



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

To the County Commission  
and  
Officeholders of Nodaway County, Missouri

The Office of the State Auditor contracted for an audit of Nodaway County's financial statements for the year 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 this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA  
State Auditor

September 2019  
Report No. 2019-093



**Nicole Galloway, CPA**  
Missouri State Auditor

## RECOMMENDATION SUMMARY

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### **Recommendations in the contracted audit of Nodaway County**

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**Procurement**

The County maintain evidence to support competitive bids, and ensure that sole source justifications or instances in which the lowest bid is not selected are documented in accordance with state law.

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**Bank Account Interest**

The County ensure that all transactions are posted timely to the accounting system and that reconciling items on bank statements are followed up on and resolved in a timely manner.

ANNUAL FINANCIAL REPORT

**NODAWAY COUNTY, MISSOURI**

For the Year Ended  
December 31, 2018

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**McBRIDE, LOCK & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

NODAWAY COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

NODAWAY COUNTY, MISSOURI  
List of Elected Officials 2018

*County Commission*

Presiding Commissioner – Bill Walker

Northern District Commissioner – Chris Burns

Southern District Commissioner – Bob Stiens

*Other Elected Officials*

Assessor – Rex Wallace

Circuit Clerk – Elaine Wilson

Collector/Treasurer – Marilyn Jenkins

County Clerk – Melinda Patton

Coroner – Vince Shelby

Prosecuting Attorney – Robert Rice

Public Administrator – Diane Thomsen

Recorder – Sandra L. (Sandy) Smail

Sheriff – Randy Strong

Surveyor – Adam Teale

## **FINANCIAL SECTION**

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

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CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the County Commission and  
Officeholders of Nodaway County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Nodaway County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Nodaway County, Missouri, as of December 31, 2018, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated August 15, 2019, on our consideration of Nodaway County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Nodaway County, Missouri’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 15, 2019

NODAWAY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	\$ 4,980,411	\$ 3,857,123	\$ 3,905,526	\$ 4,932,008
Special Road and Bridge	884,805	1,779,831	1,863,237	801,399
Assessment	608,802	395,126	360,711	643,217
Election Shares	20,780	2,866	-	23,646
Tax Incentive Payment	3,590	-	-	3,590
Police Officer Training	1,860	4,053	1,522	4,391
Prosecuting Attorney Training	436	785	-	1,221
911	223,149	175,975	223,134	175,990
Adult Abuse	3,268	2,572	-	5,840
Nuclear Accident Emergency Preparedness	33,247	-	-	33,247
Local Emergency Preparedness	33,710	4,217	6,413	31,514
Senior Citizens	59,822	157,359	162,457	54,724
Civil Fee	19,160	25,467	14,067	30,560
Recorder User Fee	10,451	11,044	5,600	15,895
Tax Maintenance	36,215	23,012	45,579	13,648
Administrative Center	1,424,933	437,444	436,870	1,425,507
Administrative Handling	6,826	2,201	1,760	7,267
Senate Bill 40 Board	29,346	164,467	170,790	23,023
Concealed Weapons	29,634	4,942	1,325	33,251
Inmate Security	44,750	24,890	22,042	47,598
Road and Bridge Special Sales Tax	581,033	1,157,729	1,133,885	604,877
Total	<u>\$ 9,036,228</u>	<u>\$ 8,231,103</u>	<u>\$ 8,354,918</u>	<u>\$ 8,912,413</u>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	<u>GENERAL REVENUE FUND</u>	
	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Property taxes	\$ -	\$ -
Sales taxes	2,724,771	2,572,534
Intergovernmental	219,880	179,258
Charges for services	833,410	956,745
Interest	37,760	58,293
Other	187,317	90,293
Transfers in	-	-
Total Receipts	<u>\$ 4,003,138</u>	<u>\$ 3,857,123</u>
<b>DISBURSEMENTS</b>		
County Commission	\$ 139,880	\$ 177,638
County Clerk	181,450	179,934
Elections	164,600	99,371
Buildings and grounds	386,060	229,062
Employee fringe benefits	584,607	30,694
Collector/Treasurer	183,750	186,711
Recorder of Deeds	165,900	179,125
Circuit Court	33,700	25,076
Court Administration	9,221	7,899
Public Administrator	58,310	69,558
Sheriff	918,685	1,078,348
Jail	555,452	562,524
Prosecuting Attorney	331,253	359,007
Juvenile Officer	72,800	70,588
Coroner	42,880	49,313
Other County government	367,187	353,878
Health and welfare	22,290	16,800
Transfers out	638,910	230,000
Emergency fund	144,050	-
Total Disbursements	<u>\$ 5,000,985</u>	<u>\$ 3,905,526</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (997,847)	\$ (48,403)
CASH AND INVESTMENTS, JANUARY 1	<u>4,980,411</u>	<u>4,980,411</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,982,564</u>	<u>\$ 4,932,008</u>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		ELECTION SHARES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ 163,000	\$ 162,454	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,350,780	1,221,307	370,400	353,208	5,000	2,516
Charges for services	12,000	11,854	21,750	21,750	-	-
Interest	7,110	10,820	5,300	7,713	250	350
Other	55,500	123,396	50,570	12,455	-	-
Transfers in	250,000	250,000	-	-	-	-
Total Receipts	<u>\$ 1,838,390</u>	<u>\$ 1,779,831</u>	<u>\$ 448,020</u>	<u>\$ 395,126</u>	<u>\$ 5,250</u>	<u>\$ 2,866</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ 346,400	\$ 314,058	\$ 205,920	\$ 209,454	\$ -	\$ -
Employee fringe benefits	125,810	108,835	102,450	78,597	-	-
Materials and supplies	692,575	571,855	36,400	6,340	-	-
Services and other	126,911	173,413	103,250	66,320	-	-
Capital outlay	200,000	181,830	-	-	-	-
Construction	1,077,000	513,246	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,568,696</u>	<u>\$ 1,863,237</u>	<u>\$ 448,020</u>	<u>\$ 360,711</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>						
	\$ (730,306)	\$ (83,406)	\$ -	\$ 34,415	\$ 5,250	\$ 2,866
<b>CASH AND INVESTMENTS, JANUARY 1</b>						
	<u>884,805</u>	<u>884,805</u>	<u>608,802</u>	<u>608,802</u>	<u>20,780</u>	<u>20,780</u>
<b>CASH AND INVESTMENTS, DECEMBER 31</b>						
	<u>\$ 154,499</u>	<u>\$ 801,399</u>	<u>\$ 608,802</u>	<u>\$ 643,217</u>	<u>\$ 26,030</u>	<u>\$ 23,646</u>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	TAX INCENTIVE PAYMENT FUND		POLICE OFFICER TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	3,000	4,053	800	785
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 4,053</u>	<u>\$ 800</u>	<u>\$ 785</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	3,600	1,522	500	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 1,522</u>	<u>\$ 500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ (600)	\$ 2,531	\$ 300	\$ 785
CASH AND INVESTMENTS, JANUARY 1	<u>3,590</u>	<u>3,590</u>	<u>1,860</u>	<u>1,860</u>	<u>436</u>	<u>436</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 3,590</u></u>	<u><u>\$ 3,590</u></u>	<u><u>\$ 1,260</u></u>	<u><u>\$ 4,391</u></u>	<u><u>\$ 736</u></u>	<u><u>\$ 1,221</u></u>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	911 FUND		ADULT ABUSE FUND		NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	115,000	104,425	3,600	2,572	-	-
Interest	1,600	3,064	-	-	-	-
Other	67,626	68,486	-	-	-	-
Transfers in	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 184,226</b>	<b>\$ 175,975</b>	<b>\$ 3,600</b>	<b>\$ 2,572</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DISBURSEMENTS</b>						
Salaries	\$ 79,710	\$ 83,985	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	28,160	20,630	-	-	-	-
Materials and supplies	500	492	-	-	25,000	-
Services and other	95,750	102,810	3,000	-	-	-
Capital outlay	22,630	15,217	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 226,750</b>	<b>\$ 223,134</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (42,524)</b>	<b>\$ (47,159)</b>	<b>\$ 600</b>	<b>\$ 2,572</b>	<b>\$ (25,000)</b>	<b>\$ -</b>
<b>CASH AND INVESTMENTS, JANUARY 1</b>	<b>223,149</b>	<b>223,149</b>	<b>3,268</b>	<b>3,268</b>	<b>33,247</b>	<b>33,247</b>
<b>CASH AND INVESTMENTS, DECEMBER 31</b>	<b>\$ 180,625</b>	<b>\$ 175,990</b>	<b>\$ 3,868</b>	<b>\$ 5,840</b>	<b>\$ 8,247</b>	<b>\$ 33,247</b>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	LOCAL EMERGENCY PREPAREDNESS FUND		SENIOR CITIZENS FUND		CIVIL FEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ 168,000	\$ 156,987	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	3,700	4,217	270	265	-	-
Charges for services	-	-	-	-	32,000	25,467
Interest	-	-	-	107	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
<b>Total Receipts</b>	<u>\$ 3,700</u>	<u>\$ 4,217</u>	<u>\$ 168,270</u>	<u>\$ 157,359</u>	<u>\$ 32,000</u>	<u>\$ 25,467</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	200	-	100	57	-	-
Services and other	6,600	6,413	162,400	162,400	16,000	3,294
Capital outlay	-	-	-	-	16,000	10,773
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total Disbursements</b>	<u>\$ 6,800</u>	<u>\$ 6,413</u>	<u>\$ 162,500</u>	<u>\$ 162,457</u>	<u>\$ 32,000</u>	<u>\$ 14,067</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (3,100)	\$ (2,196)	\$ 5,770	\$ (5,098)	\$ -	\$ 11,400
<b>CASH AND INVESTMENTS, JANUARY 1</b>	<u>33,710</u>	<u>33,710</u>	<u>59,822</u>	<u>59,822</u>	<u>19,160</u>	<u>19,160</u>
<b>CASH AND INVESTMENTS, DECEMBER 31</b>	<u>\$ 30,610</u>	<u>\$ 31,514</u>	<u>\$ 65,592</u>	<u>\$ 54,724</u>	<u>\$ 19,160</u>	<u>\$ 30,560</u>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	RECORDER USER FEE FUND		TAX MAINTENANCE FUND		ADMINISTRATIVE CENTER FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 401,282	\$ 432,769
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	11,100	11,044	32,125	23,012	-	-
Interest	-	-	-	-	6,100	4,675
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	20,000	-
<b>Total Receipts</b>	<u>\$ 11,100</u>	<u>\$ 11,044</u>	<u>\$ 32,125</u>	<u>\$ 23,012</u>	<u>\$ 427,382</u>	<u>\$ 437,444</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,724
Employee fringe benefits	-	-	-	-	-	595
Materials and supplies	3,000	1,100	10,000	9,298	1,000	47
Services and other	-	-	32,500	28,989	456,419	413,504
Capital outlay	5,000	4,500	15,000	7,292	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	20,000
<b>Total Disbursements</b>	<u>\$ 8,000</u>	<u>\$ 5,600</u>	<u>\$ 57,500</u>	<u>\$ 45,579</u>	<u>\$ 457,419</u>	<u>\$ 436,870</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ 3,100	\$ 5,444	\$ (25,375)	\$ (22,567)	\$ (30,037)	\$ 574
<b>CASH AND INVESTMENTS, JANUARY 1</b>	<u>10,451</u>	<u>10,451</u>	<u>36,215</u>	<u>36,215</u>	<u>1,424,933</u>	<u>1,424,933</u>
<b>CASH AND INVESTMENTS, DECEMBER 31</b>	<u>\$ 13,551</u>	<u>\$ 15,895</u>	<u>\$ 10,840</u>	<u>\$ 13,648</u>	<u>\$ 1,394,896</u>	<u>\$ 1,425,507</u>

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



NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	ADMINISTRATIVE HANDLING FUND		SENATE BILL 40 BOARD FUND		CONCEALED WEAPONS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ 164,015	\$ 164,465	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,500	2,080	-	-	2,500	4,448
Interest	55	121	-	2	-	494
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 3,555</b>	<b>\$ 2,201</b>	<b>\$ 164,015</b>	<b>\$ 164,467</b>	<b>\$ 2,500</b>	<b>\$ 4,942</b>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	590
Services and other	1,900	1,760	174,865	170,790	-	735
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 1,900</b>	<b>\$ 1,760</b>	<b>\$ 174,865</b>	<b>\$ 170,790</b>	<b>\$ -</b>	<b>\$ 1,325</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ 1,655</b>	<b>\$ 441</b>	<b>\$ (10,850)</b>	<b>\$ (6,323)</b>	<b>\$ 2,500</b>	<b>\$ 3,617</b>
<b>CASH AND INVESTMENTS, JANUARY 1</b>	<b>6,826</b>	<b>6,826</b>	<b>29,346</b>	<b>29,346</b>	<b>29,634</b>	<b>29,634</b>
<b>CASH AND INVESTMENTS, DECEMBER 31</b>	<b>\$ 8,481</b>	<b>\$ 7,267</b>	<b>\$ 18,496</b>	<b>\$ 23,023</b>	<b>\$ 32,134</b>	<b>\$ 33,251</b>

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

NODAWAY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2018

	INMATE SECURITY FUND		ROAD AND BRIDGE SPECIAL SALES TAX FUND	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	1,220,000	1,143,828
Intergovernmental	-	-	15,000	13,901
Charges for services	32,500	24,890	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ 32,500</u>	<u>\$ 24,890</u>	<u>\$ 1,235,000</u>	<u>\$ 1,157,729</u>
<b>DISBURSEMENTS</b>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	21,500	13,915	-	-
Capital outlay	6,000	8,127	-	-
Construction	-	-	1,200,000	1,133,885
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 27,500</u>	<u>\$ 22,042</u>	<u>\$ 1,200,000</u>	<u>\$ 1,133,885</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,000	\$ 2,848	\$ 35,000	\$ 23,844
CASH AND INVESTMENTS, JANUARY 1	<u>44,750</u>	<u>44,750</u>	<u>581,033</u>	<u>581,033</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 49,750</u>	<u>\$ 47,598</u>	<u>\$ 616,033</u>	<u>\$ 604,877</u>

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

NODAWAY COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

Fund/Account	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurer Surplus Land	8,744	6,100	-	14,844
Treasurer Unclaimed Fee	3,316	3,347	-	6,663
Treasurer Common School	33,351	116,807	112,926	37,232
Treasurer Intangible Tax	39,865	35,861	39,452	36,274
Treasurer CERF	-	252,851	250,472	2,379
Treasurer Treatment Court	20,672	8,334	15,301	13,705
Treasurer Deputy Supplemental Salary	753	6,850	7,603	-
Treasurer TIF	-	71,046	71,046	-
Treasurer Flex Spending	14,142	-	98	14,044
Collector	17,715,160	23,823,904	23,142,936	18,396,128
Sheriff	13,322	173,826	168,530	18,618
Recorder of Deeds	13,912	136,967	150,787	92
Public Administrator	1,715,752	1,198,137	1,456,429	1,457,460
Total	<u>\$ 19,578,989</u>	<u>\$ 25,834,030</u>	<u>\$ 25,415,580</u>	<u>\$ 19,997,439</u>

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

NODAWAY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nodaway County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are 10 elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Surveyor.

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

A. Reporting Entity

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

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

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

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

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

### C. Basis of Accounting

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

### D. Budgets and Budgetary Accounting

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

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

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

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018, for purposes of taxation were:

Real Estate	\$ 213,454,520
Personal Property	80,103,700
Railroad and Utilities	<u>31,305,892</u>
Total	<u>\$ 324,864,112</u>

For calendar years 2018, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$ 0.1600
Senior Citizens	0.0500
Senate Bill 40 Board	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administrative Center Fund. Property tax receipts were recorded in the Special Road and Bridge Fund based on a percentage allocation of tax collections which was \$.0500 per \$100 of assessed valuation of tangible taxable property.

#### F. Cash Deposits and Investments

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

#### G. Interfund Activity

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

## 2. CASH AND INVESTMENTS

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

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, the carrying amount of the County's deposits was \$8,912,413 and the bank balance was \$9,020,986. Of the bank balance, \$691,804 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018, the carrying amount of the County's custodial funds was \$19,997,439 and the bank balance was \$14,914,579. Of the bank balance, \$1,740,856 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

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

#### 1) Plan Description

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

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

## 2) Pension Benefits

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

## 3) Funding Policy

The County is required by State Statute to contribute at an actuarially determined rate. The rates for the year ended December 31, 2018 were 6.5% (General) and 7.4% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2018, the County contributed \$151,207 to LAGERS.

## 4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded the accrued liabilities of the plan by \$8,802 for the General division, and the actuarial value of accrued liabilities exceeded the plan assets by \$53,588 for the Police division. These net pension assets and liabilities are not recognized in the cash basis financial statements of the County.

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

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

### 1) Plan Description

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

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

### 2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different



prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

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

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

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018, the County collected and remitted to CERF employee withholdings and fees collected of \$184,891.

#### C. 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 contributed \$13,005 for the year ended December 31, 2018.

#### D. Other Retirement Plan

Nodaway County has a voluntary CERF 457 plan which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2018 was \$65,582.

### 4. POST EMPLOYMENT BENEFITS

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

## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full time employees with up to 60 days of sick time, to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked up to 60 days. Upon termination, the employee will not be compensated for any unused sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. During the first two years, employees are eligible for two weeks of vacation per year (up to 80 hours), three weeks during years three through eight (up to 120 hours), four weeks during years nine through twelve (up to 160 hours), and five weeks from years thirteen and on (up to 200 hours). Vacation is accrued on a monthly basis and is awarded retroactively for the six-month probationary period for all employees lasting longer than six months. Upon termination, the employee is compensated for accrued vacation time at the employee's final rate of pay.

### B. Federal and State Assisted Programs

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

## 6. RISK MANAGEMENT

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

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

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

## 7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

- A. The County entered into a loan with U.S. Bank dated June 1, 2008, for the construction of an administration building. The remaining balance on the loan at December 31, 2018 was \$2,704,084. The loan has an interest rate of 4.85% and is due in monthly payments of \$29,652 until May 1, 2028. Future payments on the loan are as follows:

Year Ended December 31,	Principal	Interest	Total
2019	\$ 229,741	\$ 126,086	\$ 355,827
2020	241,135	114,692	355,827
2021	253,093	102,734	355,827
2022	265,645	90,182	355,827
2023	278,819	77,008	355,827
2024-2028	1,435,651	165,210	1,600,861
Totals	<u>\$ 2,704,084</u>	<u>\$ 675,912</u>	<u>\$ 3,379,996</u>

- B. In December 2016, the County entered into a \$139,000, two-year capital lease for the purchase of a 2016 John Deere Excavator. The lease called for two annual payments of \$72,957, with interest at 3.25%. The County has the option to purchase the equipment for \$1 at the end of the lease term. The final payment of \$72,958, consisting of \$70,628 of principal and \$2,330 of interest, was made in December 2018.

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
US Bank Loan	\$ 2,922,970	\$ -	\$ (218,886)	\$ 2,704,084	\$ 136,941
Excavator	70,628	-	(70,628)	-	2,330

## 8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 15, 2019, the date the financial statements were available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Nodaway County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nodaway County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Nodaway County, Missouri's basic financial statements and have issued our report thereon dated August 15, 2019.

#### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **Purpose of this Report**

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

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 15, 2019

## **FINDINGS AND RECOMMENDATIONS**

NODAWAY COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None

**ITEMS OF NONCOMPLIANCE**

None

**OTHER MATTERS**

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2018, we considered Nodaway County’s internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 15, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

**Procurement**

There was no evidence bids were solicited in accordance with state law for three purchases tested during our audit. These purchases totaled \$58,531 and were from the General Revenue and Special Road and Bridge Funds. Section 50.660, RSMo requires competitive bids for all purchases greater than \$4,500 and newspaper advertising soliciting sealed bids for purchases exceeding \$6,000. Section 50.783, RSMO requires justification stated in the Commission minutes for sole source bids and instances in which the lowest bid was not selected.

We recommend the County maintain evidence to support competitive bids, and ensure that sole source justifications or instances in which the lowest bid is not selected are documented in accordance with state law.

**Bank Account Interest**

Bank account interest was not posted to County fund ledgers on a timely basis. Our audit noted February bank interest earned of \$5,020 was not posted to the General Revenue, Special Road and Bridge, Assessment, Election Shares, 911, Concealed Weapons and Administrative Handling Funds until June 4, 2018. The February, March and April bank interest totaling \$782 earned on the Treasurer’s Administrative Center Fund bank account deposits were not posted to the fund ledger at December 31, 2018, but were listed as reconciling items.



We recommend the County ensure that all transactions are posted timely to the accounting system and that reconciling items on bank statements are followed up on and resolved in a timely manner.

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

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Nodaway County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2017.

There were no prior audit findings to follow-up on.