through state:						
Missouri State Treasurer's Office -						
COVID-19 Coronavirus Relief Fund	21.019	n/a	2,375,568	-	2,229,977	-

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Morgan
Versailles, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2020 & 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures		Awards Provided to Subrecipients	
			Year Ended December 31,		Year Ended December 31,	
			2020	2019	2020	2019
Election Assistance Commission						
Passed through state:						
Missouri Secretary of State - COVID-19 HAVA Election Security Grants	90.404	n/a	19,839	-	-	-
Executive Office of the President						
Passed through state:						
Missouri State Highway Patrol - High Intensity Drug Trafficking Areas Program	95.001	G20MW0001A-QQ	9,213	-	-	-
High Intensity Drug Trafficking Areas Program	95.001	G19MW0001A-QQ	-	11,546	-	-
			9,213	11,546	-	-
Total Expenditures of Federal Awards			\$ 2,455,797	\$ 61,078	\$ 2,229,977	\$ -

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Morgan
Versailles, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2020 & 2019**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply 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). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Morgan County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Morgan County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Morgan County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal expenditures are considered to have occurred when cash is disbursed for allowable expenditures.

Morgan County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Donated Personal Protective Equipment

Morgan County received no donated personal protective equipment which had been purchased with federal funds. This footnote is unaudited.

**The County of Morgan
Versailles, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes None Reported

Any noncompliance material to financial
statements noted?

 X Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes 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 section 2 CFR section 200.516(a)?

 X Yes No

Identification of Major Programs:

CFDA
Number
21.019

Name of Federal Program or Cluster
COVID-19 Coronavirus Relief Fund

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

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes X No

**The County of Morgan
Versailles, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Section 2 - Financial Statement Findings

2020-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded budgeted expenditures in 2020: Prosecuting Attorney Training Fund and Sheriff Revolving Fund. The following funds had actual expenditures that exceeded budgeted expenditures in 2019: Prosecuting Attorney Training Fund, NID Debt Service Bond Fund, Sheriff Fees Fund, County Law Enforcement Restitution Fund, Inmate Security Fund, and Tax Maintenance Fund. The following funds did not have a budget prepared in 2020 and 2019: Help America Vote Act Fund and Little Proctor Road Overlay Fund.

Cause: Oversight

Effect: Due to exceeding budget in certain funds and failing to prepare a budget for certain funds, the County is in violation of Missouri Revised Statutes.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should prepare a budget for all applicable funds.

Management's Response: The county will review all budgeted expenditures quarterly (March, June, September, and December.) Any budgets over will be amended and adjusted appropriately. HAVA and Little Proctor Overlay will be added to the budget accordingly.

2020-002 **Criteria:** Budgets should be prepared accurately, listing beginning available fund balances, expected revenues and disbursements, and expected ending fund balances.

Condition: During the audit, it was noted that the Morgan County Senate Bill 40 Board's budgets for the years ended December 31, 2020 and 2019 were prepared with formula errors.

Cause: Oversight

Effect: Due to preparing budgets with errors, the Morgan County Senate Bill 40 Board is unable to accurately compare actual revenues and disbursements to budgeted revenues and disbursements for the years ended December 31, 2020 and 2019.

Recommendation: We recommend that the Morgan County Senate Bill 40 Board review the accuracy of prepared budgets prior to adoption by the Board. Additionally, the Board should continue to monitor budgets on a routine basis in comparison to actual revenues and disbursements to determine if any amendments should be made.

Management's Response: Without more information, we must assume that the formula errors were literal errors manifested in the Excel spreadsheets used to compute the budgets. The budget for 2019 was prepared by the previous Executive Director. The current Executive Director assumed the position in August of 2019. The 2020 budget was prepared using the 2019 budget as a template. The 2021 budget was prepared via QuickBooks. All future budgets will utilize QuickBooks to organize, compute, and report budgets.

**The County of Morgan
Versailles, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Section 2 - Financial Statement Findings (continued)

2020-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will implement a fraud risk assessment process by the end of the year. This assessment will be reviewed and updated on an annual basis to review any areas for concern.

2020-004 **Criteria:** The County Clerk is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis for all bank accounts to ensure that cash balances per the accounting records agree to the cash balances held in the bank. Additionally, the County Clerk's office should prepare a list of all outstanding liabilities for each account.

Condition: For the years ended December 31, 2020 and 2019, the County Clerk's office failed to perform timely and accurate bank reconciliations or prepare a list of outstanding liabilities for all bank accounts held by the County Clerk's office.

Cause: The reconciled bank balance, including all outstanding liabilities, is not being compared to the balances of the funds on hand per the County Clerk's records due to lack of internal controls and procedures in the County Clerk's office.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the County Clerk's cash balances due to error or misappropriation is heightened. Additionally, there is a risk that the County Clerk's office cannot account for all outstanding liabilities which may result in account overdrafts.

Recommendation: We recommend that the County Clerk implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

Management's Response: The County Clerk had been using a different method of keeping track of bank records but began implementing the recommended procedure of bank reconciliation after the issue was noted by the auditors.

**The County of Morgan
Versailles, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Section 2 - Financial Statement Findings (continued)

2020-005 **Criteria:** Management should prepare the financial statements of the County, as presented in the annual budget, to present balanced transfers between all funds.

Condition: The recorded transfers out did not equal the recorded transfers in for either 2020 or 2019. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. In most instances, one side of the transfer would be booked to a “miscellaneous” revenue or expense account resulting in an imbalance between transfers in and out. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2020 and 2019.

Cause: Oversight.

Effect: The financial statements of the County, as presented in the annual budget, were inaccurately prepared due to an imbalance between transfers in and out.

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget.

Management's Response: The County Law Enforcement Restitution Fund has no line item for the Law Enforcement Sales Tax transfer. A line item will be added to the next budget cycle.

Section 3 - Federal Award Findings and Questioned Costs

2020-006 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported in the SEFA were incorrect.

Context: This finding was reported in the previous audit for the years ended December 31, 2016 and 2015, and has been reported in several previous audits of the County.

**The County of Morgan
Versailles, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Section 3 - Federal Award Findings and Questioned Costs

2020-006 **Recommendation:** We recommend management develop internal controls over reporting and consult with outside
(cont.) accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: When budget sheets are sent out to each department head at the beginning of December, we will request paperwork of any federal awards that have been received throughout the year to make sure they are getting reported accurately.

**The County of Morgan
Versailles, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Morgan County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2016 & 2015.

Prior Year Financial Statement Findings

1. Internal Controls over Credit and Fuel Card Usage

Condition: During our audit, we noted that the County's internal controls over the use of its Visa credit cards, Walmart Community cards, and fuel cards were inadequate. During the audit period, there were five Visa credit cards issued and over a dozen Walmart Community cards, and access to these cards was not centrally controlled as the employees who were issued cards carried them with them at all times. Having a large number of credit cards issued without controls over access to the cards greatly increases the risk of inappropriate use or loss of the cards. During 2017, the County Commission has taken steps to reduce the number of cards outstanding. Three Walmart Community cards that had been issued could not be located when the Commission was in the process of collecting the outstanding cards. There are now only three Walmart Community cards issued to County employees (Sheriff, Jail Administrator, and 911 supervisor) and one Visa credit card which is kept in a locked drawer in the Commissioner's office. Advance approval is now required before using one of the Walmart credit cards.

The County Commission has also taken steps to improve controls over fuel card usage by employees of the Sheriff's office. The new cards issued in 2017 require card users to enter the vehicle mileage and a unique vehicle PIN number to be entered at the pump, allowing the Sheriff and 911 supervisor to compare fuel expenditures to actual miles driven.

Recommendation: We recommend that the County continue to take steps to ensure that proper controls are in place to prevent inappropriate use of County credit cards through physical control of the cards and requiring proper approvals prior to use.

County's Response: In addition to improved controls over fuel cards, all remaining County issued credit cards have been turned into the County Commission and distributed upon request and approval of purchases.

Auditor's Response: The response is appropriate to correct the concern.

Status: This finding is no longer applicable.

2. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget documents present transfers between funds. The recorded transfers out did not equal the recorded transfers in for either 2016 or 2015. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. In most instances, one side of the transfer would be booked to a "miscellaneous" revenue or expense account resulting in an imbalance between transfers in and out. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2016 and 2015.

The County of Morgan
Versailles, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2020 & 2019

Prior Year Financial Statement Findings (continued)

2. Accounting for Transfers (continued)

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget.

County's Response: Morgan County accepts the recommendation and will make the necessary changes to ensure transfers are more clearly identified.

Auditor's Response: The response is appropriate to correct the concern.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2020-005 in the current year.

3. Budgetary Controls

Condition: Actual expenditures exceeded budgeted expenditures for eight funds in 2015 and five funds in 2016. The detailed list of funds can be found in Note 1.D.10 to the financial statements. RSMo 50.740 prohibits expenditures in excess of the approved budgets. Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

County's Response: Morgan County began amending the budget in 2016 and will continue to monitor spending limits and adhere to budget limits or amend as required.

Auditor's Response: The response is appropriate to correct the concern.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2020-001 in the current year.

4. Competitive Purchasing Procedures

Condition: During our audit, we noted two instances where the County purchased goods or services in excess of \$4,500 but no documentation of bidding or other competitive purchasing procedures could be provided. In 2015, the County purchased a piece of equipment for the Recorder's office for \$11,217. In 2016, the County purchased services for painting at the Justice Center for a total of \$8,966. In both cases, no documentation of bidding could be provided. RSMo 50.660 states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days...." RSMo. 50.783.1 states that, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies."

**The County of Morgan
Versailles, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Prior Year Financial Statement Findings (continued)

4. Competitive Purchasing Procedures (continued)

Recommendation: We recommend the County Commission solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records in the County Clerk's office and include pertinent bid information in the Commission minutes.

County's Response: Morgan County recognizes that it failed to obtain bids on two separate occasions. While we feel only one single feasible source was available for the supplies, we did not attempt to solicit bids. Corrective action has been taken in the County Commission office to ensure that this will not happen in future purchases and that Morgan County follows the required bidding process as set forth in RSMo 50.783.1.

Auditor's Response: The response is appropriate to correct the concern.

Status: This finding is no longer applicable.

Prior Year Federal Award Findings

2016-001 **Schedule of Expenditures of Federal Awards**

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

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

Federal CFDA Number: 16.738, 20.205, 97.036

Program Title: Edward Byrne Memorial Justice Assistance Grant, Highway Planning and Construction, Disaster Grants – Public Assistance (Presidentially-declared Disasters)

Pass-through Entity Identifying Number: 2013-JAG-020, 2014-JAG-019, 2015-JAG-020, BROB071(9), BRO-B071(10)

Award Year: 2016 and 2015

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.

**The County of Morgan
Versailles, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Prior Year Federal Award Findings (continued)

2016-001 Schedule of Expenditures of Federal Awards (continued)
(cont.)

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2015 and 2016 annual budget documents did not report all federal awards expended. The 2015 SEFA reported total federal award expenditures of \$134,307, while the 2016 SEFA reported \$0. However, during the audit we discovered an additional \$1,147,692 of federal award expenditures in 2015 and \$294,737 in 2016. The County Drug Task Force fund received federal money from the Missouri Department of Public Safety in 2015 and 2016 that was not reported on the SEFA. The County carried out two BRO bridge projects that were reimbursed with federal money passed through the Missouri Department of Transportation that were not reported on the SEFA. In 2016, the County received reimbursements of federal funds from the Missouri State Emergency Management Agency for disaster assistance expenses that were not reported on the SEFA. Findings related to the preparation of the SEFA have been noted in several past audits of the County.

Cause: The County may not have known about the existence of these federal awards because the money was received from State level agencies rather than from the federal government.

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, 2016 and 2015. The likelihood of noncompliance with federal award requirements applicable to certain awards is increased when the County is not aware that a grant is a federal award. The SEFA presented in this report has been corrected.

Recommendation: We recommend that the County implement procedures to ensure that the SEFA encompasses all federal awards received by the County. The County needs to be more diligent at identifying awards of federal funds that are passed through from State agencies.

County's Response: Morgan County will work on establishing a procedure to ensure that the SEFA encompasses all federal awards received by the County.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2020-006 in the current year.

2016-002 Cash Management Procedures

Federal Grantor: U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Transportation

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass-through Entity Identifying Number: BROB071(9), BRO-B071(10)

Award Year: 2015

Questioned Costs: None

**The County of Morgan
Versailles, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2020 & 2019**

Prior Year Federal Award Findings (continued)

**2016-002 Cash Management Procedures
(cont.)**

Criteria: Federal award requirements state that recipients receiving advances of federal funds must implement procedures to minimize the time elapsing between the receipt of federal funds and the disbursement of the funds. BRO program regulations state that Local Public Agencies (Morgan County) must “develop cash management procedures to ensure payment is made to the contractor/consultant within two (2) business days of receipt of funds from MoDOT.”

Condition: During our audit, we analyzed all receipts and disbursements on both BRO projects during 2015 and noted several instances where the County wrote checks to the consulting engineers and construction contractors on both BRO projects well after the reimbursement from MoDOT was received into the County’s bank account. The County typically submitted invoices to MoDOT for reimbursement prior to making the payment on the invoice to the engineer or construction contractor. For BRO-B071(9), there were two checks totaling \$5,942 that were written 39 and 49 days after receipt of funds from MoDOT. For BRO-B071(10), there were seven checks totaling \$342,678 that were written between 8 and 46 days after receipt of funds from MoDOT.

Cause: The County does not have access to online banking, therefore, they are not aware of electronic receipts such as those from MoDOT until they receive notice from the bank. As some of the disbursements under this grant are quite large, the County preferred to wait until funds were received from MoDOT prior to paying vendors.

Effect: The grant is intended to be a reimbursement type grant, however, the County may have inappropriately earned interest on the federal funds due to the delay in payments.

Recommendation: We recommend that the County implement procedures to ensure that federal funds are disbursed in a timely manner in accordance with federal regulations and the terms and conditions of federal awards.

County's Response: Morgan County will not be implementing online banking. At this point we have no choice until the Treasurer receives notification from our financial institution that funding has been received and then payment will be made. Morgan County records show that when notification of funds had been received, payments were made in a timely manner.

Status: This finding is no longer applicable.



Morgan County Commission

100 E. Newton
Versailles, Missouri 65084
573-378-4643

CORRECTIVE ACTION PLAN

Audit Finding Reference: 2020-001

Planned Corrective Action: The County will review all budgeted expenditures quarterly (March, June, September, and December.) Any budgets over will be amended and adjusted appropriately. HAVA and Little Proctor Overlay will be added to the budget accordingly.

Name of Contact Person: County Clerk, Aimee Worthley. Expected completion date is December 31, 2021.

Audit Finding Reference: 2020-002

Planned Corrective Action: Without more information, we must assume that the formula errors were literal errors manifested in the Excel spreadsheets used to compute the budgets. The budget for 2019 was prepared by the previous Executive Director. The current Executive Director assumed the position in August of 2019. The 2020 budget was prepared using the 2019 budget as a template. The 2021 budget was prepared via QuickBooks. All future budgets will utilize QuickBooks to organize, compute, and report budgets.

Name of Contact Person: Morgan County Senate Bill 40 Board Executive Director, Myrna Blaine. Expected completion date is December 31, 2021.

Audit Finding Reference: 2020-003

Planned Corrective Action: The County will implement a fraud risk assessment process by the end of the year. This assessment will be reviewed and updated on an annual basis to review any areas for concern.

Name of Contact Person: County Clerk, Aimee Worthley. Expected completion date is December 31, 2021.

Audit Finding Reference: 2020-004

Planned Corrective Action: The County Clerk had been using a different method of keeping track of bank records but began implementing the recommended procedure of bank reconciliation after the issue was noted by the auditors.

Name of Contact Person: County Clerk, Aimee Worthley. Expected completion date is December 31, 2021.

Audit Finding Reference: 2020-005

Planned Corrective Action: The County Law Enforcement Restitution Fund has no line item for the Law Enforcement Sales Tax transfer. A line item will be added to the next budget cycle.

Name of Contact Person: County Clerk, Aimee Worthley. Expected completion date is December 31, 2021.

Audit Finding Reference: 2020-006

Planned Corrective Action: When budget sheets are sent out to each department head at the beginning of December, we will request paperwork of any federal awards that have been received throughout the year to make sure they are getting reported accurately.

Name of Contact Person: County Clerk, Aimee Worthley. Expected completion date is December 31, 2021.