



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Bates County, Missouri

The Office of the State Auditor contracted for an audit of the Bates County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This 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

September 2020
Report No. 2020-060



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Bates County

2019-001	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.
2019-002	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.
2019-003	We recommend that the Collector's office prepare accurate bank reconciliations for this account.

THE COUNTY OF BATES
BUTLER, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF BATES
BUTLER, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Bates, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Bates ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, 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

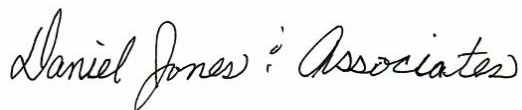
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, 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, 2019, and 2018, 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 August 19, 2020, on our consideration of the County of Bates’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 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 Bates’s internal control over financial reporting and compliance.



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

August 19, 2020

FINANCIAL STATEMENTS

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 1,521,725.08	\$ 1,308,932.37	\$ 1,288,551.20	\$ 1,542,106.25
Special Road And Bridge Fund	1,030,909.60	1,387,625.30	1,264,015.81	1,154,519.09
Assessment Fund	149,269.23	254,695.11	287,816.19	116,148.15
Law Enforcement Sales Tax Fund	561,430.33	3,756,851.81	3,897,135.42	421,146.72
Recorder's User Fee Fund	3,259.25	5,674.00	7,398.10	1,535.15
Prosecuting Attorney Training Fund	289.04	1,763.61	4,265.15	(2,212.50)
Law Officer Training Fund	4,833.58	5,403.08	6,805.58	3,431.08
Families In Crisis Fund	352.00	606.00	644.00	314.00
Local Emergency Planning Committee Fund	10,531.83	4,298.61	4,297.20	10,533.24
Sheriff's Civil Fees Fund	38,949.23	17,854.46	25,482.14	31,321.55
Sheriff's Revolving Fund	10,252.76	6,860.69	8,335.00	8,778.45
Election Services Fund	20,951.66	3,133.08	1,949.14	22,135.60
Recorder's Technology Fund	62,455.08	6,943.96	-	69,399.04
Jail Bond Fund	802,589.45	6,907.17	392,103.97	417,392.65
Tax Maintenance Fund	111,860.04	31,577.71	31,308.90	112,128.85
Prosecuting Attorney Fund	3,970.01	52.91	-	4,022.92
Deputy Wage Supplement Fund	460.00	5,710.00	5,650.00	520.00
Local Solicitation Fund	-	-	-	-
Inmate Security Fund	112,540.21	223,008.84	137,509.74	198,039.31
Senate Bill 40 Fund	225,222.97	338,623.73	251,000.00	312,846.70
Prosecuting Attorney Bad Check Fund	318.31	-	-	318.31
Senior Services Board Fund	110,857.52	110,320.78	87,551.33	133,626.97
Capital Improvement Sales Tax Fund	511,627.98	732,581.00	748,071.63	496,137.35
TOTAL	<u>\$ 5,294,655.16</u>	<u>\$ 8,209,424.22</u>	<u>\$ 8,449,890.50</u>	<u>\$ 5,054,188.88</u>

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

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

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 1,326,264.53	\$ 1,453,533.76	\$ 1,258,073.21	\$ 1,521,725.08
Special Road And Bridge Fund	878,847.16	1,197,178.77	1,045,116.33	1,030,909.60
Assessment Fund	160,609.45	253,060.99	264,401.21	149,269.23
Law Enforcement Sales Tax Fund	414,961.72	3,552,401.18	3,405,932.57	561,430.33
Recorder's User Fee Fund	6,775.81	5,874.04	9,390.60	3,259.25
Prosecuting Attorney Training Fund	1,180.46	928.78	1,820.20	289.04
Law Officer Training Fund	4,582.81	5,338.45	5,087.68	4,833.58
Families In Crisis Fund	337.00	655.00	640.00	352.00
Local Emergency Planning Committee Fund	12,748.38	4,130.90	6,347.45	10,531.83
Sheriff's Civil Fees Fund	39,584.29	16,753.89	17,388.95	38,949.23
Sheriff's Revolving Fund	9,129.31	1,526.45	403.00	10,252.76
Election Services Fund	21,449.39	3,943.39	4,441.12	20,951.66
Recorder's Technology Fund	41,988.80	20,616.28	150.00	62,455.08
Jail Bond Fund	1,273,275.10	49,325.02	520,010.67	802,589.45
Tax Maintenance Fund	101,675.51	27,514.03	17,329.50	111,860.04
Prosecuting Attorney Fund	3,918.42	51.59	-	3,970.01
Deputy Wage Supplement Fund	510.00	6,010.00	6,060.00	460.00
Local Solicitation Fund	102.00	-	102.00	-
Inmate Security Fund	119,196.09	219,042.72	225,698.60	112,540.21
Senate Bill 40 Fund	155,982.26	333,703.21	264,462.50	225,222.97
Prosecuting Attorney Bad Check Fund	318.31	-	-	318.31
Senior Services Board Fund	44,550.67	111,666.85	45,360.00	110,857.52
Capital Improvement Sales Tax Fund	16,368.78	725,694.71	230,435.51	511,627.98
TOTAL	<u>\$ 4,634,356.25</u>	<u>\$ 7,988,950.01</u>	<u>\$ 7,328,651.10</u>	<u>\$ 5,294,655.16</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 642,000.00	\$ 630,164.05	\$ 634,500.00	\$ 642,790.86
Sales Taxes	-	-	-	-
Intergovernmental	62,500.00	77,769.76	95,000.00	92,109.79
Charges for Services	577,600.00	575,607.27	657,825.00	660,881.48
Interest	5,000.00	21,521.29	7,800.00	5,018.51
Other	50.00	3,870.00	50.00	12,733.12
Transfers In	-	-	40,000.00	40,000.00
TOTAL RECEIPTS	1,287,150.00	1,308,932.37	1,435,175.00	1,453,533.76
DISBURSEMENTS				
County Commission	137,725.00	140,808.15	132,970.00	129,946.84
County Clerk	129,450.00	115,317.15	183,255.00	190,045.75
Elections	73,500.00	43,709.10	151,300.00	86,723.83
Buildings and Grounds	274,200.00	242,998.23	251,875.00	118,461.57
County Treasurer	201,900.00	168,330.37	188,000.00	164,753.35
Recorder of Deeds	142,907.40	97,265.18	135,173.00	118,118.81
Circuit Court	26,250.00	13,484.80	26,250.00	10,101.86
Court Administration	39,529.25	13,201.29	38,184.50	8,182.26
Public Administrator	92,405.00	75,638.75	88,500.00	75,225.61
Other General County Government	224,848.00	175,942.13	242,453.00	175,653.56
Public Health/Welfare	7,000.00	-	6,000.00	4,000.00
Emergency Fund	19,000.00	-	39,500.00	-
Emergency Management	83,100.00	71,750.85	83,850.00	60,649.29
Fringe Benefits	131,650.00	130,105.20	125,150.00	116,210.48
Emergency Fund	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,583,464.65	1,288,551.20	1,692,460.50	1,258,073.21
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(296,314.65)	20,381.17	(257,285.50)	195,460.55
CASH BALANCES, JANUARY 1	1,521,725.08	1,521,725.08	1,326,264.53	1,326,264.53
CASH BALANCES, DECEMBER 31	\$ 1,225,410.43	\$ 1,542,106.25	\$ 1,068,979.03	\$ 1,521,725.08

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 66,500.00	\$ 67,765.93	\$ 65,000.00	\$ 66,856.93
Intergovernmental	1,283,000.00	1,273,884.23	1,287,000.00	1,093,739.62
Interest	3,000.00	15,169.14	2,100.00	3,009.22
Other	32,100.00	30,806.00	28,100.00	33,573.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,384,600.00	1,387,625.30	1,382,200.00	1,197,178.77
DISBURSEMENTS				
Salaries	272,000.00	276,220.16	262,000.00	264,416.08
Fringe Benefits	98,200.00	92,105.06	92,200.00	90,915.23
Office	5,300.00	4,454.91	4,500.00	3,326.97
Equipment and Maintenance	349,000.00	65,406.87	164,700.00	153,000.44
Mileage and Training	900.00	-	1,200.00	-
Insurance	20,000.00	10,567.00	26,000.00	11,595.00
Operation and Maintenance	24,200.00	33,007.34	21,400.00	21,291.96
Bridge Replacement and Repairs	852,000.00	782,254.47	490,000.00	460,570.65
Services and Other	-	-	-	-
Transfers Out	40,000.00	-	350,000.00	40,000.00
TOTAL DISBURSEMENTS	1,661,600.00	1,264,015.81	1,412,000.00	1,045,116.33
RECEIPTS OVER (UNDER) DISBURSEMENTS	(277,000.00)	123,609.49	(29,800.00)	152,062.44
CASH BALANCES, JANUARY 1	1,030,909.60	1,030,909.60	878,847.16	878,847.16
CASH BALANCES, DECEMBER 31	\$ 753,909.60	\$ 1,154,519.09	\$ 849,047.16	\$ 1,030,909.60

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				LAW ENFORCEMENT SALES TAX FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 895,000.00	\$ 930,039.43	\$ 860,000.00	\$ 887,659.48
Intergovernmental	238,716.77	243,364.74	238,000.00	238,716.77	154,500.00	234,696.23	166,000.00	131,230.37
Charges for Services	13,010.00	8,924.45	8,200.00	13,642.00	3,167,800.00	2,584,158.35	2,686,190.00	2,531,448.76
Interest	700.00	2,405.92	500.00	702.22	1,700.00	7,857.80	1,000.00	1,694.49
Other	-	-	-	-	500.00	100.00	12,500.00	368.08
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	252,426.77	254,695.11	246,700.00	253,060.99	4,219,500.00	3,756,851.81	3,725,690.00	3,552,401.18
DISBURSEMENTS								
Salaries	210,107.00	192,967.99	181,590.00	183,623.13	2,437,326.00	1,955,213.94	2,056,414.00	1,732,118.07
Fringe Benefits	53,800.00	52,309.55	50,700.00	44,119.31	550,000.00	578,375.81	450,100.00	469,945.02
Office	16,300.00	17,983.13	16,800.00	15,968.81	-	-	-	-
Equipment and Maintenance	12,400.00	11,417.82	17,400.00	9,999.73	-	-	-	-
Mileage and Training	2,100.00	876.93	1,700.00	1,949.19	-	-	-	-
Insurance	750.00	810.00	700.00	747.00	-	-	-	-
GIS System	10,000.00	11,450.77	10,000.00	7,994.04	-	-	-	-
Other County Government	-	-	-	-	24,530.00	42,835.06	6,000.00	9,595.72
Sheriff	-	-	-	-	436,250.00	335,789.35	428,700.00	363,405.15
Jail	-	-	-	-	1,036,600.00	849,203.48	882,300.00	714,191.57
Prosecuting Attorney	-	-	-	-	51,850.00	43,972.32	46,850.00	23,921.02
Juvenile Operations	-	-	-	-	80,177.50	65,752.08	80,177.50	72,524.81
Coroner	-	-	-	-	25,450.00	25,993.38	20,450.00	20,231.21
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	305,457.00	287,816.19	278,890.00	264,401.21	4,642,183.50	3,897,135.42	3,970,991.50	3,405,932.57
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(53,030.23)	(33,121.08)	(32,190.00)	(11,340.22)	(422,683.50)	(140,283.61)	(245,301.50)	146,468.61
CASH BALANCES, JANUARY 1	149,269.23	149,269.23	160,609.45	160,609.45	561,430.33	561,430.33	414,961.72	414,961.72
CASH BALANCES, DECEMBER 31	\$ 96,239.00	\$ 116,148.15	\$ 128,419.45	\$ 149,269.23	\$ 138,746.83	\$ 421,146.72	\$ 169,660.22	\$ 561,430.33

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER'S USER FEE FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 6,000.00	\$ 5,674.00	\$ 6,000.00	\$ 5,867.00	\$ 1,000.00	\$ 1,763.61	\$ 1,000.00	\$ 928.78
Interest	-	-	-	7.04	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	5,674.00	6,000.00	5,874.04	1,000.00	1,763.61	1,000.00	928.78
DISBURSEMENTS								
Office	1,000.00	-	1,000.00	-	-	-	-	-
Equipment and Maintenance	11,000.00	7,398.10	11,000.00	9,390.60	-	-	-	-
Mileage and Training	-	-	-	-	1,200.00	4,265.15	1,650.00	1,820.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,000.00	7,398.10	12,000.00	9,390.60	1,200.00	4,265.15	1,650.00	1,820.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,000.00)	(1,724.10)	(6,000.00)	(3,516.56)	(200.00)	(2,501.54)	(650.00)	(891.42)
CASH BALANCES, JANUARY 1	3,259.25	3,259.25	6,775.81	6,775.81	289.04	289.04	1,180.46	1,180.46
CASH BALANCES, DECEMBER 31	\$ (2,740.75)	\$ 1,535.15	\$ 775.81	\$ 3,259.25	\$ 89.04	\$ (2,212.50)	\$ 530.46	\$ 289.04

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW OFFICER TRAINING FUND				FAMILIES IN CRISIS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,700.00	\$ 1,700.78	\$ 2,000.00	\$ 1,619.76	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,800.00	3,684.75	4,000.00	3,703.50	600.00	606.00	600.00	655.00
Interest	15.00	17.55	-	15.19	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,515.00	5,403.08	6,000.00	5,338.45	600.00	606.00	600.00	655.00
DISBURSEMENTS								
Mileage and Training	4,000.00	2,125.78	5,000.00	1,869.76	-	-	-	-
Ammunition	2,000.00	4,679.80	2,000.00	3,217.92	-	-	-	-
Services and Other	-	-	-	-	952.00	644.00	600.00	640.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	6,805.58	7,000.00	5,087.68	952.00	644.00	600.00	640.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(485.00)	(1,402.50)	(1,000.00)	250.77	(352.00)	(38.00)	-	15.00
CASH BALANCES, JANUARY 1	4,833.58	4,833.58	4,582.81	4,582.81	352.00	352.00	337.00	337.00
CASH BALANCES, DECEMBER 31	\$ 4,348.58	\$ 3,431.08	\$ 3,582.81	\$ 4,833.58	\$ -	\$ 314.00	\$ 337.00	\$ 352.00

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				SHERIFF'S CIVIL FEES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,000.00	\$ 4,173.09	\$ 2,700.00	\$ 4,098.26	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	18,000.00	17,455.83	18,000.00	16,644.35
Interest	50.00	125.52	25.00	32.64	100.00	398.63	100.00	109.54
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,050.00	4,298.61	2,725.00	4,130.90	18,100.00	17,854.46	18,100.00	16,753.89
DISBURSEMENTS								
Mileage and Training	10,500.00	4,297.20	15,400.00	6,347.45	-	-	-	-
Supplies and Equipment	-	-	-	-	40,000.00	25,482.14	35,000.00	17,388.95
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,500.00	4,297.20	15,400.00	6,347.45	40,000.00	25,482.14	35,000.00	17,388.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,450.00)	1.41	(12,675.00)	(2,216.55)	(21,900.00)	(7,627.68)	(16,900.00)	(635.06)
CASH BALANCES, JANUARY 1	10,531.83	10,531.83	12,748.38	12,748.38	38,949.23	38,949.23	39,584.29	39,584.29
CASH BALANCES, DECEMBER 31	\$ 4,081.83	\$ 10,533.24	\$ 73.38	\$ 10,531.83	\$ 17,049.23	\$ 31,321.55	\$ 22,684.29	\$ 38,949.23

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF'S REVOLVING FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	\$ 2,867.64	\$ 10,000.00	\$ 3,883.89
Charges for Services	1,500.00	6,701.36	1,000.00	1,500.00	-	-	-	-
Interest	26.00	159.33	-	26.45	50.00	265.44	50.00	59.50
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,526.00	6,860.69	1,000.00	1,526.45	2,050.00	3,133.08	10,050.00	3,943.39
DISBURSEMENTS								
Office	5,000.00	8,335.00	6,000.00	403.00	-	-	-	-
Elections	-	-	-	-	20,000.00	1,949.14	30,000.00	4,441.12
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,000.00	8,335.00	6,000.00	403.00	20,000.00	1,949.14	30,000.00	4,441.12
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,474.00)	(1,474.31)	(5,000.00)	1,123.45	(17,950.00)	1,183.94	(19,950.00)	(497.73)
CASH BALANCES, JANUARY 1	10,252.76	10,252.76	9,129.31	9,129.31	20,951.66	20,951.66	21,449.39	21,449.39
CASH BALANCES, DECEMBER 31	<u>\$ 6,778.76</u>	<u>\$ 8,778.45</u>	<u>\$ 4,129.31</u>	<u>\$ 10,252.76</u>	<u>\$ 3,001.66</u>	<u>\$ 22,135.60</u>	<u>\$ 1,499.39</u>	<u>\$ 20,951.66</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER'S TECHNOLOGY FUND				JAIL BOND FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 20,000.00	\$ 6,134.50	\$ 17,000.00	\$ 20,473.75	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	6,907.17	-	49,325.02
Interest	140.00	809.46	-	142.53	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,140.00	6,943.96	17,000.00	20,616.28	-	6,907.17	-	49,325.02
DISBURSEMENTS								
Services and Other	62,455.08	-	55,000.00	150.00	-	-	-	-
Salaries	-	-	-	-	35,000.00	43,495.85	33,904.00	-
Fringe Benefits	-	-	-	-	14,450.00	2,892.72	-	-
Repairs and Maintenance	-	-	-	-	100,000.00	46,826.51	135,000.00	99,308.69
Building and Equipment Maintenance	-	-	-	-	200,000.00	298,888.89	280,000.00	420,701.98
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	62,455.08	-	55,000.00	150.00	349,450.00	392,103.97	448,904.00	520,010.67
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,315.08)	6,943.96	(38,000.00)	20,466.28	(349,450.00)	(385,196.80)	(448,904.00)	(470,685.65)
CASH BALANCES, JANUARY 1	62,455.08	62,455.08	41,988.80	41,988.80	802,589.45	802,589.45	1,273,275.10	1,273,275.10
CASH BALANCES, DECEMBER 31	<u>\$ 20,140.00</u>	<u>\$ 69,399.04</u>	<u>\$ 3,988.80</u>	<u>\$ 62,455.08</u>	<u>\$ 453,139.45</u>	<u>\$ 417,392.65</u>	<u>\$ 824,371.10</u>	<u>\$ 802,589.45</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	TAX MAINTENANCE FUND				PROSECUTING ATTORNEY FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	27,000.00	30,175.70	24,000.00	27,208.23	200.00	52.91	200.00	51.59
Interest	300.00	1,402.01	225.00	305.80	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	27,300.00	31,577.71	24,225.00	27,514.03	200.00	52.91	200.00	51.59
DISBURSEMENTS								
Office	82,116.02	29,052.40	78,000.00	17,329.50	3,500.00	-	3,500.00	-
Professional Services	54,744.02	2,256.50	40,000.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	136,860.04	31,308.90	118,000.00	17,329.50	3,500.00	-	3,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(109,560.04)	268.81	(93,775.00)	10,184.53	(3,300.00)	52.91	(3,300.00)	51.59
CASH BALANCES, JANUARY 1	111,860.04	111,860.04	101,675.51	101,675.51	3,970.01	3,970.01	3,918.42	3,918.42
CASH BALANCES, DECEMBER 31	<u>\$ 2,300.00</u>	<u>\$ 112,128.85</u>	<u>\$ 7,900.51</u>	<u>\$ 111,860.04</u>	<u>\$ 670.01</u>	<u>\$ 4,022.92</u>	<u>\$ 618.42</u>	<u>\$ 3,970.01</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DEPUTY WAGE SUPPLEMENT FUND				LOCAL SOLICITATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 6,000.00	\$ 5,710.00	\$ 5,000.00	\$ 6,010.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	5,710.00	5,000.00	6,010.00	-	-	-	-
DISBURSEMENTS								
Salaries	6,000.00	5,650.00	5,000.00	6,060.00	-	-	-	-
Services and Other	-	-	-	-	-	-	-	102.00
TOTAL DISBURSEMENTS	6,000.00	5,650.00	5,000.00	6,060.00	-	-	-	102.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	60.00	-	(50.00)	-	-	-	(102.00)
CASH BALANCES, JANUARY 1	460.00	460.00	510.00	510.00	-	-	102.00	102.00
CASH BALANCES, DECEMBER 31	\$ 460.00	\$ 520.00	\$ 510.00	\$ 460.00	\$ -	\$ -	\$ 102.00	\$ -

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	INMATE SECURITY FUND				SENATE BILL 40 FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 314,000.00	\$ 308,081.43	\$ 310,000.00	\$ 313,903.86
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	275,000.00	221,025.20	225,000.00	218,706.70	20,000.00	28,755.27	24,000.00	18,596.88
Interest	500.00	1,983.64	-	336.02	1,200.00	1,787.03	480.00	1,202.47
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	275,500.00	223,008.84	225,000.00	219,042.72	335,200.00	338,623.73	334,480.00	333,703.21
DISBURSEMENTS								
Equipment and Maintenance	40,000.00	-	40,000.00	-	33,000.00	-	18,000.00	2,850.00
Prisoner Transfer	180,000.00	137,509.74	200,000.00	225,698.60	-	-	-	-
BCI Contract Payments	-	-	-	-	216,000.00	251,000.00	216,000.00	216,000.00
Loan Payments	-	-	-	-	80,000.00	-	120,000.00	-
Services and Other	-	-	-	-	80,462.50	-	80,462.50	45,612.50
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	220,000.00	137,509.74	240,000.00	225,698.60	409,462.50	251,000.00	434,462.50	264,462.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	55,500.00	85,499.10	(15,000.00)	(6,655.88)	(74,262.50)	87,623.73	(99,982.50)	69,240.71
CASH BALANCES, JANUARY 1	112,540.21	112,540.21	119,196.09	119,196.09	225,222.97	225,222.97	155,982.26	155,982.26
CASH BALANCES, DECEMBER 31	<u>\$ 168,040.21</u>	<u>\$ 198,039.31</u>	<u>\$ 104,196.09</u>	<u>\$ 112,540.21</u>	<u>\$ 150,960.47</u>	<u>\$ 312,846.70</u>	<u>\$ 55,999.76</u>	<u>\$ 225,222.97</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY BAD CHECK FUND				SENIOR SERVICES BOARD FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 110,000.00	\$ 110,079.07	\$ 105,000.00	\$ 111,539.70
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	241.71	-	127.15
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	110,000.00	110,320.78	105,000.00	111,666.85
DISBURSEMENTS								
Senior Service Expenses	-	-	-	-	52,000.00	28,824.94	25,000.00	21,209.53
Building Maintenance	-	-	-	-	35,000.00	21,949.69	22,500.00	17,116.85
Operational Support	-	-	-	-	48,000.00	36,641.80	47,500.00	1,931.36
Contingency	-	-	-	-	25,000.00	134.90	10,000.00	5,102.26
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	160,000.00	87,551.33	105,000.00	45,360.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(50,000.00)	22,769.45	-	66,306.85
CASH BALANCES, JANUARY 1	318.31	318.31	318.31	318.31	110,857.52	110,857.52	44,550.67	44,550.67
CASH BALANCES, DECEMBER 31	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 60,857.52</u>	<u>\$ 133,626.97</u>	<u>\$ 44,550.67</u>	<u>\$ 110,857.52</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CAPITAL IMPROVEMENT SALES TAX FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 710,000.00	\$ 728,486.59	\$ 697,300.00	\$ 724,981.32
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	700.00	4,094.41	750.00	713.39
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	710,700.00	732,581.00	698,050.00	725,694.71
DISBURSEMENTS				
Repairs and Maintenance	500,000.00	80,248.89	-	47,800.04
Building Improvements	-	140,850.11	97,750.00	64,998.73
Bond Trustee	620,500.00	526,972.63	100,000.00	117,636.74
Services and Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,120,500.00	748,071.63	197,750.00	230,435.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(409,800.00)	(15,490.63)	500,300.00	495,259.20
CASH BALANCES, JANUARY 1	511,627.98	511,627.98	16,368.78	16,368.78
CASH BALANCES, DECEMBER 31	<u>\$ 101,827.98</u>	<u>\$ 496,137.35</u>	<u>\$ 516,668.78</u>	<u>\$ 511,627.98</u>

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

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	Tax Surplus Fund	Common School Interest Fund	Surtax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS					
Cash and Cash Equivalents	\$ 3,586.88	\$ 58,177.22	\$ 1,535.15	\$ 12.68	\$ 38.97
Investments	-	-	-	-	-
Total Assets	3,586.88	58,177.22	1,535.15	12.68	38.97
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	3,586.88	58,177.22	1,535.15	12.68	38.97
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,586.88</u>	<u>\$ 58,177.22</u>	<u>\$ 1,535.15</u>	<u>\$ 12.68</u>	<u>\$ 38.97</u>
	FIT FUND	TWP Road and Bridge Fund	Collector	Recorder	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 11.47	\$ 116,527.19	\$ 10,653,086.91	\$ 16,650.00	\$ 19,546.37
Investments	-	-	-	-	-
Total Assets	11.47	116,527.19	10,653,086.91	16,650.00	19,546.37
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	11.47	116,527.19	10,653,086.91	16,650.00	19,546.37
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11.47</u>	<u>\$ 116,527.19</u>	<u>\$ 10,653,086.91</u>	<u>\$ 16,650.00</u>	<u>\$ 19,546.37</u>
	Sheriff	DEA Forfeiture	PILT	Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 76,174.70	\$ 1,512.83	\$ 223.95	\$ 10,947,084.32	
Investments	-	-	-	-	
Total Assets	76,174.70	1,512.83	223.95	10,947,084.32	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	76,174.70	1,512.83	223.95	10,947,084.32	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 76,174.70</u>	<u>\$ 1,512.83</u>	<u>\$ 223.95</u>	<u>\$ 10,947,084.32</u>	

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

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

	Tax Surplus Fund	Common School Interest Fund	Surtax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS					
Cash and Cash Equivalents	\$ 3,193.69	\$ 73,377.04	\$ 12,315.07	\$ 12.68	\$ 4.91
Investments	-	-	-	-	-
Total Assets	3,193.69	73,377.04	12,315.07	12.68	4.91
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	3,193.69	73,377.04	12,315.07	12.68	4.91
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,193.69</u>	<u>\$ 73,377.04</u>	<u>\$ 12,315.07</u>	<u>\$ 12.68</u>	<u>\$ 4.91</u>
	FIT FUND	TWP Road and Bridge Fund	Collector	Recorder	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 0.20	\$ 142,833.87	\$ 9,792,818.04	\$ -	\$ 17,217.03
Investments	-	-	-	-	-
Total Assets	0.20	142,833.87	9,792,818.04	-	17,217.03
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	0.20	142,833.87	9,792,818.04	-	17,217.03
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.20</u>	<u>\$ 142,833.87</u>	<u>\$ 9,792,818.04</u>	<u>\$ -</u>	<u>\$ 17,217.03</u>
	Sheriff	DEA Forfeiture	PILT	Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 66,877.71	\$ 1,512.83	\$ -	\$ 10,110,163.07	
Investments	-	-	-	-	
Total Assets	66,877.71	1,512.83	-	10,110,163.07	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	66,877.71	1,512.83	-	10,110,163.07	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,877.71</u>	<u>\$ 1,512.83</u>	<u>\$ -</u>	<u>\$ 10,110,163.07</u>	

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

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Bates, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: County Clerk, Collector-Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, County Surveyor/Engineer and Prosecuting Attorney.

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 the County of Bates, 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 Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash 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 BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 similar 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-Treasurer and other officeholders.

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.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
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 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 included 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.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 143,716,250	\$ 139,981,130
Personal Property	54,027,207	53,251,597
Railroad and Utilities	36,014,095	34,680,945
	<u>\$ 233,757,552</u>	<u>\$ 227,913,672</u>

During 2019 and 2018, the County Commission approved a \$0.4633 and \$0.4633, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.2724	\$ 0.2724
Senate Bill 40 Fund	0.0503	0.0503
Senior Services Board Fund	0.1406	0.1406
	<u>\$ 0.4633</u>	<u>\$ 0.4633</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 a weighted average of cash balance. Cash equivalents include any 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, 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.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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.

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" 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, 2019, and 2018, the carrying amount of the County's deposits was \$5,054,188.88 and \$5,294,655.16. The bank balance was \$16,175,329.99 and \$15,568,155.02, respectively. As of December 31, 2019 and 2018, the County's deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 5,054,188.88
Total Governmental Funds	5,054,188.88

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	10,947,084.32
Total Agency Funds	10,947,084.32

Total Deposits as of December 31, 2019	<u>\$ 16,001,273.20</u>
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THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS AND INVESTMENTS (concluded)

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

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 5,294,655.16
Total Governmental Funds	5,294,655.16

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	10,110,163.07
Total Agency Funds	10,110,163.07

Total Deposits as of December 31, 2018	\$ <u>15,404,818.23</u>
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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 include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ending December 31, 2019, and 2018.

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 have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

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 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 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 a 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 ending December 31, 2019, and 2018.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

On March 7, 2018, the County entered into a lease certificates of participation agreement with LJ Hart and Company for \$6,580,000. Principal and interest payments are due April 15 and interest only payments are due every October 15, with variable interest rates ranging from 1.75% to 4.00%.

As of December 31, 2019, the unpaid principal balance of the lease purchase was \$6,150,000. The changes in long-term debt for the lease certificates of participation are as follows:

Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
<u>\$6,580,000.00</u>	<u>\$ -</u>	<u>\$430,000.00</u>	<u>\$6,150,000.00</u>	<u>\$190,500.00</u>
December 31,	Interest	Principal	Total	
2020	\$ 182,487.50	\$ 425,000.00	\$ 607,487.50	
2021	173,668.75	425,000.00	598,668.75	
2022	163,925.00	450,000.00	613,925.00	
2023	153,350.00	450,000.00	603,350.00	
2024	142,325.00	450,000.00	592,325.00	
2025-2029	484,375.00	2,525,000.00	3,009,375.00	
2030-2032	61,625.00	1,425,000.00	1,486,625.00	
	<u>\$ 1,361,756.25</u>	<u>\$ 6,150,000.00</u>	<u>\$ 7,511,756.25</u>	

As of December 31, 2018, the unpaid principal balance of the lease purchase was \$6,580,000. The changes in long-term debt for the lease certificates of participation are as follows:

Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
<u>\$ -</u>	<u>\$6,580,000.00</u>	<u>\$ -</u>	<u>\$6,580,000.00</u>	<u>\$117,636.74</u>
December 31,	Interest	Principal	Total	
2019	\$ 190,500.00	\$ 430,000.00	\$ 620,500.00	
2020	182,487.50	425,000.00	607,487.50	
2021	173,668.75	425,000.00	598,668.75	
2022	163,925.00	450,000.00	613,925.00	
2023	153,350.00	450,000.00	603,350.00	
2024-2028	567,750.00	2,450,000.00	3,017,750.00	
2029-2032	120,575.00	1,950,000.00	2,070,575.00	
	<u>\$ 1,552,256.25</u>	<u>\$ 6,580,000.00</u>	<u>\$ 8,132,256.25</u>	

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. CAPITAL LEASES

On March 23, 2018, Bates County entered into a lease purchase agreement with First Capital Equipment Leasing Corporation for 9 Ford Police Interceptor vehicles. The lease purchase is in the amount of \$196,000 with 3 annual payments of \$69,266.94. The lease purchase agreement carries an interest rate of 4.214%.

On October 25, 2018, Bates County entered into a lease purchase agreement with First Capital Equipment Leasing Corporation for 2012 B6 Armored F-550 Officer Transport Truck. The lease purchase is in the amount of \$87,000 with 5 annual payments of \$19,808.63. The lease purchase agreement carries an interest rate of 5.791%.

As of December 31, 2019, the unpaid principal balances of the capital leases were \$135,434.82. The changes in long-term debt for the capital leases are as follows:

Description	Balance 12/31/2018	Current Year Additions	Current Year Deletions and Payments	Balance 12/31/2019	Interest Paid
9 Police Interceptors	\$ 130,244.49	\$ -	\$ 63,778.44	\$ 66,466.05	\$ 5,488.50
Armored F-550	87,000.00	-	18,031.23	68,968.77	1,777.40
	<u>\$ 217,244.49</u>	<u>\$ -</u>	<u>\$ 81,809.67</u>	<u>\$ 135,434.82</u>	<u>\$ 7,265.90</u>

The future payments for the capital leases of the County are as follows:

December 31,	Interest	Principal	Total
2020	\$ 6,794.86	\$ 82,280.71	\$ 89,075.57
2021	3,078.16	16,730.47	19,808.63
2022	2,109.29	17,699.34	19,808.63
2023	1,084.32	18,724.30	19,808.62
	<u>\$ 13,066.63</u>	<u>\$ 135,434.82</u>	<u>\$ 148,501.45</u>

As of December 31, 2018, the unpaid principal balances of the capital leases were \$217,244.49. The changes in long-term debt for the capital leases are as follows:

Description	Balance 12/31/2017	Current Year Additions	Current Year Deletions and Payments	Balance 12/31/2018	Interest Paid
9 Police Interceptors	\$ -	\$ 196,000.00	\$ 65,755.51	\$ 130,244.49	\$ 3,511.43
Armored F-550	-	87,000.00	-	87,000.00	-
	<u>\$ -</u>	<u>\$ 283,000.00</u>	<u>\$ 65,755.51</u>	<u>\$ 217,244.49</u>	<u>\$ 3,511.43</u>

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. CAPITAL LEASES (concluded)

The future payments for the capital leases of the County are as follows:

December 31,	Interest	Principal	Total
2019	\$ 7,265.90	\$ 81,809.67	\$ 89,075.57
2020	6,794.86	82,280.71	89,075.57
2021	3,078.16	16,730.47	19,808.63
2022	2,109.29	17,699.34	19,808.63
2023	1,084.32	18,724.30	19,808.62
	<u>\$ 20,332.53</u>	<u>\$ 217,244.49</u>	<u>\$ 237,577.02</u>

V. OPERATING LEASES

On April 1, 2019, the County entered into an operating lease with Mobilis Technologies LLC for records management software and hardware. Monthly charges are \$1,000, but are billed quarterly. This is a 5 year lease starting June 2019 and ends May 2024. The lease will automatically renew for 1 year periods unless terminated.

2019 Future Minimum Payments for Operating Leases:

Year Ending December 31,	Total Minimum Payments
2020	\$ 12,000.00
2021	12,000.00
2022	12,000.00
2023	12,000.00
2024	5,000.00
	<u>\$ 53,000.00</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ -	\$ 40,000.00	\$ -
Special Road and Bridge Fund	-	-	-	40,000.00
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</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.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. 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 (other than those made by the County) are refunded

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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

to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018 were \$317,277.99 and \$269,603.52, respectively.

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 and \$11,628, respectively, for the years ended December 31, 2019, and 2018.

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. The County had no COBRA participants at December 31, 2019 or December 31, 2018.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Only regular employees who have completed their three-month introductory period are eligible to receive vacation time. Vacation time must be used in its entirety within the year that it is earned, and unused time is forfeited at the year end. Vacation time is not paid out if the employment terminates. 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 not appropriate 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.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 for 2019 and \$2,000,000 per occurrence for 2018. It is then reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There were no subsequent events to be reported as of the audit report date

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDING

- I. For the year ended December 31, 2019, actual expenditures exceeded those budgeted in the Prosecuting Attorney Training Fund, Law Officer Training Fund, Sheriff's Revolving Fund and Jail Bond Fund.
- II. For the year ended December 31, 2018, actual expenditures exceeded those budgeted in the Prosecuting Attorney Training Fund, Families in Crisis Fund, Jail Bond Fund, Deputy Wage Supplement Fund and Capital Improvement Sales Tax Fund.
- III. For the year ended December 31, 2019, the Prosecuting Attorney Training Fund had a deficit balance of (\$2,212.50).
- IV. For the year ended December 31, 2019, the Recorder's User Fee Fund was deficit budgeted in the amount of (\$2,740.75).
- V. For the year ended December 31, 2018, no budget was prepared for the Local Solicitation Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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 Bates, 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 Bates ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 19, 2020.

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. (2019-001, 2019-002 and 2019-003)

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*.

County's Response to Findings

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

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.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

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

August 19, 2020

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS

2019-001 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 discussions with management, we noted that internal control documentation has 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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

2019-002 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 our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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.

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

2019-003 Criteria: Bank reconciliations must be accurately prepared for the Collector's accounts.

Condition: We noted that the bank reconciliations for the Collector did not reconcile back to the bank statement.

Context: During our audit procedures of cash we reviewed the bank reconciliations for the Collector's office.

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

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The County Collector's Office (Jimmy Platt) will modify the bank reconciliations to the recommended format. The County Collector's office phone number is (660) 679-3341.

THE COUNTY OF BATES
BUTLER, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2017-001 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 discussions with management, we noted that internal control documentation has 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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

Status: This finding is repeated in the current audit period as 2019-001.

2017-002 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 our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

THE COUNTY OF BATES
BUTLER, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

2017-002 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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

Status: This finding is repeated in the current audit period as 2019-002.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2020

To the County Commission
The County of Bates, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Bates (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, 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 a 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

2019-001 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.

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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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

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Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-002 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 (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

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

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The County Collector's Office (Jimmy Platt) will modify the bank reconciliations to the recommended format. The County Collector's office phone number is (660) 679-3341.

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 and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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 2019 and 2018 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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 19, 2020.

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.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Other Matters

We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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.