



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

To the County Commission  
and  
Officeholders of Audrain County, Missouri

The Office of the State Auditor contracted for an audit of Audrain County's financial statements for the year ended December 31, 2021, 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 McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA  
State Auditor

September 2022  
Report No. 2022-081

ANNUAL FINANCIAL REPORT

**AUDRAIN COUNTY, MISSOURI**

For the Year Ended  
December 31, 2021

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

# AUDRAIN COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

AUDRAIN COUNTY, MISSOURI  
List of Elected Officials 2021

*County Commission*

Presiding Commissioner – Alan Winders

Commissioner, Western District – Tracy R. Graham

Commissioner, Eastern District – Leslie A. Meyer

*Other Elected Officials*

Assessor – Melissa Maupin

Circuit Clerk – Penny J. Creed

Collector – Kate Becker

County Clerk – Lisa L. Smith

Coroner – Todd Yager

Prosecuting Attorney – Jacob Shellabarger

Public Administrator – Connie J. Hagan

Recorder – Janis Deimeke

Sheriff – Matt Oller

Treasurer – Patty Meyers

## **FINANCIAL SECTION**

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

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**CERTIFIED PUBLIC ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

To the County Commission and  
Officeholders of Audrain County, Missouri

#### **Opinion**

We have audited the accompanying financial statements of Audrain County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2021, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Audrain County, Missouri, as of December 31, 2021, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

#### **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 section of our report, 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 Audrain County, Missouri, as of December 31, 2021, or the changes in financial position thereof for the year then ended.

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Audrain County, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

## **Other Matter**

Audrain County, Missouri's December 31, 2020 financial statements were audited by a predecessor auditor who reported on the financial statements before restatement. As part of our audit of the December 31, 2021 financial statements, we also audited the adjustments described in Note 9 that were applied to restate the 2020 ending balances. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements of the County other than with respect to the year-end balances, and, accordingly, we do not express an opinion or any other form of assurance on the 2020 financial statements as a whole.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. 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 for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an



opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Audrain County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Audrain County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated August 10, 2022, on our consideration of Audrain County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Audrain County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 10, 2022

AUDRAIN COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
General Revenue	\$ 7,033,447	\$ 6,551,333	\$ 6,856,085	\$ 6,728,695
Special Road and Bridge	802,406	2,777,650	2,521,430	1,058,626
Assessment	547,995	422,904	469,885	501,014
Small Structure Tax	1,875,711	751,612	527,758	2,099,565
Law Enforcement Sales Tax	199,617	3,026,334	3,225,053	898
Law Enforcement Training	1,153	2,385	3,090	448
Sheriff Civil Fee	4,234	23,237	22,287	5,184
Prosecuting Attorney Training	5,767	2,320	2,030	6,057
Prosecuting Attorney Administrative	7,081	10,523	10,790	6,814
Prosecuting Attorney Delinquent Tax	11,885	1,069	6,525	6,429
Election Services	24,560	4,450	3,391	25,619
Recorder User Fee	42,947	9,055	-	52,002
Recorder Technology	43,276	10,058	1,422	51,912
Collector's Maintenance	40,716	50,249	59,288	31,677
Local Emergency Planning Commission (LEPC)	11,471	6	728	10,749
Victims of Domestic Violence	2,593	2,883	2,362	3,114
Sheriff Revolving	6,005	19,623	22,411	3,217
Inmate Security	15,551	131,478	134,869	12,160
Law Enforcement Restitution	23,774	18,261	9,823	32,212
Federal Forfeiture	22,671	15,939	1,200	37,410
American Rescue Plan Act	-	2,465,715	2,109,773	355,942
Capital Reserve	-	2,504,050	-	2,504,050
Total	<u>\$ 10,722,860</u>	<u>\$ 18,801,134</u>	<u>\$ 15,990,200</u>	<u>\$ 13,533,794</u>

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

AUDRAIN COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 1,028,000	\$ 1,219,494
Sales taxes	2,680,000	3,681,283
Intergovernmental	496,012	441,985
Charges for services	501,325	1,196,720
Interest	30,000	4,458
Other	5,000	7,393
Transfers in	-	-
Total Receipts	<u>\$ 4,740,337</u>	<u>\$ 6,551,333</u>
DISBURSEMENTS		
County Commission	\$ 155,545	\$ 143,669
County Clerk	170,390	162,267
Elections	68,000	14,420
Buildings and grounds	267,000	222,552
Employee fringe benefits	540,000	399,527
Treasurer	75,390	70,571
Collector	153,470	145,119
Recorder of Deeds	147,812	130,567
Circuit Court	66,820	24,725
Court Administration	96,600	54,188
Public Administrator	81,090	72,104
Prosecuting Attorney	585,632	543,786
Juvenile Officer	352,100	252,053
Coroner	48,110	35,548
Other	57,000	43,529
Emergency Management	108,108	68,507
Capital improvements	1,765,000	649,708
Other general county government	779,000	634,636
Health and welfare	5,100	4,995
Transfers out	3,900,000	3,183,614
Emergency Fund	306,500	-
Total Disbursements	<u>\$ 9,728,667</u>	<u>\$ 6,856,085</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (4,988,330)	\$ (304,752)
CASH AND INVESTMENTS, JANUARY 1	<u>7,033,447</u>	<u>7,033,447</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,045,117</u>	<u>\$ 6,728,695</u>

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

AUDRAIN COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
- BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		SMALL STRUCTURE TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 1,685,000	\$ 1,802,449	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	650,000	750,320
Intergovernmental	837,950	944,075	45,867	48,204	-	-
Charges for services	10,000	29,409	300,000	368,965	-	-
Interest	5,000	967	2,500	438	2,000	1,292
Other	1,000	750	1,200	5,297	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,538,950</u>	<u>\$ 2,777,650</u>	<u>\$ 349,567</u>	<u>\$ 422,904</u>	<u>\$ 652,000</u>	<u>\$ 751,612</u>
DISBURSEMENTS						
Salaries	\$ 490,000	\$ 456,968	\$ 191,500	\$ 186,360	\$ 250,000	\$ 108,187
Employee fringe benefits	273,000	219,316	105,000	73,410	31,300	17,742
Materials and supplies	237,000	195,738	20,000	17,642	-	-
Services and other	1,109,880	985,409	136,000	105,144	-	-
Capital outlay	550,000	182,113	64,000	87,329	900,000	87,365
Construction	659,000	481,886	-	-	315,000	314,464
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,318,880</u>	<u>\$ 2,521,430</u>	<u>\$ 516,500</u>	<u>\$ 469,885</u>	<u>\$ 1,496,300</u>	<u>\$ 527,758</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (779,930)	\$ 256,220	\$ (166,933)	\$ (46,981)	\$ (844,300)	\$ 223,854
CASH AND INVESTMENTS, JANUARY 1	<u>802,406</u>	<u>802,406</u>	<u>547,995</u>	<u>547,995</u>	<u>1,875,711</u>	<u>1,875,711</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 22,476</u>	<u>\$ 1,058,626</u>	<u>\$ 381,062</u>	<u>\$ 501,014</u>	<u>\$ 1,031,411</u>	<u>\$ 2,099,565</u>

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

AUDRAIN COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	LAW ENFORCEMENT SALES TAX FUND		LAW ENFORCEMENT TRAINING FUND		SHERIFF CIVIL FEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,300,000	1,496,981	-	-	-	-
Intergovernmental	600,000	667,887	900	597	-	-
Charges for services	65,000	164,335	1,000	1,788	23,120	23,234
Interest	400	63	-	-	45	3
Other	5,000	16,568	1,000	-	-	-
Transfers in	1,500,000	680,500	-	-	-	-
Total Receipts	<u>\$ 3,470,400</u>	<u>\$ 3,026,334</u>	<u>\$ 2,900</u>	<u>\$ 2,385</u>	<u>\$ 23,165</u>	<u>\$ 23,237</u>
DISBURSEMENTS						
Salaries	\$ 1,997,060	\$ 1,715,477	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	675,000	643,578	-	-	-	-
Materials and supplies	68,000	61,693	-	-	-	-
Services and other	635,500	638,905	2,000	3,090	20,000	22,287
Capital outlay	132,500	165,400	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,508,060</u>	<u>\$ 3,225,053</u>	<u>\$ 2,000</u>	<u>\$ 3,090</u>	<u>\$ 20,000</u>	<u>\$ 22,287</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (37,660)	\$ (198,719)	\$ 900	\$ (705)	\$ 3,165	\$ 950
CASH AND INVESTMENTS, JANUARY 1	<u>199,617</u>	<u>199,617</u>	<u>1,153</u>	<u>1,153</u>	<u>4,234</u>	<u>4,234</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 161,957</u>	<u>\$ 898</u>	<u>\$ 2,053</u>	<u>\$ 448</u>	<u>\$ 7,399</u>	<u>\$ 5,184</u>

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

AUDRAIN COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	PROSECUTING ATTORNEY TRAINING FUND		PROSECUTING ATTORNEY ADMINISTRATIVE FUND		PROSECUTING ATTORNEY DELINQUENT TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	500	2,320	-	1,405	1,500	1,069
Interest	-	-	55	4	-	-
Other	-	-	2,000	9,114	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 500</u>	<u>\$ 2,320</u>	<u>\$ 2,055</u>	<u>\$ 10,523</u>	<u>\$ 1,500</u>	<u>\$ 1,069</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	6,000	2,030	8,000	10,790	12,000	6,525
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,000</u>	<u>\$ 2,030</u>	<u>\$ 8,000</u>	<u>\$ 10,790</u>	<u>\$ 12,000</u>	<u>\$ 6,525</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,500)	\$ 290	\$ (5,945)	\$ (267)	\$ (10,500)	\$ (5,456)
CASH AND INVESTMENTS, JANUARY 1	<u>5,767</u>	<u>5,767</u>	<u>7,081</u>	<u>7,081</u>	<u>11,885</u>	<u>11,885</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 267</u>	<u>\$ 6,057</u>	<u>\$ 1,136</u>	<u>\$ 6,814</u>	<u>\$ 1,385</u>	<u>\$ 6,429</u>

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

AUDRAIN COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
- BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	ELECTION SERVICES FUND		RECORDER USER FEE FUND		RECORDER TECHNOLOGY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	2,000	3,170	-	-	-	-
Charges for services	5,000	1,266	7,000	9,028	6,000	10,031
Interest	150	14	250	27	250	27
Other	2,500	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 9,650</u>	<u>\$ 4,450</u>	<u>\$ 7,250</u>	<u>\$ 9,055</u>	<u>\$ 6,250</u>	<u>\$ 10,058</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	40,000	1,422
Services and other	30,000	3,391	40,000	-	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 30,000</u>	<u>\$ 3,391</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 1,422</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20,350)	\$ 1,059	\$ (32,750)	\$ 9,055	\$ (33,750)	\$ 8,636
CASH AND INVESTMENTS, JANUARY 1	<u>24,560</u>	<u>24,560</u>	<u>42,947</u>	<u>42,947</u>	<u>43,276</u>	<u>43,276</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,210</u>	<u>\$ 25,619</u>	<u>\$ 10,197</u>	<u>\$ 52,002</u>	<u>\$ 9,526</u>	<u>\$ 51,912</u>

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

AUDRAIN COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	COLLECTOR'S MAINTENANCE FUND		LOCAL EMERGENCY PLANNING COMMISSION (LEPC) FUND		VICTIMS OF DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	45,000	48,267	-	-	2,000	2,881
Interest	250	23	50	6	20	2
Other	1,000	1,959	5,000	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 46,250</u>	<u>\$ 50,249</u>	<u>\$ 5,050</u>	<u>\$ 6</u>	<u>\$ 2,020</u>	<u>\$ 2,883</u>
DISBURSEMENTS					\$ -	\$ -
Salaries	\$ -	\$ -	\$ -	\$ -	-	-
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	80,000	59,288	-	-	-	-
Services and other	-	-	12,000	728	2,500	2,362
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 80,000</u>	<u>\$ 59,288</u>	<u>\$ 12,000</u>	<u>\$ 728</u>	<u>\$ 2,500</u>	<u>\$ 2,362</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (33,750)	\$ (9,039)	\$ (6,950)	\$ (722)	\$ (480)	\$ 521
CASH AND INVESTMENTS, JANUARY 1	<u>40,716</u>	<u>40,716</u>	<u>11,471</u>	<u>11,471</u>	<u>2,593</u>	<u>2,593</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,966</u>	<u>\$ 31,677</u>	<u>\$ 4,521</u>	<u>\$ 10,749</u>	<u>\$ 2,113</u>	<u>\$ 3,114</u>

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



AUDRAIN COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	SHERIFF REVOLVING FUND		INMATE SECURITY FUND		LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	14,000	19,620	90,800	131,465	18,500	18,247
Interest	-	3	70	13	250	14
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 14,000</u>	<u>\$ 19,623</u>	<u>\$ 90,870</u>	<u>\$ 131,478</u>	<u>\$ 18,750</u>	<u>\$ 18,261</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	20,000	22,411	100,000	134,869	40,000	9,823
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 22,411</u>	<u>\$ 100,000</u>	<u>\$ 134,869</u>	<u>\$ 40,000</u>	<u>\$ 9,823</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,000)	\$ (2,788)	\$ (9,130)	\$ (3,391)	\$ (21,250)	\$ 8,438
CASH AND INVESTMENTS, JANUARY 1	<u>6,005</u>	<u>6,005</u>	<u>15,551</u>	<u>15,551</u>	<u>23,774</u>	<u>23,774</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5</u>	<u>\$ 3,217</u>	<u>\$ 6,421</u>	<u>\$ 12,160</u>	<u>\$ 2,524</u>	<u>\$ 32,212</u>

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

AUDRAIN COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

	FEDERAL FORFEITURE FUND		AMERICAN RESCUE PLAN ACT FUND		CAPITAL RESERVE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	15,925	2,465,695	2,465,695	-	-
Charges for services	-	-	-	-	-	-
Interest	75	14	50	20	500	936
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	2,400,000	2,503,114
Total Receipts	<u>\$ 75</u>	<u>\$ 15,939</u>	<u>\$ 2,465,745</u>	<u>\$ 2,465,715</u>	<u>\$ 2,400,500</u>	<u>\$ 2,504,050</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	22,500	1,200	2,465,695	2,109,773	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 22,500</u>	<u>\$ 1,200</u>	<u>\$ 2,465,695</u>	<u>\$ 2,109,773</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (22,425)	\$ 14,739	\$ 50	\$ 355,942	\$ 2,400,500	\$ 2,504,050
CASH AND INVESTMENTS, JANUARY 1	<u>22,671</u>	<u>22,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 246</u>	<u>\$ 37,410</u>	<u>\$ 50</u>	<u>\$ 355,942</u>	<u>\$ 2,400,500</u>	<u>\$ 2,504,050</u>

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

AUDRAIN COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

Fund/Account	Cash and Investments January 1 (Restated)	Receipts	Disbursements	Cash and Investments December 31
Treasurer Elections	\$ 85	\$ 23,845	\$ 23,902	\$ 28
Treasurer Unclaimed Fees	1,512	1,018	-	2,530
Treasurer Surplus Tax Sales	16,147	5,045	6,089	15,103
Treasurer Fines and Penalties	13,303	150,090	85,275	78,118
Treasurer Road Districts	266,847	1,297,088	1,259,641	304,294
Treasurer Library	-	996,636	996,636	-
Treasurer Nursing Home District	-	147,825	147,825	-
Treasurer Fire Districts	-	619,945	619,945	-
Treasurer Ambulance Districts	-	472,764	472,764	-
Treasurer Health Department	-	1,072,363	1,072,363	-
Treasurer Sheltered Workshop	-	943,379	943,379	-
Treasurer School Districts	-	19,917,912	19,917,912	-
Treasurer Treatment Court	64,616	28,369	26,519	66,466
Treasurer Jury Script	122	-	-	122
Treasurer CERF	9,789	318,733	318,057	10,465
Treasurer Cemeteries	157,040	50,724	34,514	173,250
Collector Accounts	24,679,536	28,319,394	29,842,290	23,156,640
Recorder Account	12,802	160,584	159,072	14,314
Sheriff Account	44,133	597,662	623,760	18,035
Public Administrator Accounts	236,089	279,216	296,895	218,410
Total	<u>\$ 25,502,021</u>	<u>\$ 55,402,592</u>	<u>\$ 56,846,838</u>	<u>\$ 24,057,775</u>

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

AUDRAIN COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Audrain County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control. The County has a Developmental Disability Board which obtains separate audits, therefore, it has been excluded from the scope of our audit.

B. Basis of Presentation

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

**Fiduciary Funds** – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

### C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

### D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds: Law Enforcement Training, Sheriff Civil Fee, Prosecuting Attorney Administrative, Sheriff Revolving, and Inmate Security.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2021, for purposes of taxation were:

Real Estate	\$ 228,192,490
Personal Property	96,339,063
Railroad and Utilities	90,464,790
Total	<u>\$ 414,996,343</u>

The County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$0.2258
Special Road and Bridge	0.3054
Common Road District	0.3500

The Common Road District levy was applied to an assessed valuation of \$130,029,316 and is recognized in the Special Road and Bridge Fund.

F. Cash Deposits and Investments

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

G. Interfund Activity

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

## 2. CASH AND INVESTMENTS

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

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2021, the County had the following cash and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 13,533,794	\$ 13,818,349	\$ 250,000
Cash and Cash Equivalents	\$ 23,946,867	\$ 19,246,150	\$ 527,938
Investments	110,908	110,908	110,908
Total Fiduciary Funds	<u>\$ 24,057,775</u>	<u>\$ 19,357,058</u>	<u>\$ 638,846</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2021 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

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

#### 1) Plan Description

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

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

## 2) Pension Benefits

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

## 3) Funding Policy

Full-time employees of Audrain County do not contribute to the pension plan. The January 1st statutorily required contribution rates were 12% (General) and 9.3% (Police) of annual covered payroll for 2021. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2021, the County contributed \$353,036 to LAGERS.

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

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

### 1) Plan Description

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

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

### 2) Pension Benefits

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

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



or her accumulated contributions.

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

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2021, the County collected and remitted to CERF employee withholdings and fees collected of \$318,057 for the year then ended.

### C. Prosecuting Attorney Retirement Fund

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$5,843 for the year ended December 31, 2021.

### D. Other Retirement Plan

Audrain County has a voluntary 457(b) plan which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2021 were \$85,633.

## 4. POST EMPLOYMENT BENEFITS

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

## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full-time employees with up to 48 hours of sick time each year, up to a maximum of 480 hours. Upon termination, employees will not be compensated for any unused sick time.

Vacation time is made available in whole on the employee's anniversary date. Vacation time is five days for employees with one year of service; ten days for employees with two to four years of service; 15 days for employees with five to nine years of service; and 20 days for employees with ten or more years of service. Employees may accrue up to a maximum of 200 hours of vacation time, of which only 40 hours may be carried over each calendar year. Upon termination, employees are compensated for any unused vacation time.

Full-time employees earn overtime or compensatory time credits based on department assignment. Overtime and Compensatory Time credits are earned at 1.5 times the regular hourly rate of the employee for work hours accumulated over 40 hours in a 160-hour period during seven consecutive 24-hour periods. Upon termination, employees are compensated for any compensatory time credits.

#### B. Federal and State Assisted Programs

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

### 6. RISK MANAGEMENT

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

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

### 7. CAPITAL LEASES

In June 2017, the County entered into a Certificates of Participation (COPS) agreement for a jail expansion project in the amount of \$5,470,000. The debt is paid in semi-annual payments over 17 years, with a fixed interest rate of 2.6% for the first seven years and then two five-year adjustments floored at 2.6% and capped at 4.5%. The schedule of future payments assumes a 4.5% interest rate after the first seven years.

The following schedule shows changes in long-term debt during the year ended December 31, 2021:

<u>Description</u>	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/2021</u>	<u>Interest Paid</u>
COPS	\$ 4,640,000	\$ -	\$290,000	\$4,350,000	\$118,755

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

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 300,000	\$ 111,150	\$ 411,150
2023	305,000	103,320	408,320
2024	315,000	129,460	444,460
2025	320,000	150,750	470,750
2026	330,000	136,238	466,238
2027-2031	1,795,000	447,863	2,242,863
2032-2034	985,000	67,050	1,052,050
Totals	<u>\$ 4,350,000</u>	<u>\$ 1,145,831</u>	<u>\$ 5,495,831</u>

#### 8. OPERATING LEASES

At December 31, 2021, the County had the following operating leases:

- A. The Prosecuting Attorney's office has a 60-month lease through October 2024 with a monthly payment of \$241 for a copier.
- B. The County Clerk's office has a 60-month lease through May 15, 2025 with a monthly payment of \$193 for a postage machine.

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 5,198
2023	5,198
2024	4,717
2025	963

#### 9. RESTATEMENTS

The beginning balances of the Collector Accounts and Sheriff Account on the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis have been restated from the December 31, 2020 audited ending balances. The Collector Accounts have been increased by \$3,095,656 and the Sheriff Account has been increased by \$1,556.

#### 10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 10, 2022, the date the financial statements were available to be issued.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Audrain County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Audrain County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2021, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Audrain County, Missouri's basic financial statements and have issued our report thereon dated August 10, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Audrain County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 10, 2022

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

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Audrain County, Missouri

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

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

We have audited Audrain County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Audrain County, Missouri's major federal programs for the year ended December 31, 2021. Audrain County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Audrain County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Audrain County, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Audrain County, Missouri's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Audrain County, Missouri's federal programs.

## ***Auditor's Responsibilities for Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Audrain County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Audrain County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Audrain County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Audrain County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Audrain County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant



deficiencies over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 10, 2022

AUDRAIN COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. DEPARTMENT OF JUSTICE		
16.588	Passed through Missouri Department of Public Safety - Violence Against Women Formula Grants	2020-VAWA-036	\$ 34,216
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2019-JAG-001	140,953
		2019-JAG-002	5,669
	Total 16.738		<u>\$ 146,622</u>
16.827	Passed through Missouri Sheriffs' Association - Justice Reinvestment Initiative	2019-BJA	28,750
	U. S. DEPARTMENT OF TREASURY		
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	n/a	2,109,773
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.563	Passed through the Missouri Department of Social Services - Child Support Enforcement	2101MOCSES	36,016
	U. S. DEPARTMENT OF HOMELAND SECURITY		
97.042	Passed through Missouri Department of Public Safety - Emergency Management Performance Grants	EMK-2020-EP	25,480
		EMK-2021-EP	17,007
	Total 97.042		<u>\$ 42,487</u>
	Total Expenditures of Federal Awards		<u><u>\$ 2,397,864</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**AUDRAIN COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Audrain County, Missouri for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

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

**NOTE C – SUBRECIPIENTS**

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2021.

**NOTE D – LOAN TO BENEFICIARY**

The expenditures of Assistance Listing 21.027 Coronavirus State and Local Fiscal Recovery Funds for include a \$1,815,660 loan to a local hospital. Under the Promissory Note issued September 20, 2021, the principal and accrued interest are due and payable on September 15, 2022 and interest accrues at a fixed rate of 2.5%. The hospital may prepay the note at any time without penalty.

AUDRAIN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

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

**Financial Statements:**

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

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

**Federal Awards:**

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

Auditee Qualified as low-risk:      Yes   X   No

**SECTION II – FINANCIAL STATEMENTS FINDINGS**

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None noted

**ITEMS OF NONCOMPLIANCE**

None noted

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

None

AUDRAIN COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Audrain County, Missouri on the applicable findings in the prior audit report issued for the year ended December 31, 2020.

There were no findings noted in the prior audit report.

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E: [Admin@McBrideLock.com](mailto:Admin@McBrideLock.com)

## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

August 10, 2022

To the County Commission  
Audrain County, Missouri

We have audited the regulatory basis financial statements of Audrain County, Missouri for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Audrain County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Since the County is reporting on the cash basis of accounting, there are no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- The beginning balance of the Collector Accounts on the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis has been increased by \$3,095,656 from the ending balance per the December 31, 2020 audit report.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 10, 2022.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles prescribed or permitted by Missouri law, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Restriction on Use

This information is intended solely for the information and use of the County Commission and management of Audrain County, Missouri and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

McBride, Lock & Associates, LLC