



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

To the County Commission  
and  
Officeholders of Ralls County, Missouri

The Office of the State Auditor contracted for an audit of Ralls County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA  
State Auditor

August 2019  
Report No. 2019-081



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**Recommendations in the contracted audit of Ralls County**

2018-001	The County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2018-002	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2018-003	The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.
2018-004	The Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.
2018-005	The Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.
2018-006	The County periodically review all account balances to ensure they are fully secured.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018 AND 2017

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Ralls, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Ralls (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, 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 I.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019, on our consideration of the County of Ralls’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ralls’ internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 1, 2019

## **FINANCIAL STATEMENTS**



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT DECEMBER 31, 2018
General Revenue Fund	\$ 291,035.63	\$ 2,464,318.90	\$ 2,567,480.99	\$ 187,873.54
Special Road and Bridge Fund	662,385.48	2,322,392.61	2,579,006.83	405,771.26
Capital Improvement Fund	1,289,317.81	27,876.10	86,514.11	1,230,679.80
Assessment Fund	120,864.16	269,316.29	296,566.18	93,614.27
Election Services Fund	7,321.21	2,484.82	899.40	8,906.63
Prosecuting Attorney Training Fund	12,058.15	1,004.45	500.00	12,562.60
Prosecuting Attorney Tax Fund	4,023.62	91.11	-	4,114.73
Prosecuting Attorney Administrative Fund	9,711.53	1,590.10	1,131.00	10,170.63
Recorder's Users Fund	89,332.32	5,948.03	-	95,280.35
Domestic Fund	267.96	490.15	501.21	256.90
Inmate Security Fund	2,204.88	17,900.03	18,750.53	1,354.38
Sheriff's Fund	21,695.63	9,657.10	2,864.38	28,488.35
Recorder's Tech Fund	6,065.69	2,267.02	574.48	7,758.23
LEPC Fund	-	7,360.91	7,360.91	-
Tax Maintenance Fund	25,112.25	14,878.71	7,105.81	32,885.15
Sheriff's Revolving Fund	14,121.65	2,666.47	5,667.31	11,120.81
Law Enforcement Training Fund	9,489.38	4,429.77	7,311.74	6,607.41
Emergency Fund	496,667.71	7,470.09	76,759.49	427,378.31
Drug Enforcement Fund	101.47	0.13	101.60	-
County Law Enforcement Restitution Fund	16,044.19	2,584.48	-	18,628.67
TOTAL	<u>\$ 3,077,820.72</u>	<u>\$ 5,164,727.27</u>	<u>\$ 5,659,095.97</u>	<u>\$ 2,583,452.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENT JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTMENT DECEMBER 31, 2017
General Revenue Fund	\$ 133,778.95	\$ 2,331,738.07	\$ 2,174,481.39	\$ 291,035.63
Special Road and Bridge Fund	285,155.82	2,710,570.22	2,333,340.56	662,385.48
Capital Improvement Fund	1,296,153.99	21,400.51	28,236.69	1,289,317.81
Assessment Fund	211,493.80	258,499.23	349,128.87	120,864.16
Election Services Fund	5,416.35	2,804.26	899.40	7,321.21
Prosecuting Attorney Training Fund	11,599.54	858.61	400.00	12,058.15
Prosecuting Attorney Tax Fund	3,990.24	33.38	-	4,023.62
Prosecuting Attorney Administrative Fund	9,722.37	1,036.86	1,047.70	9,711.53
Recorder's Users Fund	84,035.16	5,297.16	-	89,332.32
Domestic Fund	401.33	514.51	647.88	267.96
Inmate Security Fund	4,349.14	8,539.06	10,683.32	2,204.88
Sheriff's Fund	18,509.90	8,742.72	5,556.99	21,695.63
Recorder's Tech Fund	12,523.25	2,558.64	9,016.20	6,065.69
LEPC Fund	-	-	-	-
Tax Maintenance Fund	16,584.49	17,130.22	8,602.46	25,112.25
Sheriff's Revolving Fund	25,069.38	4,174.57	15,122.30	14,121.65
Law Enforcement Training Fund	6,692.92	4,254.62	1,458.16	9,489.38
Emergency Fund	428,388.64	69,318.92	1,039.85	496,667.71
Drug Enforcement Fund	100.54	0.93	-	101.47
County Law Enforcement Restitution Fund	-	16,044.19	-	16,044.19
TOTAL	<u>\$ 2,553,965.81</u>	<u>\$ 5,463,516.68</u>	<u>\$ 4,939,661.77</u>	<u>\$ 3,077,820.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 710,000.00	\$ 767,165.80	\$ 664,370.00	\$ 689,153.49
Sales Taxes	1,055,000.00	1,062,273.34	1,007,304.95	1,056,312.11
Intergovernmental	185,669.50	119,077.62	299,400.00	93,683.67
Charges for Services	475,075.00	424,664.42	255,600.00	486,302.89
Interest	12,000.00	12,210.74	2,620.00	4,397.82
Other	-	-	-	-
Transfers In	78,259.49	78,926.98	-	1,888.09
TOTAL RECEIPTS	2,516,003.99	2,464,318.90	2,229,294.95	2,331,738.07
DISBURSEMENTS				
County Commission	88,011.70	87,566.08	86,270.00	86,100.17
County Clerk	79,306.76	78,556.55	77,508.00	76,400.74
Elections	113,584.00	91,536.01	78,020.00	68,609.07
Buildings and Grounds	98,065.02	90,818.01	100,107.65	88,981.72
Employee Fringe Benefits	331,450.00	343,523.78	299,450.00	281,317.19
County Treasurer	44,465.00	44,100.04	44,050.00	43,613.74
Collector	88,577.43	87,321.47	84,271.04	84,937.21
Circuit Clerk	60,839.50	54,835.44	57,892.00	55,122.45
Court Administration	13,900.00	10,152.89	13,900.00	12,036.89
Public Administrator	48,290.00	47,115.92	47,875.00	46,633.44
Sheriff	959,032.63	939,152.48	617,884.00	633,956.85
Jail	270,000.00	219,719.38	280,000.00	222,182.30
Prosecuting Attorney	186,556.00	183,947.63	184,884.00	179,927.36
Juvenile Officer	73,282.23	47,617.10	57,523.93	31,336.22
Coroner	19,720.00	18,228.68	27,800.00	23,483.95
Planning and Zoning	8,230.00	3,415.90	5,200.00	3,353.84
Insurance	65,000.00	64,393.16	49,000.00	52,981.20
University Extension Service	58,250.00	58,250.00	55,500.00	55,500.00
Other	61,000.00	69,987.48	78,900.00	57,049.52
Economic Development	32,500.00	26,193.95	20,500.00	5,957.53
Health and Welfare	200.00	200.00	200.00	-
Transfers Out	4,000.00	849.04	4,000.00	-
Transfer To Emergency Fund	74,017.77	-	65,000.00	65,000.00
TOTAL DISBURSEMENTS	2,778,278.04	2,567,480.99	2,335,735.62	2,174,481.39
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(262,274.05)	(103,162.09)	(106,440.67)	157,256.68
CASH AND INVESTMENT BALANCES, JANUARY 1	291,035.63	291,035.63	133,778.95	133,778.95
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 28,761.58	\$ 187,873.54	\$ 27,338.28	\$ 291,035.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 662,000.00	\$ 708,093.83	\$ 656,000.00	\$ 642,556.48
Sales Taxes	720,000.00	814,373.09	691,278.80	781,961.87
Intergovernmental	702,275.00	786,022.29	947,180.58	1,280,064.27
Charges for Services	3,515.00	12,684.18	610.00	4,925.55
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	1,000.00	1,219.22	-	1,062.05
TOTAL RECEIPTS	2,088,790.00	2,322,392.61	2,295,069.38	2,710,570.22
DISBURSEMENTS				
Salaries	510,000.00	496,396.50	480,000.00	477,046.82
Employee Fringe Benefits	284,000.00	245,557.24	248,000.00	209,667.03
Supplies	433,000.00	362,379.29	378,000.00	340,847.50
Insurance	58,000.00	45,263.40	43,000.00	36,918.14
Road and Bridge Materials	787,500.00	633,635.50	684,500.00	753,666.12
Equipment Repairs	85,000.00	98,951.44	50,000.00	91,311.20
Rentals	2,000.00	-	2,000.00	-
Equipment Purchases	425,020.00	490,994.55	190,010.00	97,892.14
Road and Bridge Construction	256,000.00	205,828.91	492,000.00	325,991.61
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,840,520.00	2,579,006.83	2,567,510.00	2,333,340.56
RECEIPTS OVER (UNDER) DISBURSEMENTS	(751,730.00)	(256,614.22)	(272,440.62)	377,229.66
CASH AND INVESTMENT BALANCES, JANUARY 1	662,385.48	662,385.48	285,155.82	285,155.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ (89,344.52)	\$ 405,771.26	\$ 12,715.20	\$ 662,385.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CAPITAL IMPROVEMENT FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	250.00	8,512.00	250.00	11,618.53
Reimbursements	-	-	-	-
Interest	19,100.00	19,364.10	7,050.00	9,781.98
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	19,350.00	27,876.10	7,300.00	21,400.51
DISBURSEMENTS				
UMB COP Payment	-	-	-	-
Trustee Fee Expense	-	-	1,400.00	-
Equipment Purchases	1,250,000.00	86,514.11	1,255,000.00	28,236.69
TOTAL DISBURSEMENTS	1,250,000.00	86,514.11	1,256,400.00	28,236.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,230,650.00)	(58,638.01)	(1,249,100.00)	(6,836.18)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,289,317.81	1,289,317.81	1,296,153.99	1,296,153.99
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 58,667.81</u>	<u>\$ 1,230,679.80</u>	<u>\$ 47,053.99</u>	<u>\$ 1,289,317.81</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	253,750.00	250,924.73	253,750.00	242,439.94	10,718.00	1,635.78	10,727.00	2,743.55
Charges for Services	12,850.00	14,501.50	12,850.00	13,955.00	-	-	-	-
Interest	2,265.00	3,890.06	2,265.00	2,104.29	9.00	-	-	60.71
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	849.04	-	-
TOTAL RECEIPTS	268,865.00	269,316.29	268,865.00	258,499.23	10,727.00	2,484.82	10,727.00	2,804.26
DISBURSEMENTS								
Salaries	198,915.00	187,431.72	196,930.00	194,805.19	-	-	-	-
Employee Fringe Benefits	47,400.00	47,046.01	51,585.00	44,346.08	-	-	-	-
Office	9,000.00	5,824.98	19,700.00	22,727.84	1,718.00	899.40	1,718.00	899.40
Equipment	13,000.00	9,408.80	20,200.00	17,731.58	5,000.00	-	5,000.00	-
Appraisal Contracts	5,000.00	-	10,000.00	2,250.00	-	-	-	-
Utilities	2,250.00	2,296.80	2,200.00	2,079.81	-	-	-	-
Materials and Supplies	2,750.00	1,114.40	6,550.00	4,593.13	2,400.00	-	2,400.00	-
Mileage and Training	9,000.00	4,522.31	12,500.00	11,959.85	1,000.00	-	1,000.00	-
Insurance	3,729.00	4,552.44	1,000.00	3,639.51	-	-	-	-
GIS	16,000.00	20,836.75	16,000.00	15,850.00	-	-	-	-
Legal Fees	15,000.00	5,498.77	30,000.00	9,145.88	-	-	-	-
Vehicle Purchase	8,500.00	8,033.20	30,000.00	20,000.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	330,544.00	296,566.18	396,665.00	349,128.87	10,118.00	899.40	10,118.00	899.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(61,679.00)	(27,249.89)	(127,800.00)	(90,629.64)	609.00	1,585.42	609.00	1,904.86
CASH AND INVESTMENT BALANCES, JANUARY 1	120,864.16	120,864.16	211,493.80	211,493.80	7,321.21	7,321.21	5,416.35	5,416.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 59,185.16</u>	<u>\$ 93,614.27</u>	<u>\$ 83,693.80</u>	<u>\$ 120,864.16</u>	<u>\$ 7,930.21</u>	<u>\$ 8,906.63</u>	<u>\$ 6,025.35</u>	<u>\$ 7,321.21</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800.00	730.17	800.00	747.12	-	-	-	-
Interest	135.00	274.28	35.00	111.49	55.00	91.11	15.00	33.38
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	935.00	1,004.45	835.00	858.61	55.00	91.11	15.00	33.38
DISBURSEMENTS								
Fees	-	-	-	-	3,900.00	-	3,800.00	-
Tuition	7,650.00	500.00	7,640.00	400.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,650.00	500.00	7,640.00	400.00	3,900.00	-	3,800.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,715.00)	504.45	(6,805.00)	458.61	(3,845.00)	91.11	(3,785.00)	33.38
CASH AND INVESTMENT BALANCES, JANUARY 1	12,058.15	12,058.15	11,599.54	11,599.54	4,023.62	4,023.62	3,990.24	3,990.24
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,343.15	\$ 12,562.60	\$ 4,794.54	\$ 12,058.15	\$ 178.62	\$ 4,114.73	\$ 205.24	\$ 4,023.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				RECORDER'S USERS FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,080.00	1,380.00	2,200.00	950.00	4,400.00	3,886.00	3,300.00	4,501.00
Interest	100.00	210.10	26.00	86.86	600.00	2,062.03	25.00	796.16
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,180.00	1,590.10	2,226.00	1,036.86	5,000.00	5,948.03	3,325.00	5,297.16
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	93,425.00	-	86,960.00	-
Professional Services	3,250.00	410.00	3,150.00	410.00	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
State Fees	7,550.00	721.00	7,500.00	637.70	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,800.00	1,131.00	10,650.00	1,047.70	93,425.00	-	86,960.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,620.00)	459.10	(8,424.00)	(10.84)	(88,425.00)	5,948.03	(83,635.00)	5,297.16
CASH AND INVESTMENT BALANCES, JANUARY 1	9,711.53	9,711.53	9,722.37	9,722.37	89,332.32	89,332.32	84,035.16	84,035.16
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 91.53</u>	<u>\$ 10,170.63</u>	<u>\$ 1,298.37</u>	<u>\$ 9,711.53</u>	<u>\$ 907.32</u>	<u>\$ 95,280.35</u>	<u>\$ 400.16</u>	<u>\$ 89,332.32</u>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DOMESTIC FUND				INMATE SECURITY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000.00	487.00	1,000.00	513.00	28,900.00	17,827.94	20,000.00	8,495.50
Interest	3.00	3.15	1.00	1.51	50.00	72.09	50.00	43.56
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,003.00	490.15	1,001.00	514.51	28,950.00	17,900.03	20,050.00	8,539.06
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	26,200.00	18,750.53	20,000.00	10,683.32
Professional Services	1,200.00	501.21	1,200.00	647.88	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	501.21	1,200.00	647.88	26,200.00	18,750.53	20,000.00	10,683.32
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(197.00)	(11.06)	(199.00)	(133.37)	2,750.00	(850.50)	50.00	(2,144.26)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	267.96	267.96	401.33	401.33	2,204.88	2,204.88	4,349.14	4,349.14
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 70.96	\$ 256.90	\$ 202.33	\$ 267.96	\$ 4,954.88	\$ 1,354.38	\$ 4,399.14	\$ 2,204.88

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S FUND				RECORDER'S TECH FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	2,200.00	100.00	-	-	-	-
Charges for Services	8,000.00	9,098.75	18,000.00	8,464.50	2,000.00	2,110.00	1,500.00	2,468.75
Interest	120.00	558.35	100.00	178.22	50.00	157.02	5.00	89.89
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,120.00	9,657.10	20,300.00	8,742.72	2,050.00	2,267.02	1,505.00	2,558.64
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	15,000.00	2,864.38	15,000.00	5,303.54	7,710.00	574.48	13,808.00	9,016.20
Professional Services	5,000.00	-	5,000.00	253.45	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	2,864.38	20,000.00	5,556.99	7,710.00	574.48	13,808.00	9,016.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,880.00)	6,792.72	300.00	3,185.73	(5,660.00)	1,692.54	(12,303.00)	(6,457.56)
CASH AND INVESTMENT BALANCES, JANUARY 1	21,695.63	21,695.63	18,509.90	18,509.90	6,065.69	6,065.69	12,523.25	12,523.25
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 9,815.63</u>	<u>\$ 28,488.35</u>	<u>\$ 18,809.90</u>	<u>\$ 21,695.63</u>	<u>\$ 405.69</u>	<u>\$ 7,758.23</u>	<u>\$ 220.25</u>	<u>\$ 6,065.69</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LEPC FUND				TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000.00	7,360.91	10,000.00	-	-	-	-	-
Charges for Services	-	-	-	-	16,500.00	14,864.04	15,000.00	17,120.28
Interest	-	-	-	-	10.00	14.67	-	9.94
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	7,360.91	10,000.00	-	16,510.00	14,878.71	15,000.00	17,130.22
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000.00	7,360.91	10,000.00	-	-	-	-	-
Equipment Purchases	-	-	-	-	20,000.00	5,619.30	14,000.00	7,521.20
Professional Services	-	-	-	-	10,000.00	500.00	16,000.00	500.00
Mileage and Training	-	-	-	-	3,000.00	986.51	1,000.00	581.26
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	7,360.91	10,000.00	-	33,000.00	7,105.81	31,000.00	8,602.46
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(16,490.00)	7,772.90	(16,000.00)	8,527.76
CASH AND INVESTMENT								
BALANCES, JANUARY 1	-	-	-	-	25,112.25	25,112.25	16,584.49	16,584.49
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 8,622.25	\$ 32,885.15	\$ 584.49	\$ 25,112.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,100.00	2,386.00	32,000.00	3,980.00	4,300.00	4,219.31	4,150.00	4,178.66
Interest	160.00	280.47	100.00	194.57	55.00	210.46	20.00	75.96
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,260.00	2,666.47	32,100.00	4,174.57	4,355.00	4,429.77	4,170.00	4,254.62
DISBURSEMENTS								
Training	-	-	-	-	8,000.00	7,311.74	3,100.00	1,458.16
Materials and Supplies	9,100.00	2,993.16	21,200.00	7,101.54	2,000.00	-	1,100.00	-
Other	-	-	-	-	-	-	-	-
Equipment Purchases	9,250.00	2,674.15	10,900.00	8,020.76	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	18,350.00	5,667.31	32,100.00	15,122.30	10,000.00	7,311.74	4,200.00	1,458.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,090.00)	(3,000.84)	-	(10,947.73)	(5,645.00)	(2,881.97)	(30.00)	2,796.46
CASH AND INVESTMENT BALANCES, JANUARY 1	14,121.65	14,121.65	25,069.38	25,069.38	9,489.38	9,489.38	6,692.92	6,692.92
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 31.65</u>	<u>\$ 11,120.81</u>	<u>\$ 25,069.38</u>	<u>\$ 14,121.65</u>	<u>\$ 3,844.38</u>	<u>\$ 6,607.41</u>	<u>\$ 6,662.92</u>	<u>\$ 9,489.38</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	EMERGENCY FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	4,000.00	7,470.09	2,850.00	4,318.92
Other	-	-	-	-
Transfers In	-	-	65,000.00	65,000.00
TOTAL RECEIPTS	4,000.00	7,470.09	67,850.00	69,318.92
DISBURSEMENTS				
Professional Services	-	-	4,000.00	1,039.85
Transfers Out	460,000.00	76,759.49	460,000.00	-
TOTAL DISBURSEMENTS	460,000.00	76,759.49	464,000.00	1,039.85
RECEIPTS OVER (UNDER) DISBURSEMENTS	(456,000.00)	(69,289.40)	(396,150.00)	68,279.07
CASH AND INVESTMENT BALANCES, JANUARY 1	496,667.71	496,667.71	428,388.64	428,388.64
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 40,667.71	\$ 427,378.31	\$ 32,238.64	\$ 496,667.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DRUG ENFORCEMENT FUND				COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	9,850.00
Charges for Services	-	-	-	-	7,500.00	2,187.50	-	6,129.50
Interest	0.13	0.13	1.00	0.93	75.00	396.98	-	64.69
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	0.13	0.13	1.00	0.93	7,575.00	2,584.48	-	16,044.19
DISBURSEMENTS								
Materials and Supplies	101.60	101.60	100.00	-	-	-	-	-
Capital Outlay	-	-	-	-	17,000.00	-	-	-
Emergency Expenses	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	101.60	101.60	100.00	-	17,000.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(101.47)	(101.47)	(99.00)	0.93	(9,425.00)	2,584.48	-	16,044.19
CASH AND INVESTMENT BALANCES, JANUARY 1	101.47	101.47	100.54	100.54	16,044.19	16,044.19	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ 1.54	\$ 101.47	\$ 6,619.19	\$ 18,628.67	\$ -	\$ 16,044.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2018

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 10,506,966.54	\$ 5,394.50	\$ 3,590.75	\$ -	\$ -
Total Assets	<u>10,506,966.54</u>	<u>5,394.50</u>	<u>3,590.75</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>10,506,966.54</u>	<u>5,394.50</u>	<u>3,590.75</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,506,966.54</u>	<u>\$ 5,394.50</u>	<u>\$ 3,590.75</u>	<u>\$ -</u>	<u>\$ -</u>
	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Health Department	Hannibal Rural Fire Department	Prosecuting Attorney	CERF Fund	Unclaimed Fees Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 44.00	\$ 1.14	\$ -
Total Assets	<u>-</u>	<u>-</u>	<u>44.00</u>	<u>1.14</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>44.00</u>	<u>1.14</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44.00</u>	<u>\$ 1.14</u>	<u>\$ -</u>
	County Schools' Fund	Employee Tax Savings Fund	Flood Control Fund	Land Surplus Fund	Grand Total Agency Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 40,779.85	\$ 760.00	\$ -	\$ 266.44	\$ 10,557,803.22
Investments					
Other Investments	-	-	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>40,779.85</u>	<u>760.00</u>	<u>-</u>	<u>266.44</u>	<u>10,557,803.22</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>40,779.85</u>	<u>760.00</u>	<u>-</u>	<u>266.44</u>	<u>10,557,803.22</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,779.85</u>	<u>\$ 760.00</u>	<u>\$ -</u>	<u>\$ 266.44</u>	<u>\$ 10,557,803.22</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2017

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,924,940.72	\$ 4,769.50	\$ 2,590.25	\$ -	\$ -
Total Assets	<u>6,924,940.72</u>	<u>4,769.50</u>	<u>2,590.25</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>6,924,940.72</u>	<u>4,769.50</u>	<u>2,590.25</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,924,940.72</u>	<u>\$ 4,769.50</u>	<u>\$ 2,590.25</u>	<u>\$ -</u>	<u>\$ -</u>
	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Health Department	Hannibal Rural Fire Department	Prosecuting Attorney	CERF Fund	Unclaimed Fees Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 44.00	\$ 1.08	\$ 34.10
Total Assets	<u>-</u>	<u>-</u>	<u>44.00</u>	<u>1.08</u>	<u>34.10</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>44.00</u>	<u>1.08</u>	<u>34.10</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44.00</u>	<u>\$ 1.08</u>	<u>\$ 34.10</u>
	County Schools' Fund	Employee Tax Savings Fund	Flood Control Fund	Land Surplus Fund	Grand Total Agency Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 32,699.53	\$ 610.00	\$ -	\$ 266.44	\$ 6,965,955.62
Investments					
Other Investments	-	-	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>32,699.53</u>	<u>610.00</u>	<u>-</u>	<u>266.44</u>	<u>6,965,955.62</u>
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	<u>32,699.53</u>	<u>610.00</u>	<u>-</u>	<u>266.44</u>	<u>6,965,955.62</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,699.53</u>	<u>\$ 610.00</u>	<u>\$ -</u>	<u>\$ 266.44</u>	<u>\$ 6,965,955.62</u>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ralls, Missouri ("County"), which is governed by three commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, Surveyor, and Treasurer.

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

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

The financial statements referred to above include only the primary government of Ralls County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and 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.

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

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

D. Budget 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 adopts a budget for each governmental fund.

THE COUNTY OF RALLS  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments 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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

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

THE COUNTY OF RALLS  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	\$ 141,420,180	\$ 140,749,370
Personal Property	90,911,468	82,123,470
Railroad and Utilities	22,260,955	23,032,338
	<u>\$ 254,592,603</u>	<u>\$ 245,905,178</u>

During 2018 and 2017, the County Commission approved a \$0.5521 and \$0.5544 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	\$ 0.2832	\$ 0.2864
Special Road and Bridge Fund	0.2689	0.2680
	<u>\$ 0.5521</u>	<u>\$ 0.5544</u>

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 balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's 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, 2018, and 2017, the carrying amounts of the County's deposits were \$2,583,452.02 and \$3,077,820.72, and the bank balances were \$12,223,545.19 and \$10,161,863.10, respectively. The total bank balance as of December 31, 2018, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions. \$568,133.29 of the total balance as of December 31, 2017, was not insured, however, by January 2, 2018 it was subsequently covered.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 2,583,452.02
Investments	-
Total Governmental Funds	<u>2,583,452.02</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>10,557,803.22</u>
Total Agency Funds	<u>10,557,803.22</u>
Total Deposits and Investments as of December 31, 2018	\$ <u>13,141,255.24</u>

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 1,627,820.72
Investments	<u>1,450,000.00</u>
Total Governmental Funds	<u>3,077,820.72</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>6,965,955.62</u>
Total Agency Funds	<u>6,965,955.62</u>
Total Deposits and Investments as of December 31, 2017	\$ <u>10,043,776.34</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. CAPITAL LEASES

On November 23, 2013, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 – 2012 Dodge Chargers, 1 – 2013 Dodge Charger and 1 – 2013 Ram 1500 for \$103,103.29. The lease term is 48 months. Payments of principal and interest are due annually on November 29 with the first payment due November 29, 2014. The interest rate is 2.65% per annum. The County paid the balance off in 2017.

On July 14, 2014, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 – 2014 Dodge Chargers and service contracts for \$70,083.23. The lease term is 40 months. Payments of principal and interest are due annually on July 14 with the first payment due November 29, 2014. The interest rate is 2.68% per annum. The County paid the balance off in 2017.

On May 11, 2015, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 140M3AWD Caterpillar Motor Grader for \$167,430.00. The financing agreement calls for five payments of \$36,801.88 to be paid annually. The interest rate is 3.20% per annum. The County paid the balance off in 2018.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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III. CAPITAL LEASES (continued)

On January 9, 2017, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 - 2017 Dodge Durangos for \$60,784.00. The lease term is 48 months. Payments of principal and interest are due annually on January 9 with the first payment due January 9, 2018. The interest rate is 2.73% per annum.

On March 18, 2017, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of a 2016 Ford Explorer Police Interceptor for \$12,892.00. The lease term is 36 months. Payments of principal and interest are due annually on March 18 with the first payment due March 18, 2017. The interest rate is 2.73% per annum. The County paid the balance off in 2017.

On May 11, 2017, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 140M3AWD Caterpillar Motor Grader for \$177,000.00. The financing agreement calls for three payments of \$49,033.07 to be paid annually, and the last payment is in the amount of \$49,034.07. The interest rate is 4.2% per annum.

On November 2, 2017, the County of Ralls entered into a lease purchase agreement with HNB National Bank to finance the purchase of 2 - 2017 Dodge Durangos and 1 - 2018 Dodge Durango for \$131,153.85. The lease term is 48 months. Payments of principal and interest are due annually on March 15 with the first payment due March 15, 2018. The interest rate is 3.75% per annum. The County paid the balance off in 2018.

As of December 31, 2018, the unpaid principal balance was \$166,931.18. The payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2015 Caterpillar Moter Grader	\$ 103,635.13	\$ -	\$ 103,635.13	\$ -	\$ 1,882.62
2017 Dodge Durangos	46,384.40	-	14,917.98	31,466.42	1,669.84
2017 Caterpillar Moter Grader	177,000.00	-	41,535.24	135,464.76	7,497.83
2017 & 2018 Dodge Durangos	113,701.97	-	113,701.97	-	1,457.52
TOTAL	<u>\$ 440,721.50</u>	<u>\$ -</u>	<u>\$ 273,790.32</u>	<u>\$ 166,931.18</u>	<u>\$ 12,507.81</u>

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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III. CAPITAL LEASES (concluded)

The future payments for the capital leases as of December 31, 2018, are as follows:

Year Ending December 31,	Interest	Principal	Total
2019	\$ 6,871.16	\$ 58,749.73	\$ 65,620.89
2020	4,480.81	61,140.08	65,620.89
2021	1,992.70	47,041.37	49,034.07
	<u>\$ 13,344.67</u>	<u>\$ 166,931.18</u>	<u>\$ 180,275.85</u>

As of December 31, 2017, the unpaid principal balance was \$440,721.50. The payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2013 & 2012 Dodge Chargers	\$ 26,795.71	\$ -	\$ 26,795.71	\$ -	\$ 710.09
2014 Dodge Chargers	17,923.40	-	17,923.40	-	480.25
2015 Caterpillar Moter Grader	136,039.87	-	32,404.74	103,635.13	4,397.14
2017 Dodge Durangos	-	60,784.00	14,399.60	46,384.40	2,188.22
2016 Ford Explorer	-	12,892.00	12,892.00	-	486.68
2017 Caterpillar Moter Grader	177,000.00	-	-	177,000.00	-
2017 & 2018 Dodge Durangos	-	131,153.85	17,451.88	113,701.97	-
TOTAL	<u>\$ 357,758.98</u>	<u>\$ 204,829.85</u>	<u>\$ 121,867.33</u>	<u>\$ 440,721.50</u>	<u>\$ 8,262.38</u>

The future payments for the capital leases as of December 31, 2017, are as follows:

Year Ending December 31,	Interest	Principal	Total
2018	\$ 12,507.81	\$ 273,790.32	\$ 286,298.13
2019	6,871.16	58,749.73	65,620.89
2020	4,480.81	61,140.08	65,620.89
2021	1,992.70	47,041.37	49,034.07
	<u>\$ 25,852.48</u>	<u>\$ 440,721.50</u>	<u>\$ 466,573.98</u>



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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IV. OPERATING LEASES

On March 28, 2014, the County of Ralls entered into an operating lease with Canon for 3-4235 copiers. The term of the lease is for 60 months with monthly payments of \$455 beginning in June 2014.

On February 23, 2017, the County of Ralls entered into an operating lease with Canon for a C5235a copier. The term of the lease is for 51 months with monthly payments of \$148 beginning in March 2017.

The future payments for operating leases entered into by the County for the year ended December 31, 2018, are as follows:

<u>Year Ending December 31</u>	<u>Operating Lease Payments</u>
2019	\$ 3,163.00
	<u>\$ 3,163.00</u>

The future payments for operating leases entered into by the County for the year ended December 31, 2017, are as follows:

<u>Year Ending December 31</u>	<u>Operating Lease Payments</u>
2018	\$ 7,236.00
2019	<u>3,163.00</u>
	<u>\$ 10,399.00</u>

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 78,926.98	\$ 849.04	\$ 1,888.09	\$ 65,000.00
Special Road and Bridge Fund	1,219.22	-	1,062.05	-
Election Services Fund	849.04	-	-	-
Flood Control Fund	-	3,386.71	-	2,950.14
Emergency Fund	-	76,759.49	65,000.00	-
TOTAL	<u>\$ 80,995.24</u>	<u>\$ 80,995.24</u>	<u>\$ 67,950.14</u>	<u>\$ 67,950.14</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Ralls County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	<u>2018 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	41	9
Inactive employees entitled to but not yet receiving benefits	10	13
Active employees	32	9
	<u>83</u>	<u>31</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.9% (General) and 8.3% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Actuarial Assumptions

The total pension liability in the February 29, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

**Changes in the Net Pension Liability**

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 104,060	\$ 21,269
2 Interest on Total Pension Liability	298,485	64,022
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	93,429	24,517
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(234,896)	(38,675)
7 Net change in total pension liability	261,078	71,133
8 Total pension liability - beginning	4,181,307	891,617
9 Total pension liability - ending	<u>\$ 4,442,385</u>	<u>\$ 962,750</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 110,010	\$ 34,599
2 Contributions - employee	-	-
3 Net investment income	506,701	117,928
4 Benefit payments, including refunds of employee contributions	(234,896)	(38,675)
5 Pension plan administrative expense	(6,913)	(1,963)
6 Other (net transfer)	44,826	12,526
7 Net change in plan fiduciary net position	419,728	124,415
8 Plan fiduciary net position - beginning	4,246,478	976,488
9 Plan fiduciary net position - ending	<u>\$ 4,666,206</u>	<u>\$ 1,100,903</u>
C. Net Pension Liability / (Asset)	<u>\$ (223,821)</u>	<u>\$ (138,153)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.04%	114.35%
E. Covered-Employee Payroll	\$ 1,114,765	\$ 350,958
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-20.08%	-39.36%

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<b>General Division:</b>			
Total Pension Liability (TPL)	\$ 5,033,792	\$ 4,442,385	\$ 3,954,405
Plan Fiduciary Net Position	4,666,206	4,666,206	4,666,206
Net Pension Liability / (Asset) (NPL)	\$ 367,586	\$ (223,821)	\$ (711,801)
<b>Police Division:</b>			
Total Pension Liability (TPL)	\$ 1,111,391	\$ 962,750	\$ 843,731
Plan Fiduciary Net Position	1,100,903	1,100,903	1,100,903
Net Pension Liability / (Asset) (NPL)	\$ 10,488	\$ (138,153)	\$ (257,172)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the employer would have recognized pension expense of \$244,171 under GAAP. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 168,830	\$ -	\$ 15,035	\$ (3,606)
Changes in assumptions	41,883	-	1,411	-
Net difference between projected and actual earnings on pension plan investments	-	(120,796)	-	(33,813)
Total	\$ 210,713	\$ (120,796)	\$ 16,446	\$ (37,419)

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2018.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2019	\$ 151,754	\$ 10,759
2020	38,717	(2,461)
2021	(60,169)	(19,889)
2022	(40,385)	(9,382)
2023	-	-
Thereafter	-	-
Total	<u>\$ 89,917</u>	<u>\$ (20,973)</u>

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit, which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of approximately \$37,220.09 and \$54,829.62, respectively, for the years then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628.00 and \$11,628.00, respectively, for the years ended December 31, 2018, and 2017.

IX. 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. There was one participant and one retiree at December 31, 2018, paying premiums of \$1,127.48 and one participant at December 31, 2017, paying premiums of \$7,974.36.



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Ralls County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is offered to full time employees at the rate of one-half day for each calendar month of employment and are allowed to accumulate up to 30 days. Sick time is paid for at a rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. 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 created pursuant to state statute (Section 537.700 RSMo.). 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 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.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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XII. SUBSEQUENT EVENTS

There are no subsequent events as of the audit report date.

**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2018 AND 2017

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2018, the budget for the Special Road and Bridge Fund budgeted a negative fund balance of \$89,344.52.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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

Independent Auditor's Report

To the County Commission  
The County of Ralls, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ralls (County) as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 1, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003, 2018-004, 2018-005 and 2018-006]

## **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County's Response to Findings**

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

## **Purpose of this Report**

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



DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 1, 2019



THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FINANCIAL STATEMENT FINDINGS

2018-001      Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FINANCIAL STATEMENT FINDINGS (continued)

2018-002      Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

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

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

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

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-003      Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over all federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over all federal awards.

Effect: No risk assessment over all federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FINANCIAL STATEMENT FINDINGS (continued)

2018-003      Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-004      Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's (Gerry Dinwiddle) office was reconciling the account during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Sheriff's office is 573-985-5611.

2018-005      Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.

Condition: We noted that bank reconciliations for the Collector's main account were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Collector's administration.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-005      Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The current Collector's (Tara Comer) office was reconciling the account during 2019 and the previous Collector was reconciling the accounts during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Collector's office is 573-985-5621.

2018-006      Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.

Context: The County's bank accounts with a financial institution were under collateralized by \$568,133.29 at December 31, 2017.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The financial institution did add another letter of credit on 1/2/2018 in the amount of \$5,000,000.00. The Treasurer is Jena Epperson (573-985-7151) and the Collector of Revenue is Tara Comer (573-985-5621).

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FOLLOW-UP PRIOR YEAR FINDINGS

FS 2016-001    Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-001.

FS 2016-002    Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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I. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

FS 2016-002    Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

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

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>SA 2016-001</b>	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2016, 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over this federal award.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over this federal award.

THE COUNTY OF RALLS  
NEW LONDON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

**SA 2016-001**

Effect: No risk assessment over this federal award.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-003.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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July 1, 2019

To the County Commission  
The County of Ralls, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Ralls (the "County") as of and for the years ended December 31, 2018 and 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI



## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- 2018-001      Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.
- Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.
- 2018-002      Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.
- Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.
- Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.
- Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2018-002      Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-003      Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over all federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over all federal awards.

Effect: No risk assessment over all federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-004      Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

- 2018-004      Views of Responsible Officials and Planned Corrective Actions: The Sheriff's (Gerry Dinwiddle) office was reconciling the account during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Sheriff's office is 573-985-5611.
- 2018-005      Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.
- Condition: We noted that bank reconciliations for the Collector's main account were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Collector's administration.
- Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations during the December 31, 2017, year.
- Effect: Errors may go undetected if proper controls are not in place to review cash transactions.
- Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.
- Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.
- Views of Responsible Officials and Planned Corrective Actions: The current Collector's (Tara Comer) office was reconciling the account during 2019 and the previous Collector was reconciling the accounts during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Collector's office is 573-985-5621.
- 2018-006      Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.
- Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.
- Context: The County's bank accounts with a financial institution were under collateralized by \$568,133.29 at December 31, 2017.
- Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.
- Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.
- Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

## **I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)**

2018-006      Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The financial institution did add another letter of credit on 1/2/2018 in the amount of \$5,000,000.00. The Treasurer is Jena Epperson (573-985-7151) and the Collector of Revenue is Tara Comer (573-985-5621).

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS**

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

### Difficulties Encountered in Performing the Audit

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

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

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

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 1, 2019.

### Management Consultations with Other Independent Accountants

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

### Other Audit Findings or Issues

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

### Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.