



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Nodaway County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Nodaway County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature of Thomas A. Schweich in black ink, written in a cursive style.

Thomas A. Schweich  
State Auditor

September 2011  
Report No. 2011-71

ANNUAL FINANCIAL REPORT

**NODAWAY COUNTY, MISSOURI**

For the Years Ended  
December 31, 2010 and 2009

# NODAWAY COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

NODAWAY COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Robert Schieber

Associate Commissioner – Bob Stiens

Associate Commissioner – Bob Westfall

*Other Elected Officials*

Assessor – Rex Wallace

Circuit Clerk – Kim Carmichael

Collector/Treasurer – Marilyn Jenkins

Coroner – Vincent Shelby

County Clerk – Beth Walker

Prosecuting Attorney – David Baird

Public Administrator – Diane Thomsen

Recorder – Sandra Smail

Sheriff – Darren White

## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Nodaway County, Missouri

We have audited the accompanying financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Nodaway County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements 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.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Nodaway County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Nodaway County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 3, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nodaway County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
June 3, 2011

## **FINANCIAL SECTION**



NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009 (Note 7)	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	\$ 2,089,734	\$ 3,590,571	\$ 3,496,774	\$ 2,183,531	\$ 3,221,512	\$ 3,571,835	\$ 1,833,208
Special Road & Bridge	85,578	2,875,874	2,482,789	478,663	2,645,422	2,613,652	510,433
Assessment	279,015	406,060	256,435	428,640	407,768	283,726	552,682
Election Services	26,894	4,299	7,445	23,748	2,803	2,268	24,283
Tax Incentive Payment	8,088	-	547	7,541	-	3,951	3,590
Police Officer Training	18,227	6,617	8,856	15,988	6,032	18,365	3,655
Prosecuting Attorney Training	365	1,152	1,413	104	1,019	707	416
911	122,608	180,048	159,762	142,894	150,996	212,913	80,977
Adult Abuse	1,012	1,694	1,012	1,694	1,788	1,694	1,788
Nuclear Accident Emergency Preparedness	19,562	5,000	-	24,562	5,000	-	29,562
Local Emergency Preparedness	28,396	4,458	3,136	29,718	3,500	1,067	32,151
Senior Citizens	28,973	136,647	150,041	15,579	155,138	130,045	40,672
Recorder User Fee	21,166	11,549	27,247	5,468	11,597	10,201	6,864
Tax Maintenance	28,095	28,788	19,845	37,038	26,554	22,717	40,875
Concealed Weapon	7,038	6,042	5,527	7,553	5,961	9,410	4,104
Bad Check	-	917	5	912	177	-	1,089
Senate Bill 40	25,176	141,209	142,210	24,175	160,995	171,895	13,275
Civil Fee	18,121	13,698	20,658	11,161	15,713	14,006	12,868
Administrative Center	3,328,453	639,936	2,060,676	1,907,713	671,059	463,756	2,115,016
Total	<u>\$ 6,136,501</u>	<u>\$ 8,054,559</u>	<u>\$ 8,844,378</u>	<u>\$ 5,346,682</u>	<u>\$ 7,493,034</u>	<u>\$ 7,532,208</u>	<u>\$ 5,307,508</u>

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

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

GENERAL REVENUE FUND Year Ended December 31,				
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,028,000	1,968,666	1,926,000	2,022,236
Intergovernmental	414,541	748,366	497,933	150,001
Charges for services	599,000	598,303	630,500	735,317
Interest	55,000	23,123	22,000	12,079
Other	179,003	252,113	507,465	301,879
Transfers in	13,000	-	15,000	-
Total Receipts	<u>\$ 3,288,544</u>	<u>\$ 3,590,571</u>	<u>\$ 3,598,898</u>	<u>\$ 3,221,512</u>
DISBURSEMENTS				
County Commission	\$ 117,685	\$ 119,779	\$ 122,159	\$ 121,555
County Clerk	116,407	111,664	120,399	112,903
Elections	40,640	40,046	122,040	98,892
Buildings and grounds	553,782	238,896	1,203,878	881,548
Employee fringe benefits	281,800	248,297	284,000	321,108
Treasurer	156,728	132,029	132,584	131,687
Recorder of Deeds	89,715	89,292	93,101	92,493
Associate Circuit Court	46,500	41,378	44,900	42,244
Court administration	6,889	4,797	6,889	5,024
Public Administrator	34,729	34,433	35,767	35,391
Sheriff	486,614	447,762	564,548	554,771
Jail	439,889	442,162	464,777	357,723
Prosecuting Attorney	207,901	195,936	209,188	197,284
Juvenile Officer	59,150	49,489	56,650	40,247
Coroner	31,413	23,821	27,221	24,089
Other County Government	272,681	776,993	562,951	299,293
Health and Welfare	-	-	5,583	5,583
Transfers out	250,000	500,000	250,000	250,000
Emergency fund	98,656	-	100,000	-
Total Disbursements	<u>\$ 3,291,179</u>	<u>\$ 3,496,774</u>	<u>\$ 4,406,635</u>	<u>\$ 3,571,835</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (2,635)	\$ 93,797	\$ (807,737)	\$ (350,323)
CASH, JANUARY 1	<u>2,089,734</u>	<u>2,089,734</u>	<u>2,183,531</u>	<u>2,183,531</u>
CASH, DECEMBER 31	<u>\$ 2,087,099</u>	<u>\$ 2,183,531</u>	<u>\$ 1,375,794</u>	<u>\$ 1,833,208</u>

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

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

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 168,000	\$ 141,116	\$ 168,000	\$ 234,168	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,804,695	1,922,901	1,970,000	1,897,284	322,000	390,094	298,875	394,223
Charges for services	-	-	-	-	-	-	-	-
Interest	10,000	1,284	1,000	1,278	9,000	3,200	9,000	2,305
Other	204,500	310,573	243,350	262,692	3,300	12,766	11,000	11,240
Transfers in	251,000	500,000	258,000	250,000	-	-	700	-
Total Receipts	<u>\$ 3,438,195</u>	<u>\$ 2,875,874</u>	<u>\$ 2,640,350</u>	<u>\$ 2,645,422</u>	<u>\$ 334,300</u>	<u>\$ 406,060</u>	<u>\$ 319,575</u>	<u>\$ 407,768</u>
DISBURSEMENTS								
Salaries	\$ 226,000	\$ 218,205	\$ 232,780	236,090	167,157	164,174	172,977	171,385
Employee fringe benefits	52,424	46,265	56,700	64,274	28,200	28,385	33,300	39,204
Materials and supplies	1,074,160	1,111,171	1,121,788	1,146,585	16,000	10,383	21,200	15,049
Services and other	64,500	59,364	64,500	71,741	76,150	53,493	73,400	58,088
Capital outlay	150,000	6,560	100,000	115,973	-	-	-	-
Construction	1,812,820	1,041,224	1,080,000	978,989	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,379,904</u>	<u>\$ 2,482,789</u>	<u>\$ 2,655,768</u>	<u>\$ 2,613,652</u>	<u>\$ 287,507</u>	<u>\$ 256,435</u>	<u>\$ 300,877</u>	<u>\$ 283,726</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 58,291	\$ 393,085	\$ (15,418)	\$ 31,770	\$ 46,793	\$ 149,625	\$ 18,698	\$ 124,042
CASH, JANUARY 1	<u>85,578</u>	<u>85,578</u>	<u>478,663</u>	<u>478,663</u>	<u>279,015</u>	<u>279,015</u>	<u>428,640</u>	<u>428,640</u>
CASH, DECEMBER 31	<u>\$ 143,869</u>	<u>\$ 478,663</u>	<u>\$ 463,245</u>	<u>\$ 510,433</u>	<u>\$ 325,808</u>	<u>\$ 428,640</u>	<u>\$ 447,338</u>	<u>\$ 552,682</u>

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

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

	ELECTION SERVICES FUND				TAX INCENTIVE PAYMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	500	-	500	-
Charges for services	2,700	4,213	4,000	2,758	-	-	-	-
Interest	500	86	80	45	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,200</u>	<u>\$ 4,299</u>	<u>\$ 4,080</u>	<u>\$ 2,803</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	2,845	5,000	818	-	-	-	-
Services and other	4,500	4,600	1,800	1,450	2,500	547	7,000	3,951
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 14,500</u>	<u>\$ 7,445</u>	<u>\$ 6,800</u>	<u>\$ 2,268</u>	<u>\$ 2,500</u>	<u>\$ 547</u>	<u>\$ 7,000</u>	<u>\$ 3,951</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	<u>\$ (11,300)</u>	<u>\$ (3,146)</u>	<u>\$ (2,720)</u>	<u>\$ 535</u>	<u>\$ (2,000)</u>	<u>\$ (547)</u>	<u>\$ (6,500)</u>	<u>\$ (3,951)</u>
CASH, JANUARY 1	<u>26,894</u>	<u>26,894</u>	<u>23,748</u>	<u>23,748</u>	<u>8,088</u>	<u>8,088</u>	<u>7,541</u>	<u>7,541</u>
CASH, DECEMBER 31	<u>\$ 15,594</u>	<u>\$ 23,748</u>	<u>\$ 21,028</u>	<u>\$ 24,283</u>	<u>\$ 6,088</u>	<u>\$ 7,541</u>	<u>\$ 1,041</u>	<u>\$ 3,590</u>

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

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

	POLICE OFFICER TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,000	1,152	1,000	1,019
Charges for services	5,000	6,617	6,000	6,032	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 6,617</u>	<u>\$ 6,000</u>	<u>\$ 6,032</u>	<u>\$ 1,000</u>	<u>\$ 1,152</u>	<u>\$ 1,000</u>	<u>\$ 1,019</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	3,000	-	-	-	-
Services and other	19,000	8,856	17,000	15,365	1,000	1,413	750	707
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,000</u>	<u>\$ 8,856</u>	<u>\$ 17,000</u>	<u>\$ 18,365</u>	<u>\$ 1,000</u>	<u>\$ 1,413</u>	<u>\$ 750</u>	<u>\$ 707</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,000)	\$ (2,239)	\$ (11,000)	\$ (12,333)	\$ -	\$ (261)	\$ 250	\$ 312
CASH, JANUARY 1	<u>18,227</u>	<u>18,227</u>	<u>15,988</u>	<u>15,988</u>	<u>365</u>	<u>365</u>	<u>104</u>	<u>104</u>
CASH, DECEMBER 31	<u>\$ 4,227</u>	<u>\$ 15,988</u>	<u>\$ 4,988</u>	<u>\$ 3,655</u>	<u>\$ 365</u>	<u>\$ 104</u>	<u>\$ 354</u>	<u>\$ 416</u>

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

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

	911 FUND				ADULT ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,600	1,694	1,500	1,788
Charges for services	70,000	129,591	100,000	89,655	-	-	-	-
Interest	2,000	457	500	295	-	-	-	-
Other	50,000	50,000	60,000	61,046	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 122,000</u>	<u>\$ 180,048</u>	<u>\$ 160,500</u>	<u>\$ 150,996</u>	<u>\$ 1,600</u>	<u>\$ 1,694</u>	<u>\$ 1,500</u>	<u>\$ 1,788</u>
DISBURSEMENTS								
Salaries	\$ 50,976	\$ 38,353	\$ 52,505	\$ 119,915	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	8,400	7,333	9,000	22,174	-	-	-	-
Materials and supplies	1,000	1,076	2,500	800	-	-	-	-
Services and other	70,600	52,733	72,000	49,060	1,012	1,012	1,000	1,694
Capital outlay	50,000	60,267	50,000	20,964	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 180,976</u>	<u>\$ 159,762</u>	<u>\$ 186,005</u>	<u>\$ 212,913</u>	<u>\$ 1,012</u>	<u>\$ 1,012</u>	<u>\$ 1,000</u>	<u>\$ 1,694</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (58,976)	\$ 20,286	\$ (25,505)	\$ (61,917)	\$ 588	\$ 682	\$ 500	\$ 94
CASH, JANUARY 1	<u>122,608</u>	<u>122,608</u>	<u>142,894</u>	<u>142,894</u>	<u>1,012</u>	<u>1,012</u>	<u>1,694</u>	<u>1,694</u>
CASH, DECEMBER 31	<u>\$ 63,632</u>	<u>\$ 142,894</u>	<u>\$ 117,389</u>	<u>\$ 80,977</u>	<u>\$ 1,600</u>	<u>\$ 1,694</u>	<u>\$ 2,194</u>	<u>\$ 1,788</u>

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

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

	NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS FUND				LOCAL EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,000	5,000	5,000	5,000	2,000	4,458	3,000	3,500
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,000</u>	<u>\$ 4,458</u>	<u>\$ 3,000</u>	<u>\$ 3,500</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	500	-	-	138	350	-
Services and other	1,500	-	5,500	-	6,478	2,998	2,000	1,067
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,478</u>	<u>\$ 3,136</u>	<u>\$ 2,350</u>	<u>\$ 1,067</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,500	\$ 5,000	\$ (1,000)	\$ 5,000	\$ (4,478)	\$ 1,322	\$ 650	\$ 2,433
CASH, JANUARY 1	<u>19,562</u>	<u>19,562</u>	<u>24,562</u>	<u>24,562</u>	<u>28,396</u>	<u>28,396</u>	<u>29,718</u>	<u>29,718</u>
CASH, DECEMBER 31	<u>\$ 23,062</u>	<u>\$ 24,562</u>	<u>\$ 23,562</u>	<u>\$ 29,562</u>	<u>\$ 23,918</u>	<u>\$ 29,718</u>	<u>\$ 30,368</u>	<u>\$ 32,151</u>

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

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

	SENIOR CITIZENS FUND				RECORDER USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 140,000	\$ 136,484	\$ 135,000	\$ 155,051	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	11,000	11,520	12,000	11,567
Charges for services	-	-	-	-	-	-	-	-
Interest	1,000	163	100	87	500	29	100	12
Other	-	-	-	-	-	-	-	18
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 141,000</u>	<u>\$ 136,647</u>	<u>\$ 135,100</u>	<u>\$ 155,138</u>	<u>\$ 11,500</u>	<u>\$ 11,549</u>	<u>\$ 12,100</u>	<u>\$ 11,597</u>
DISBURSEMENTS								
Salaries	-	-	-	-	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	50	41	-	45	10,000	740	10,000	3,850
Services and other	150,000	150,000	130,000	130,000	-	-	7,000	6,351
Capital outlay	-	-	-	-	20,000	26,507	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 150,050</u>	<u>\$ 150,041</u>	<u>\$ 130,000</u>	<u>\$ 130,045</u>	<u>\$ 30,000</u>	<u>\$ 27,247</u>	<u>\$ 17,000</u>	<u>\$ 10,201</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,050)	\$ (13,394)	\$ 5,100	\$ 25,093	\$ (18,500)	\$ (15,698)	\$ (4,900)	\$ 1,396
CASH, JANUARY 1	<u>28,973</u>	<u>28,973</u>	<u>15,579</u>	<u>15,579</u>	<u>21,166</u>	<u>21,166</u>	<u>5,468</u>	<u>5,468</u>
CASH, DECEMBER 31	<u>\$ 19,923</u>	<u>\$ 15,579</u>	<u>\$ 20,679</u>	<u>\$ 40,672</u>	<u>\$ 2,666</u>	<u>\$ 5,468</u>	<u>\$ 568</u>	<u>\$ 6,864</u>

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



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

	TAX MAINTENANCE FUND				CONCEALED WEAPON FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,020	7,000	5,951
Charges for services	-	-	-	-	-	-	-	-
Interest	500	72	70	83	-	22	50	10
Other	20,000	28,716	35,000	26,471	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,500</u>	<u>\$ 28,788</u>	<u>\$ 35,070</u>	<u>\$ 26,554</u>	<u>\$ -</u>	<u>\$ 6,042</u>	<u>\$ 7,050</u>	<u>\$ 5,961</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	20,000	8,772	51,000	8,314	-	2,749	6,000	5,317
Services and other	18,300	11,073	20,350	14,403	-	2,778	8,000	4,093
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 38,300</u>	<u>\$ 19,845</u>	<u>\$ 71,350</u>	<u>\$ 22,717</u>	<u>\$ -</u>	<u>\$ 5,527</u>	<u>\$ 14,000</u>	<u>\$ 9,410</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,800)	\$ 8,943	\$ (36,280)	\$ 3,837	\$ -	\$ 515	\$ (6,950)	\$ (3,449)
CASH, JANUARY 1	<u>28,095</u>	<u>28,095</u>	<u>37,038</u>	<u>37,038</u>	<u>7,038</u>	<u>7,038</u>	<u>7,553</u>	<u>7,553</u>
CASH, DECEMBER 31	<u>\$ 10,295</u>	<u>\$ 37,038</u>	<u>\$ 758</u>	<u>\$ 40,875</u>	<u>\$ 7,038</u>	<u>\$ 7,553</u>	<u>\$ 603</u>	<u>\$ 4,104</u>

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

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

	BAD CHECK FUND				SENATE BILL 40 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 139,500	\$ 141,114	\$ 142,000	\$ 160,927
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,000	915	1,000	175	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2	200	2	110	95	90	68
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ 917</u>	<u>\$ 1,200</u>	<u>\$ 177</u>	<u>\$ 139,610</u>	<u>\$ 141,209</u>	<u>\$ 142,090</u>	<u>\$ 160,995</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	5	500	-	135,100	137,793	139,500	162,602
Capital outlay	-	-	-	-	-	4,417	-	9,293
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 5</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 135,100</u>	<u>\$ 142,210</u>	<u>\$ 139,500</u>	<u>\$ 171,895</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 912	\$ 700	\$ 177	\$ 4,510	\$ (1,001)	\$ 2,590	\$ (10,900)
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>912</u>	<u>912</u>	<u>25,176</u>	<u>25,176</u>	<u>24,175</u>	<u>24,175</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 912</u>	<u>\$ 1,612</u>	<u>\$ 1,089</u>	<u>\$ 29,686</u>	<u>\$ 24,175</u>	<u>\$ 26,765</u>	<u>\$ 13,275</u>

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

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

	CIVIL FEE FUND				ADMINISTRATIVE CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 456,602	\$ 450,000	\$ 524,040
Sales taxes	-	-	-	-	160,000	132,390	120,000	135,053
Intergovernmental	11,000	13,698	10,500	15,713	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	7,000	50,944	18,000	11,963
Other	-	-	-	-	-	-	-	3
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 11,000</u>	<u>\$ 13,698</u>	<u>\$ 10,500</u>	<u>\$ 15,713</u>	<u>\$ 617,000</u>	<u>\$ 639,936</u>	<u>\$ 588,000</u>	<u>\$ 671,059</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,467	\$ 21,074	\$ 21,075
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,000	5,861	-	-	-	1,043	3,000	1,210
Services and other	2,000	4,925	1,000	306	510,000	404,946	482,027	425,378
Capital outlay	10,000	9,872	19,000	13,700	-	-	-	-
Construction	-	-	-	-	1,200,000	1,644,220	10,000	16,093
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,000</u>	<u>\$ 20,658</u>	<u>\$ 20,000</u>	<u>\$ 14,006</u>	<u>\$ 1,710,000</u>	<u>\$ 2,060,676</u>	<u>\$ 516,101</u>	<u>\$ 463,756</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,000)	\$ (6,960)	\$ (9,500)	\$ 1,707	\$ (1,093,000)	\$ (1,420,740)	\$ 71,899	\$ 207,303
CASH, JANUARY 1	<u>18,121</u>	<u>18,121</u>	<u>11,161</u>	<u>11,161</u>	<u>3,328,453</u>	<u>3,328,453</u>	<u>1,907,713</u>	<u>1,907,713</u>
CASH, DECEMBER 31	<u>\$ 11,121</u>	<u>\$ 11,161</u>	<u>\$ 1,661</u>	<u>\$ 12,868</u>	<u>\$ 2,235,453</u>	<u>\$ 1,907,713</u>	<u>\$ 1,979,612</u>	<u>\$ 2,115,016</u>

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

NODAWAY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Nodaway County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

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

B. Basis of Presentation

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

### C. Basis of Accounting

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

### D. Budgets and Budgetary Accounting

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

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

<u>Fund</u>	<u>2010</u>	<u>2009</u>
Concealed Weapon	N/A	X

9. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2010	2009
General Revenue	N/A	X
Prosecuting Attorney Training	N/A	X
Police Officer Training	X	N/A
911	X	N/A
Adult Abuse	X	N/A
Senior Citizens	X	N/A
Senate Bill 40	X	X
Civil Fee	N/A	X
Administration Center	N/A	X

Also, because a budget was not adopted for that fund listed in Note 1.D.9, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

- 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 September 1 and tax bills are mailed to taxpayers in October and 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 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	\$ 197,965,330	\$ 190,312,350
Personal Property	84,917,780	80,603,280
Railroad and Utilities	15,025,852	13,458,712

During 2010 and 2009, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	\$ 0.1600	\$ 0.1600
Senior Citizens	0.0500	0.0500
Senate Bill 40	0.0500	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administration Center 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 such investments is allocated to each of the funds based on the funds' average daily

cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. 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.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were \$5,307,508 and \$5,346,682, respectively, and the bank balances were \$17,672,671 and \$18,200,901, respectively. Of the bank balances, \$393,883 and \$274,175 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens and Senate Bill 40. Tax Collections on deposit amounted to \$13,898,837 and \$14,417,847 at December 31, 2010 and 2009, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2010 and 2009, and the remainder was fully collateralized.

### 3. COUNTY EMPLOYEES' RETIREMENT PLANS

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

The County Employee's 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 nine 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, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also 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 RSMo 70.600 – 70.755. 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 it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

### 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, a contribution to CERF of 0% or 2% of annual salary, depending on LAGERS participation, is required for eligible employees hired before February 2002, while a contribution of 4% to 6% of annual salary, depending on LAGERS participation, is required of employees hired after February 2002, in order to participate in CERF. A lesser contribution requirement applies to employees who participate in LAGERS. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately \$68,076 and \$55,700, respectively, for the years then ended.

The County's full-time employees contribute 4% of gross pay to the LAGERS pension plan. The political subdivision is required by State Statute to contribute at actuarially determined rate; the rate for 2010 was 3.4% (general) and 5.6% (police) and in 2009 the rate contributed was 2.4% (general) and 3.6% (police) of annual covered payroll. During 2010 and 2009, the County contributed approximately \$62,494 and \$41,566 respectively, for the years then ended.

## 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 30 days of sick time -- to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked up to 30 days. Upon termination, the employee will not be compensated for any unused sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. During the first two years, employees are eligible for two weeks vacation, three weeks during years three through eight, four weeks during years nine through twelve, and five weeks from years thirteen and on. Vacation is accrued on a monthly basis up to a maximum of six weeks and is awarded retroactively for the six-month probationary period for all employees lasting longer than six months. Upon termination, the employee is

compensated for accrued vacation time up to a maximum of six weeks.

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

### 7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2009, to separate the Concealed Weapon fund which was previously combined with the Deputy Supplemental and Revolving fund and to exclude the Circuit Court and Deputy Supplemental and Revolving funds. The effect of the aforementioned change in reporting entity is a net decrease to the cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the Circuit Court, Deputy Supplemental and Revolving and Concealed Weapons Funds.

## 8. LONG TERM DEBT

The County's long-term debt outstanding at December 31, 2010 consisted of \$4,191,387 remaining on a loan from U.S. Bank, dated June 1, 2008, for the construction of the Administration Center which houses most of the elected officials' offices. The loan is scheduled to be paid in monthly installments of \$29,652 over 240 months with an interest rate of 4.85% annually. The final payment is scheduled for May 1, 2028.

## 9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 3, 2011, 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.

## McBRIDE, LOCK & ASSOCIATES

### 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 Nodaway County, Missouri

We have audited the accompanying financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 3, 2010. 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Nodaway County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nodaway County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 3.

We noted certain other matters that we reported to management of Nodaway County, Missouri in the findings and recommendations section as items 4 and 5.

Nodaway County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Nodaway County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
June 3, 2011

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and  
Officeholders of Nodaway County, Missouri

Compliance

We have audited the compliance of Nodaway County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. Nodaway County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Nodaway County, Missouri's management. Our responsibility is to express an opinion on Nodaway County, Missouri's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Nodaway 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. Our audit does not provide a legal determination of Nodaway County, Missouri's compliance with those requirements.

In our opinion, Nodaway County, Missouri, complied, in all material respects, with the 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, 2010 and 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 10-1.

### Internal Control Over Compliance

The management of Nodaway County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Nodaway County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Nodaway 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as finding 10-1. 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.

Nodaway County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Nodaway County, Missouri's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*(Original Signed by Auditor)*

McBride, Lock & Associates  
June 3, 2011

NODAWAY COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2010
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
	Passed through state Natural Resources Conservation Service -			
10.923	Emergency Watershed Protection Program	DSR-147-08-001	\$ 10,873	\$ -
		DSR-147-08-003	28,389	-
		DSR-147-08-004	6,715	-
		DSR-147-08-005	170,862	-
		DSR-147-09-003	4,712	-
		DSR-147-09-101	7,305	-
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program	2009-MO-03	525,000	-
	and Non-Entitlement Grants in Hawaii	2008-DF-19	-	102,118
	Department of Social Services -			
14.231	Emergency Shelter Grants Program	ER01641008	10,837	5,665
		ER01642034	-	4,534
<b>U. S. DEPARTMENT OF JUSTICE</b>				
	Passed through state:			
	Sheriff's Association -			
16.607	Bulletproof Vest Partnership Program	N/A	2,412	-
	Department of Public Safety -			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2009-JAG-RA-023	54,751	-
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
	Passed through state Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-074(48)	-	-
		BRO-074(49)	208,948	80,217
		BRO-074(50)	-	304,037
		BRO-074(52)	10,307	31,551
		BRO-074(53)	10,540	25,952
20.600	State and Community Highway Safety	LKK040 NHTSA	1,542	475
<b>U.S. DEPARTMENT OF ENERGY</b>				
	Passed through state Department of Natural Resources -			
81.128	Energy Efficiency and Conservation Block Grant Program	G10-EECBG-02-039411889	-	22,473
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
	Passed through state Department of Public Safety -			
97.036	Disaster Grants - Public Assistance Grants (Presidentially	2007-FEMA-1708-DR-MO	528,701	90,322
	Declared Disasters)	2008-FEMA-1707-DR-MO	12,905	-
		2010-FEMA-1934-DR-MO	-	206,000
97.042	Emergency Management Performance Grants	2009-EP-09-0001	6,351	6,661
Total Expenditures of Federal Awards			<u>\$ 1,601,150</u>	<u>\$ 880,005</u>



**NODAWAY COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**NOTE C – SUBRECIPIENTS**

During the years ended December 31, 2010 and 2009 the County passed through federal funds under the Community Development Block Grant program (CFDA #14.228) to subawardees in the amount of \$102,118 and \$525,000, respectively.

NODAWAY COUNTY, MISSOURI  
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2010 AND 2009

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

**Federal Awards:**

Internal Control Over Major Programs:

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

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? ☒ Yes ☐ No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii
20.205	Highway and Transportation – Highway Planning and Construction
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: ☐ Yes ☒ No

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

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

1. Senate Bill 40 Internal Controls
2. Sheriff's Internal Controls
3. Budgetary Practices

Summary Schedule of Prior Audit Findings:

1. Senate Bill 40 Internal Controls
2. Internal Controls Over Non-Payroll Expenditures
3. Bidding Procedures
4. Budgetary Practices
5. Bank Balances Under Collateralized
6. Long-Term Debt
7. Personnel Policy Manual

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

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

Finding No. 10-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation

Pass-Through Grantor: Highway and Transportation Commission

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass Through Entity Identifying Number: BRO – 074(48), BRO – 074(49), BRO – 074(50),  
BRO – 074(52) and BRO – 074(53)

Award Years: 2009 and 2010

Questioned Costs: None

Federal Grantor: U.S. Department of Homeland Security

Pass-Through Grantor: Department of Public Safety

Federal CFDA Number: 97.036

Program Title: Disaster Grants – Public Assistance Grants (Presidentially Declared  
Disasters)

Pass Through Entity Identifying Number: 2007-FEMA-1708-DR-MO, 2008-FEMA-1707-  
DR-MO, and 2010-FEMA-1934-DR-MO

Award Years: 2009 and 2010

Questioned Costs: None

**10-1. Schedule of Expenditures of Federal Awards (SEFA)**

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The SEFA's for the years ending December 31, 2009 and 2010 were inaccurate in that the County reported as expenditures the amounts received for all BRO and FEMA disaster projects. This resulted in federal expenditures being understated by \$80,679 for 2009 and overstated by \$25,060 for 2010. The SEFA included in this report has been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk ensure that the SEFA is prepared using actual expenditures of the current year.

County's Response: The SEFA will be reviewed and appropriate expenditures reported.

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

**SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

## **FINDINGS AND RECOMMENDATIONS**

NODAWAY COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

**1. Senate Bill 40 Internal Controls**

Condition: The Senate Bill 40 Board appoints a Treasurer who handles all of the financial information for the Board. He has possession of the checkbook, is the only person required to sign the checks, has the bank statements sent to his residence and records all of the financial activity of the fund. Although, the Board is a small entity, better separation of duties is needed to maintain adequate internal controls. Also, the Treasurer has not been formally performing reconciliations of the monthly bank statements.

Recommendation: We recommend that other members of the Board play a role in the financial activities of the Board. This could be done by requiring another Board member to sign the checks, or by delegating the bank reconciliation process to another board member.

County's Response: The current Senate Bill 40 treasurer was contacted and informed of the recommendation. We expect full compliance.

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

**2. Sheriff's Internal Controls**

Condition: There is a lack of segregation of duties over the cash disbursements process in the Sheriff's office. The office manager in the Sheriff's office has control of the blank checks, is the only authorized signer on the Sheriff's checking accounts and also reconciles the bank statements. A person who has access to blank checks and the ability to write checks should not also reconcile the bank account. This is because the person reconciling the bank account may notice any unauthorized or suspicious purchases. However, if the person reconciling the bank statements is the same person who is writing the checks, this detective internal control will not be effective.

Recommendation: We recommend that the Sheriff's office improve the segregation of duties over cash disbursements. Ideally, the Sheriff would be the authorized signer on all Sheriff's office checking accounts and would review supporting documentation before signing the checks to ensure that all disbursements are for legitimate purposes.

County's Response: Thank you for pointing this out. While there were many topics that we disagreed on while the audit was being done, I believe that you are absolutely correct on this topic. There will be an immediate change.

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

## **ITEMS OF NONCOMPLIANCE**

### **3. Budgetary Practices**

Condition: The County spent in excess of the authorized budget for a number of funds in both 2009 and 2010. The County has a procedure in place for monitoring the budget to actual amounts for expenditures during the year. The County's expenditure warrant forms include a line item for the County Clerk's office to write in the amount remaining in the budget for the particular expense category being charged. However, tests of expenditures revealed that this line item was often left blank or was negative and the Commission still approved the expenditure.

Also, the County did not adopt a formal budget for the Concealed Weapon fund for 2009. State statutes require that a formal budget be adopted for all County funds.

Recommendation: We recommend that the County Commission not approve expenditures in excess of budgeted amounts or follow the appropriate procedures to amend the budget and ensure funds are available to finance the expenditure. We also recommend that the County adopt a formal budget for all funds.

County's Response: The County will do everything possible to make sure all officeholders do not exceed their budgeted amounts for all funds.

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

## **OTHER MATTERS**

In planning and performing our audit of the financial statements of Nodaway County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated June 3, 2011. (A separate report dated June 3, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated June 3, 2011.

#### **4. Recording of Interest Revenue**

Condition: Interest earned on the County's Building Fund and General Revenue CDARS investments during December 2009 was not included in the value of the investments reported in the County's cash balances as of December 31, 2009 on the 2010 budget. This resulted in an understatement of cash and revenues at December 31, 2009 and an overstatement of cash and revenues at December 31, 2010 of \$3,554. Interest earned during 2010 on the County's Farm Sale Certificate of Deposit investment was not recorded resulting in an understatement of interest revenue and cash of the Administration Center fund as of December 31, 2010 of \$965.

Recommendation: We recommend that the County ensure that all interest revenue earned is recorded in the correct period in accordance with the cash basis of accounting.

County's Response: In the future, the Treasurer's office will hold the financial books open until the financial institutions provide the interest revenues earned amounts needed to balance the cash basis of accounting.

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

#### **5. Recording of Accrued Payroll Expenditures**

Condition: The County recognized certain payroll related items as expenditures prior to their disbursement which is not in conformity with the cash basis of accounting. The 2010 and 2011 budgets for the four funds from which personnel are paid (General Revenue, Road & Bridge, Assessment, and 911) included "Adjustments" to the reconciliation of cash balances. According to the County Clerk, these amounts represented employee benefit related items recorded by the County's payroll system as expenditures in 2009 although the amounts were not actually paid until 2010. However, the County operates on the cash basis of accounting, which means that expenditures should not be recognized until they are actually paid. The result of this condition was an overstatement of expenditures for 2009 in the above four funds totaling \$26,756.

Recommendation: We recommend that the County records all expenses on the cash basis of accounting, which requires expenses to be recorded only when they are paid.

County's Response: The County Clerk will make sure all payroll expenditures are expensed in the appropriate year.

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



NODAWAY COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Nodaway County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. There is a lack of segregation of duties over the disbursement process of the Senate Bill 40 Board. Also, the Board Treasurer does not perform formal bank reconciliations.

*Status – Repeated. See finding 1.*

2. A number of requisition forms and purchase orders selected for testing were not approved by a County Commissioner and a number of warrants tested were not approved by all three Commissioners in accordance with County policy.

*Status – Resolved. The County adopted a less restrictive policy to require only two Commissioners signatures for approval of warrants.*

3. The County did not perform bidding for Road & Bridge fuel in 2007 and 2008 and property insurance for the new Administration building in 2008. Also, sole source procurements were not properly documented.

*Status – Resolved.*

4. Actual expenditures exceeded budgeted amounts for a number of the County's funds in both 2007 and 2008.

*Status – Repeated. See finding 3.*

5. The County's bank deposits were not adequately collateralized as of December 31, 2008.

*Status – Resolved.*

6. The amount of the County's outstanding long-term debt as of December 31, 2007 and 2008 was misstated on the 2008 and 2009 budgets.

*Status - Resolved.*

7. The County's personnel policy manual contained a number of changes that were hand written instead of making formal changes to the policy.

*Status – Resolved. The personnel policy manual was formally updated by the County.*