



NICOLE R. GALLOWAY, CPA
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, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-059

ANNUAL FINANCIAL REPORT

NODAWAY COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

NODAWAY COUNTY, MISSOURI

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INTRODUCTORY SECTION

NODAWAY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Bill Walker

Associate Commissioner – Bob Stiens

Associate Commissioner – Bob Westfall

Other Elected Officials

Assessor – Rex Wallace

Circuit Clerk – Elaine Wilson

Collector/Treasurer – Marilyn Jenkins

Coroner – Vincent Shelby

County Clerk – Beth Walker

Prosecuting Attorney – Robert Rice

Public Administrator – Diane Thomsen

Recorder – Sandra Smail

Sheriff – Darren White

McBRIDE, LOCK & ASSOCIATES, LLC

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, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Nodaway County, Missouri, as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Nodaway County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the County has changed from presenting the financial statements in accordance with GASB 34 on the cash basis to the regulatory basis. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 8, 2015, on our consideration of Nodaway County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Nodaway County, Missouri's internal control over financial reporting and compliance.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

FINANCIAL SECTION

NODAWAY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2013 AND 2014

Fund	Cash and Investments			Cash and Investments			Cash and Investments	
	January 1, 2012	Receipts 2013	Disbursements 2013	December 31, 2013	Receipts 2014	Disbursements 2014	December 31, 2014	
General Revenue	\$ 2,834,464	\$ 3,735,695	\$ 3,308,720	\$ 3,261,439	\$ 3,605,516	\$ 3,581,320	\$ 3,285,635	
Special Road & Bridge Assessment	204,666	1,773,243	1,964,712	13,197	2,691,395	2,554,767	149,825	
Election Services	631,662	374,051	305,394	700,319	376,391	501,552	575,158	
Tax Incentive Payment	20,482	3,143	5,150	18,475	4,092	1,944	20,623	
Police Officer Training	3,590	-	-	3,590	-	-	3,590	
Prosecuting Attorney Training	1,418	4,834	3,413	2,839	4,662	6,316	1,185	
911	273	799	891	181	775	735	221	
Adult Abuse	23,532	142,761	144,476	21,817	171,020	121,368	71,469	
Nuclear Accident Emergency Preparedness	5,435	1,712	5,435	1,712	1,722	1,712	1,722	
Local Emergency Preparedness	34,176	-	630	33,546	-	300	33,246	
Senior Citizens Tax Board	39,056	3,842	4,481	38,417	4,000	6,895	35,522	
Civil Fee	35,950	143,453	144,143	35,260	157,627	150,000	42,887	
Recorder User Fee	11,893	12,073	16,890	7,076	10,858	10,367	7,567	
Tax Maintenance	4,652	12,628	11,418	5,862	9,339	13,408	1,793	
Administration Center	42,245	23,100	9,166	56,179	25,624	34,160	47,643	
Bad Check	2,034,415	421,732	498,013	1,958,134	434,995	557,924	1,835,205	
Senate Bill 40 Board	4,589	2,430	2,939	4,080	3,450	1,803	5,727	
Concealed Weapon	19,230	148,673	146,943	20,960	163,890	161,321	23,529	
Inmate Security	9,962	19,355	3,438	25,879	10,046	3,626	32,299	
Road & Bridge Special Sales Tax	1,932	3,214	-	5,146	7,293	-	12,439	
Law Enforcement Restitution	-	-	-	-	95,674	-	95,674	
Total	<u>\$ 5,963,622</u>	<u>\$ 6,826,738</u>	<u>\$ 6,576,252</u>	<u>\$ 6,214,108</u>	<u>\$ 7,778,369</u>	<u>\$ 7,709,518</u>	<u>\$ 6,282,959</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,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,200,000	2,375,911	2,350,000	2,450,740
Intergovernmental	465,759	336,338	609,172	141,473
Charges for services	839,500	771,126	833,300	856,906
Interest	5,000	4,660	4,500	6,264
Other	219,280	247,660	207,322	150,133
Transfers in	1,500	-	-	-
Total Receipts	<u>\$ 3,731,039</u>	<u>\$ 3,735,695</u>	<u>\$ 4,004,294</u>	<u>\$ 3,605,516</u>
DISBURSEMENTS				
County Commission	\$ 130,996	\$ 129,248	\$ 132,332	\$ 128,632
County Clerk	125,542	117,803	129,934	121,697
Elections	37,500	33,709	126,038	108,206
Buildings and grounds	278,698	226,669	294,442	326,446
Employee fringe benefits	336,000	317,818	356,000	339,118
Treasurer	156,597	153,434	163,344	149,136
Recorder of Deeds	105,875	103,568	103,393	98,760
Circuit Court	41,500	31,230	36,500	29,867
Court Administration	8,600	7,312	8,100	6,167
Public Administrator	49,175	48,575	50,473	50,034
Sheriff	678,658	643,436	675,851	659,492
Jail	402,677	388,891	410,583	404,369
Prosecuting Attorney	212,366	200,189	226,566	205,307
Juvenile Officer	65,350	49,329	89,350	67,115
Coroner	34,055	31,503	36,155	37,552
Other County Government	404,756	562,906	480,823	273,896
Health and Welfare	14,000	13,100	14,000	13,000
Transfers out	520,000	250,000	562,526	562,526
Emergency fund	111,331	-	120,125	-
Total Disbursements	<u>\$ 3,713,676</u>	<u>\$ 3,308,720</u>	<u>\$ 4,016,535</u>	<u>\$ 3,581,320</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 17,363	\$ 426,975	\$ (12,241)	\$ 24,196
CASH AND INVESTMENTS, JANUARY 1	<u>2,834,464</u>	<u>2,834,464</u>	<u>3,261,439</u>	<u>3,261,439</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,851,827</u>	<u>\$ 3,261,439</u>	<u>\$ 3,249,198</u>	<u>\$ 3,285,635</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,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 152,000	\$ 151,761	\$ 152,000	\$ 156,145	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,523,624	1,165,575	1,531,000	1,732,959	358,353	364,138	189,527	369,468
Charges for services	-	-	-	-	-	-	-	-
Interest	500	274	250	134	1,800	1,309	1,000	1,226
Other	218,500	205,633	239,663	239,631	21,000	8,604	44,834	5,697
Transfers in	520,000	250,000	562,526	562,526	-	-	-	-
Total Receipts	<u>\$ 2,414,624</u>	<u>\$ 1,773,243</u>	<u>\$ 2,485,439</u>	<u>\$ 2,691,395</u>	<u>\$ 381,153</u>	<u>\$ 374,051</u>	<u>\$ 235,361</u>	<u>\$ 376,391</u>
DISBURSEMENTS								
Salaries	\$ 259,200	\$ 261,289	\$ 279,590	278,207	189,847	181,160	195,384	200,898
Employee fringe benefits	62,780	60,505	74,450	75,481	52,300	42,858	47,677	49,644
Materials and supplies	1,246,160	1,172,087	1,199,900	1,175,208	41,000	27,398	20,000	16,403
Services and other	60,100	82,375	100,500	89,465	127,500	53,978	121,300	233,456
Capital outlay	75,000	61,453	30,000	28,355	-	-	-	-
Construction	805,000	327,003	801,000	908,051	-	-	-	-
Transfers out	-	-	-	-	-	-	-	1,151
Total Disbursements	<u>\$ 2,508,240</u>	<u>\$ 1,964,712</u>	<u>\$ 2,485,440</u>	<u>\$ 2,554,767</u>	<u>\$ 410,647</u>	<u>\$ 305,394</u>	<u>\$ 384,361</u>	<u>\$ 501,552</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (93,616)	\$ (191,469)	\$ (1)	\$ 136,628	\$ (29,494)	\$ 68,657	\$ (149,000)	\$ (125,161)
CASH AND INVESTMENTS, JANUARY 1	<u>204,666</u>	<u>204,666</u>	<u>13,197</u>	<u>13,197</u>	<u>631,662</u>	<u>631,662</u>	<u>700,319</u>	<u>700,319</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 111,050</u>	<u>\$ 13,197</u>	<u>\$ 13,196</u>	<u>\$ 149,825</u>	<u>\$ 602,168</u>	<u>\$ 700,319</u>	<u>\$ 551,319</u>	<u>\$ 575,158</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,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	3,122	3,000	4,071	-	-	-	-
Interest	23	21	20	21	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,023</u>	<u>\$ 3,143</u>	<u>\$ 3,020</u>	<u>\$ 4,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and other	8,100	5,150	6,600	1,944	500	-	500	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,100</u>	<u>\$ 5,150</u>	<u>\$ 6,600</u>	<u>\$ 1,944</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,077)	\$ (2,007)	\$ (3,580)	\$ 2,148	\$ (500)	\$ -	\$ (500)	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>20,482</u>	<u>20,482</u>	<u>18,475</u>	<u>18,475</u>	<u>3,590</u>	<u>3,590</u>	<u>3,590</u>	<u>3,590</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 14,405</u></u>	<u><u>\$ 18,475</u></u>	<u><u>\$ 14,895</u></u>	<u><u>\$ 20,623</u></u>	<u><u>\$ 3,090</u></u>	<u><u>\$ 3,590</u></u>	<u><u>\$ 3,090</u></u>	<u><u>\$ 3,590</u></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,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,250	799	1,400	775
Charges for services	10,000	4,834	5,200	4,662	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,000</u>	<u>\$ 4,834</u>	<u>\$ 5,200</u>	<u>\$ 4,662</u>	<u>\$ 1,250</u>	<u>\$ 799</u>	<u>\$ 1,400</u>	<u>\$ 775</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,000	-	-	-	-	-	-	-
Services and other	9,000	3,413	7,500	6,316	1,500	891	1,500	735
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,000</u>	<u>\$ 3,413</u>	<u>\$ 7,500</u>	<u>\$ 6,316</u>	<u>\$ 1,500</u>	<u>\$ 891</u>	<u>\$ 1,500</u>	<u>\$ 735</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS								
	\$ (1,000)	\$ 1,421	\$ (2,300)	\$ (1,654)	\$ (250)	\$ (92)	\$ (100)	\$ 40
CASH AND INVESTMENTS, JANUARY 1	<u>1,418</u>	<u>1,418</u>	<u>2,839</u>	<u>2,839</u>	<u>273</u>	<u>273</u>	<u>181</u>	<u>181</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 418</u>	<u>\$ 2,839</u>	<u>\$ 539</u>	<u>\$ 1,185</u>	<u>\$ 23</u>	<u>\$ 181</u>	<u>\$ 81</u>	<u>\$ 221</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,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,712	1,750	1,722
Charges for services	78,000	81,521	80,000	108,532	-	-	-	-
Interest	10	40	35	64	-	-	-	-
Other	61,200	61,200	62,424	62,424	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 139,210</u>	<u>\$ 142,761</u>	<u>\$ 142,459</u>	<u>\$ 171,020</u>	<u>\$ -</u>	<u>\$ 1,712</u>	<u>\$ 1,750</u>	<u>\$ 1,722</u>
DISBURSEMENTS								
Salaries	\$ 60,269	\$ 58,661	\$ 61,320	\$ 58,522	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	15,544	8,310	14,100	8,473	-	-	-	-
Materials and supplies	32,500	29,093	31,800	14,680	-	-	-	-
Services and other	43,000	48,412	50,500	39,693	500	5,435	500	1,712
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 151,313</u>	<u>\$ 144,476</u>	<u>\$ 157,720</u>	<u>\$ 121,368</u>	<u>\$ 500</u>	<u>\$ 5,435</u>	<u>\$ 500</u>	<u>\$ 1,712</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (12,103)	\$ (1,715)	\$ (15,261)	\$ 49,652	\$ (500)	\$ (3,723)	\$ 1,250	\$ 10
CASH AND INVESTMENTS, JANUARY 1								
	<u>23,532</u>	<u>23,532</u>	<u>21,817</u>	<u>21,817</u>	<u>5,435</u>	<u>5,435</u>	<u>1,712</u>	<u>1,712</u>
CASH AND INVESTMENTS, DECEMBER 31								
	<u>\$ 11,429</u>	<u>\$ 21,817</u>	<u>\$ 6,556</u>	<u>\$ 71,469</u>	<u>\$ 4,935</u>	<u>\$ 1,712</u>	<u>\$ 2,962</u>	<u>\$ 1,722</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,							
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,000	-	-	-	-	3,842	3,500	4,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,842</u>	<u>\$ 3,500</u>	<u>\$ 4,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	600	630	-	-	2,400	-	6,650	3,206
Services and other	300	-	2,500	300	6,460	4,481	8,676	3,689
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 900</u>	<u>\$ 630</u>	<u>\$ 2,500</u>	<u>\$ 300</u>	<u>\$ 8,860</u>	<u>\$ 4,481</u>	<u>\$ 15,326</u>	<u>\$ 6,895</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,100	\$ (630)	\$ (2,500)	\$ (300)	\$ (8,860)	\$ (639)	\$ (11,826)	\$ (2,895)
CASH AND INVESTMENTS, JANUARY 1	<u>34,176</u>	<u>34,176</u>	<u>33,546</u>	<u>33,546</u>	<u>39,056</u>	<u>39,056</u>	<u>38,417</u>	<u>38,417</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 38,276</u>	<u>\$ 33,546</u>	<u>\$ 31,046</u>	<u>\$ 33,246</u>	<u>\$ 30,196</u>	<u>\$ 38,417</u>	<u>\$ 26,591</u>	<u>\$ 35,522</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 TAX BOARD FUND				CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 144,100	\$ 143,404	\$ 143,200	\$ 156,372	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	41	-	95	10,000	11,572	13,000	10,357
Charges for services	-	-	-	-	-	-	-	-
Interest	9	8	8	9	-	1	1	1
Other	-	-	-	-	-	500	-	500
Transfers in	-	-	-	1,151	-	-	-	-
Total Receipts	<u>\$ 144,109</u>	<u>\$ 143,453</u>	<u>\$ 143,208</u>	<u>\$ 157,627</u>	<u>\$ 10,000</u>	<u>\$ 12,073</u>	<u>\$ 13,001</u>	<u>\$ 10,858</u>
DISBURSEMENTS								
Salaries	-	-	-	-	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	43	50	50	18,000	10,538	12,000	-
Services and other	144,100	144,100	149,950	149,950	2,500	6,352	2,500	10,367
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 144,100</u>	<u>\$ 144,143</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 20,500</u>	<u>\$ 16,890</u>	<u>\$ 14,500</u>	<u>\$ 10,367</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 9	\$ (690)	\$ (6,792)	\$ 7,627	\$ (10,500)	\$ (4,817)	\$ (1,499)	\$ 491
CASH AND INVESTMENTS, JANUARY 1	<u>35,950</u>	<u>35,950</u>	<u>35,260</u>	<u>35,260</u>	<u>11,893</u>	<u>11,893</u>	<u>7,076</u>	<u>7,076</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 35,959</u>	<u>\$ 35,260</u>	<u>\$ 28,468</u>	<u>\$ 42,887</u>	<u>\$ 1,393</u>	<u>\$ 7,076</u>	<u>\$ 5,577</u>	<u>\$ 7,567</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

	RECORDER USER FEE FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	13,000	12,628	12,500	9,339	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	15,200	23,100	25,000	25,624
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 13,000</u>	<u>\$ 12,628</u>	<u>\$ 12,500</u>	<u>\$ 9,339</u>	<u>\$ 15,200</u>	<u>\$ 23,100</u>	<u>\$ 25,000</u>	<u>\$ 25,624</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	15,000	11,058	13,000	-	31,900	5,678	31,900	31,181
Services and other	1,000	360	1,000	13,408	10,100	3,488	10,100	2,979
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 11,418</u>	<u>\$ 14,000</u>	<u>\$ 13,408</u>	<u>\$ 42,000</u>	<u>\$ 9,166</u>	<u>\$ 42,000</u>	<u>\$ 34,160</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,000)	\$ 1,210	\$ (1,500)	\$ (4,069)	\$ (26,800)	\$ 13,934	\$ (17,000)	\$ (8,536)
CASH AND INVESTMENTS, JANUARY 1	<u>4,652</u>	<u>4,652</u>	<u>5,862</u>	<u>5,862</u>	<u>42,245</u>	<u>42,245</u>	<u>56,179</u>	<u>56,179</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,652</u>	<u>\$ 5,862</u>	<u>\$ 4,362</u>	<u>\$ 1,793</u>	<u>\$ 15,445</u>	<u>\$ 56,179</u>	<u>\$ 39,179</u>	<u>\$ 47,643</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

	ADMINISTRATION CENTER FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 427,000	\$ 417,320	\$ 420,000	\$ 430,883	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,900	2,425	2,600	3,445
Charges for services	-	-	-	-	-	-	-	-
Interest	4,000	4,402	4,000	4,112	4	5	4	5
Other	10,000	10	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 441,000</u>	<u>\$ 421,732</u>	<u>\$ 424,000</u>	<u>\$ 434,995</u>	<u>\$ 2,904</u>	<u>\$ 2,430</u>	<u>\$ 2,604</u>	<u>\$ 3,450</u>
DISBURSEMENTS								
Salaries	\$ 23,495	\$ 23,365	\$ 24,895	\$ 24,895	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,500	692	1,000	406	-	-	-	-
Services and other	137,500	118,129	171,500	176,796	3,000	2,939	3,000	1,803
Capital outlay	355,827	355,827	355,827	355,827	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 518,322</u>	<u>\$ 498,013</u>	<u>\$ 553,222</u>	<u>\$ 557,924</u>	<u>\$ 3,000</u>	<u>\$ 2,939</u>	<u>\$ 3,000</u>	<u>\$ 1,803</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (77,322)	\$ (76,281)	\$ (129,222)	\$ (122,929)	\$ (96)	\$ (509)	\$ (396)	\$ 1,647
CASH AND INVESTMENTS, JANUARY 1	<u>2,034,415</u>	<u>2,034,415</u>	<u>1,958,134</u>	<u>1,958,134</u>	<u>4,589</u>	<u>4,589</u>	<u>4,080</u>	<u>4,080</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,957,093</u>	<u>\$ 1,958,134</u>	<u>\$ 1,828,912</u>	<u>\$ 1,835,205</u>	<u>\$ 4,493</u>	<u>\$ 4,080</u>	<u>\$ 3,684</u>	<u>\$ 5,727</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

	SENATE BILL 40 BOARD FUND				CONCEALED WEAPON FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 148,000	\$ 148,655	\$ 163,000	\$ 163,874	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,000	19,334	20,000	10,014
Charges for services	-	-	-	-	-	-	-	-
Interest	20	18	20	16	7	21	20	32
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 148,020</u>	<u>\$ 148,673</u>	<u>\$ 163,020</u>	<u>\$ 163,890</u>	<u>\$ 10,007</u>	<u>\$ 19,355</u>	<u>\$ 20,020</u>	<u>\$ 10,046</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,000	3,438	3,800	3,566
Services and other	158,205	146,943	171,273	161,321	-	-	-	60
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 158,205</u>	<u>\$ 146,943</u>	<u>\$ 171,273</u>	<u>\$ 161,321</u>	<u>\$ 4,000</u>	<u>\$ 3,438</u>	<u>\$ 3,800</u>	<u>\$ 3,626</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,185)	\$ 1,730	\$ (8,253)	\$ 2,569	\$ 6,007	\$ 15,917	\$ 16,220	\$ 6,420
CASH AND INVESTMENTS, JANUARY 1	<u>19,230</u>	<u>19,230</u>	<u>20,960</u>	<u>20,960</u>	<u>9,962</u>	<u>9,962</u>	<u>25,879</u>	<u>25,879</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,045</u>	<u>\$ 20,960</u>	<u>\$ 12,707</u>	<u>\$ 23,529</u>	<u>\$ 15,969</u>	<u>\$ 25,879</u>	<u>\$ 42,099</u>	<u>\$ 32,299</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

	INMATE SECURITY FUND				ROAD & BRIDGE SPECIAL SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	95,674
Intergovernmental	1,700	3,214	3,000	7,293	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,700</u>	<u>\$ 3,214</u>	<u>\$ 3,000</u>	<u>\$ 7,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,674</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	-	1,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 700	\$ 3,214	\$ 2,000	\$ 7,293	\$ -	\$ -	\$ -	\$ 95,674
CASH AND INVESTMENTS, JANUARY 1	1,932	1,932	5,146	5,146	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,632</u>	<u>\$ 5,146</u>	<u>\$ 7,146</u>	<u>\$ 12,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,674</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

	LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,			
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	1,000	-	1,000	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	1,000	-	1,000	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014 and 2013

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 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. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Road & Bridge Special Sales Tax fund in 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2014</u>	<u>2013</u>
Adult Abuse	X	X
Special Road & Bridge	X	N/A
Assessment	X	N/A
Administration Center	X	N/A
Senior Citizens Tax Board	N/A	X

- 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 2014 and 2013, for purposes of taxation were:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 206,911,080	\$ 204,531,200
Personal Property	83,583,683	86,945,479
Railroad and Utilities	24,116,687	22,498,907

During 2014 and 2013, the County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.1200	\$ 0.1300
Senior Citizens Tax Board	0.0500	0.0500
Senate Bill 40 Board	0.0500	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administration Center fund. Property tax receipts were recorded in the Special Road & Bridge fund based on a percentage allocation of tax collections which was \$0.5000 per \$100 of assessed valuation of tangible taxable property.

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. Cash includes both deposits and short-term investments with maturities of ninety days or less. Investments consist of investments with maturities greater than 90 days.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the County's deposits were \$6,282,959 and \$6,214,108 respectively, and the bank balances were \$6,455,020 and \$6,365,336 respectively. Of the bank balances, \$307,242 and \$314,994 for December 31, 2014 and December 31, 2013, respectively, were covered by federal depository insurance and the remainder was 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, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens Tax Board and Senate Bill 40 Board. Tax Collections on deposit amounted to \$13,954,877 and \$15,123,678 at December 31, 2014 and 2013, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2014 and 2013, and the remainder was fully collateralized.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. 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 and with eight or more years of creditable service may retire with full benefits. 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 with a reduced benefit. 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, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the CERF is partially funded through various fees collected by counties and remitted to CERF. Employees hired before February 2002, are required to contribute 2% of their annual salary in order to participate in CERF. Employees hired after February 2002, are required to contribute 6% of their annual salary in order to participate in CERF. During the years ended December 31, 2013 and 2014, the County collected and remitted to CERF employee contributions of \$50,078 and \$52,905, respectively.

B. Local Government Employees Retirement System

1) Plan Description

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.

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

The County's full-time employees do not contribute to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate. The rate for the year ended December 31, 2014, was 4.6% (general) and 6.0% (police) of annual covered payroll. The rate for the year ended December 31, 2013, was 4.7% (general) and 6.5% (police) of annual covered payroll. During the years ended December 31, 2013 and 2014, the County contributed \$98,772 and \$98,937, respectively.

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 60 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 60 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. LONG TERM DEBT

The County entered into a loan with U.S. Bank dated June 1, 2008, for the construction of an administration building. The remaining balance on the loan at December 31, 2013 and 2014, was \$3,685,344 and \$3,504,266, respectively. The loan has an interest rate of 4.85% and is due in monthly payments of \$29,652 until May 1, 2028.

8. CHANGE IN BASIS OF ACCOUNTING

Nodaway County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2011 and 2012 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 8, 2015, 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, LLC

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 Nodaway 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 Nodaway County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Nodaway County, Missouri's basic financial statements and have issued our report thereon dated June 8, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nodaway County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nodaway County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Nodaway 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as item 1, that we consider to be a significant deficiency in internal control over financial reporting.

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 an 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 2.

We also noted one other matter that we reported to management of Nodaway County, Missouri in the accompanying schedule of findings and recommendations section as item 3.

Nodaway County, Missouri's Response to Findings

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

Purpose of this Report

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

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission and
Officeholders of Nodaway County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Nodaway County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Nodaway County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Nodaway County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nodaway County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Nodaway County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Nodaway County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Report on Internal Control over Compliance

Management of Nodaway County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nodaway County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-1 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

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, 2013	2014
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Missouri Department of Economic Development:				
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2008-DI-63	32,016	17,628
		2008-DF-19	700	-
		2012-EM-02	175,000	-
		2008-DI-10	10,921	80,217
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-074(56)	31,326	436,217
		BRO-074(57)	-	45,866
		BRO-074(58)	-	35,707
		BRO-074(59)	-	23,979
GENERAL SERVICES ADMINISTRATION				
Passed through the Office of Secretary of State:				
39.011	Election Reform Payments	SOS	2,556	-
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State:				
90.401	Help America Vote Act Requirements Payments	SOS	2,640	2,452
Total Expenditures of Federal Awards			<u>\$ 255,159</u>	<u>\$ 642,066</u>

NODAWAY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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

The County provided no federal awards to sub-recipients during the years ended December 31, 2014 and 2013.

NODAWAY COUNTY, MISSOURI
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

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

Federal Awards:

Internal Control Over Major Programs:

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

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

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? X 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

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

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

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

1. Sheriff's Internal Controls
2. Budgetary Compliance
3. Outstanding Checks

Summary Schedule of Prior Audit Findings:

1. Transaction Lacking Commissioner Approval
2. Sheriff's Department Commissary Income
3. Sheriff's Department Written Contracts
4. Segregation of Duties in Sheriff's Department
5. Expenditures in Excess of Budgeted Amounts

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2014-1: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

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(56), BRO – 074(57), BRO – 074(58), BRO-074(59)

Award Years: 2014

Questioned Costs: None

Condition: The County Clerk did not prepare an accurate Schedule of Expenditures of Federal Awards for the year ending December 31, 2014. The 2014 SEFA reported expenditures of \$535,706 for Highway Planning and Construction; however, based on supporting documentation, expenditures were \$541,769.

Recommendation: We recommend that the County Clerk implement procedures to ensure that the federal expenditures incurred during the year are properly reported on the Schedule of Expenditures of Federal Awards.

County's Response: The County Clerk will make every possible effort to reconcile the Schedule of Expenditures of Federal Awards.

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

2012-1: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. General Services Administration
Pass-through Grantor: Missouri Office of the Secretary of State
Federal CFDA Number: 39.011
Program Title: Election Reform Payments
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: U.S. Department of Justice
Pass-through Grantor: N/A
Federal CFDA Number: 16.922
Program Title: Equitable Sharing Program
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: Department of Health and Human Services
Pass-through Grantor: Administration of Community Living
Federal CFDA Number: 93.617
Program Title: Polling Place Accessibility Competitive Grant
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: U.S. Department of Housing and Urban Development
Pass-through Grantor: Missouri Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grants/State’s Program and Non-Entitlement Grants
in Hawaii
Pass-through Entity Identifying Number: N/A
Award Years: 2011
Questioned Costs: None

Condition: The County Clerk did not prepare an accurate Schedule of Expenditures of Federal Awards for the year ended December 31, 2012. Disbursements were overstated by \$3,193 under the Election Reform Payments Program, disbursements were understated by \$2,205 under the Equitable Sharing Program, and disbursements were understated by \$90 under the Polling Place Accessibility Competitive Grant. For the year ended December 31, 2011, disbursements for the Community Development Block Grant Program were overstated by \$16,157.

Status: Not Resolved. See current year federal finding 2014-1.

FINDINGS AND RECOMMENDATIONS

NODAWAY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. 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, signs checks, 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.

Recommendation: We recommend that the Sheriff improve the segregation of duties and/or increase his oversight of the activities of the Office Manager to the extent that the size and budget constraints of the office limit the segregation of duties.

County's Response: The Sheriff is working with his staff and the Treasurer to segregate duties and supply some auditing practices.

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

ITEMS OF NONCOMPLIANCE

2. Budgetary Compliance

Condition: We noted two issues with the County's budgeting process during 2014 and 2013 as follows:

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Road & Bridge Special Sales Tax fund which was created during 2014.
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Adult Abuse Fund	X	X
Special Road & Bridge	X	N/A
Assessment	X	N/A
Administration Center	X	N/A
Senior Citizens Tax Board	N/A	X

State Statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

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: Adult Abuse and Senior Citizens Tax Board are tax distribution funds and difficult to pinpoint the exact amounts for distributions in any given year. However, the Senior Citizens Board has been reminded to include office supplies in their budget. A heating and air conditioning project for the Administration Center was completed earlier than expected and the vendor requested payment in late December. Rather than delaying the payment, funds were available and payment was made.

The Assessment fund was not over budget. His budget for 2014 was \$384,361 and his expenses were \$344,130. There was a journal entry made by the Collector to correct disbursement made by her in the amount of \$157,422. That entry needed an expense number which is required for any accounting entry. Therefore, that journal entry/correction shows in the Assessment fund. This is NOT an over expenditure of his budget but rather an accounting correction.

The Road and Bridge Special Sales Tax was a newly established sales tax and funds were not expected until 2015. Funds were received but no funds were disbursed until 2015.

Auditor's Evaluation: Any expenditure in excess of the budgeted amount requires a budget modification.

OTHER MATTERS

3. Outstanding Checks

Condition: There were multiple outstanding checks at December 31, 2014 and December 31, 2013, that were over a year old. The Collector/Treasurer has a policy for investigating stale outstanding checks by contacting the payee and requesting that they cash the check or issuing a new check if the check was lost. However, stale checks have not been removed from the bank reconciliation on a timely basis when it becomes apparent that the check will not be cashed. The County's bank charges \$25 for placing a stop payment order on a check; therefore, small outstanding checks have remained on the bank reconciliation for several years. Review of bank reconciliations indicated that there were multiple outstanding checks from prior years in both the Treasurer's main operating and the Collector's bank accounts. In the Treasurer's main operating account, there were 27 outstanding checks dating as far back as April 10, 2013, as indicated on the March 2015 bank reconciliation, totaling \$759. In the Collector's account, there were 14 outstanding checks dating as far back as December 13, 2010, as indicated on the March 2015 bank reconciliation, totaling \$369.

Recommendation: We recommend the Collector/Treasurer remove stale checks from the monthly bank reconciliations on a timely basis and ensure that checks are properly moved to Unclaimed Fees fund at year end.

County's Response: The Collector/Treasurer will send letters each month after performing the bank reconciliation of the Treasurer's and Collector's bank accounts to payees of outstanding checks. If checks are still outstanding the following month, then efforts will be made to contact the payee by telephone. If checks are not cleared by the sixth month, they will be sent to unclaimed fees.

Auditor's Evaluation: The corrective action is appropriate.

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, 2012 and 2011.

1. One disbursement for \$69,053 out of eighty seven disbursements tested, did not include a stamp of commissioner approval.

Status - Resolved.

2. The Sheriff's Department maintains a commissary account for commissary sales and purchases at the County Jail. The Sheriff's Department keeps 25% of sales as commissions and does not remit the commission income to the County Treasurer. Section 50.370 of the Revised Missouri Statutes, requires every county official who receives fees for official services to pay such monies to the County Treasurer.

Status - Resolved. RSMo 221.102 allows the Sheriff to retain a minimum amount of money in a commissary account for current operating expenses. The remainder of the fees will be turned over to the Treasurer.

3. The Sheriff's dept. does not obtain written contracts from other political subdivisions to house inmates at the County Jail.

Status – Resolved. A contract was obtained between the City of Maryville and the Nodaway County Sheriff's Department on December 5, 2014.

4. The office manager in the Sheriff's office has control of blank checks, signs checks, and reconciles bank statements to accounting records. The Undersheriff reviews the bank statements and reconciliations and initials those documents. The Sheriff's assistant in the jail has control of blank checks, signs checks, and performs reconciliations for the Sheriff's commissary account.

Status - Not Resolved. See finding No. 1.

5. Disbursements were in excess of budgeted amounts for the Senior Citizens Service Board Fund for the years ended 2012 and 2011.

Status - Not Resolved. See finding No. 2.