



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wayne County, Missouri

The Office of the State Auditor contracted for an audit of the Wayne County's financial statements for the year 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

November 2020
Report No. 2020-096



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Wayne County

2019-001	The Collector prepare accurate and timely bank reconciliations for all accounts.
2019-002	The Collector obtain all funds from the prior Collector.
2019-003	The county should implement procedures to ensure that the risk assessment over federal awards is addressed going forward.
2019-004	The county should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The county should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Wayne, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Wayne ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements-budget and actual 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 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, or changes in net position or cash flows thereof for the year then ended.

Basis for Qualified Opinion on Collector’s Bank Accounts

During the course of our audit, we noted that the former Collector continues to maintain an account in her name after she left office, which we were not able to obtain information for. The current Collector was not able to provide bank account reconciliations for 2019 therefore, we were not able to test the Collector’s accounts.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Collector’s Bank Accounts” paragraph, 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 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 described in Note I.

Other Matters

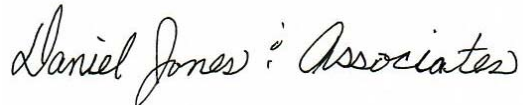
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Wayne’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2020, on our consideration of the County of Wayne'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 Wayne's internal control over financial reporting and compliance.

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

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

July 20, 2020

FINANCIAL STATEMENTS

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

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 532,660.35	\$ 2,648,781.37	\$ 2,706,620.81	\$ 474,820.91
Special Road and Bridge Fund	53,548.47	2,327,517.37	2,306,743.98	74,321.86
Assessment Fund	3,346.82	184,281.45	178,611.23	9,017.04
Prosecuting Attorney Training Fund	666.32	1,152.79	-	1,819.11
Law Enforcement Training Fund	601.15	3,518.42	4,053.09	66.48
Special Trust Fund	-	529.88	-	529.88
Inmate Security Fund	9,057.92	42,126.42	50,875.59	308.75
Law Library Fund	473.19	6,941.56	2,625.06	4,789.69
Landfill Fund	12,694.84	320.35	-	13,015.19
Law Enforcement Restitution Fund	18,167.85	134,941.60	125,416.49	27,692.96
Recorder's User's Fee Fund	38,178.59	29,731.10	41,138.59	26,771.10
Sheriff's Civil Fund	4,358.08	23,709.99	26,340.12	1,727.95
Sheriff's Revolving Fund	2,287.94	6,268.25	5,416.30	3,139.89
Special Prosecuting Attorney Check Fund	3,882.84	18,156.03	12,905.00	9,133.87
Election Services Fund	17,066.43	2,745.99	100.00	19,712.42
Tax Maintenance Fund	-	20,267.29	19,918.16	349.13
DWI Fund	6,650.58	10,727.25	686.25	16,691.58
Title III Fund	131,229.78	32,500.72	-	163,730.50
Prosecuting Attorney Law Enforcement Fund	6,848.98	30,738.00	27,013.49	10,573.49
Senate Bill 40 Fund	256,559.00	124,996.87	115,929.00	265,626.87
Wayne County Improvement Corp. Fund	45,169.39	48,999.32	43,963.00	50,205.71
TOTAL	\$ 1,143,448.52	\$ 5,698,952.02	\$ 5,668,356.16	\$ 1,174,044.38

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 25,000.00	\$ 30,147.64
Sales Taxes	883,000.00	898,087.56
Intergovernmental	607,822.18	659,468.82
Charges for Services	236,000.00	228,384.78
Interest	5,000.00	8,091.24
Other	679,605.12	761,916.95
Transfers In	67,750.00	62,684.38
TOTAL RECEIPTS	2,504,177.30	2,648,781.37
DISBURSEMENTS		
County Commission	85,975.00	84,560.37
County Clerk	74,301.60	74,392.86
Elections	64,632.33	62,105.15
Buildings and Grounds	75,130.00	66,767.21
Employee Fringe Benefits	261,166.00	236,625.79
County Treasurer	42,950.00	41,931.38
Collector	109,108.00	109,283.46
Recorder of Deeds	52,835.00	61,790.57
Circuit Clerk	20,533.00	15,350.01
Court Administration	6,450.50	3,065.69
Public Administrator	48,880.00	45,360.47
Sheriff	651,406.57	610,512.89
Jail	478,567.00	533,415.45
Prosecuting Attorney	144,080.00	140,280.22
Juvenile Officer	50,421.28	50,421.58
Coroner	22,911.00	13,596.40
Jury	100,000.00	6,461.49
Other	182,128.57	438,360.31
Health and Welfare	51,000.00	48,359.30
Transfers Out	57,433.23	63,980.21
TOTAL DISBURSEMENTS	2,579,909.08	2,706,620.81
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(75,731.78)	(57,839.44)
CASH AND INVESTMENT BALANCES, JANUARY 1	532,660.35	532,660.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 456,928.57	\$ 474,820.91

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL ROAD AND BRIDGE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 160,000.00	\$ 179,781.00
Sales Taxes	440,000.00	449,079.00
Intergovernmental	861,455.66	1,096,290.36
Interest	1,500.00	2,305.00
Other	155,213.02	554,515.03
Transfers In	45,546.98	45,546.98
TOTAL RECEIPTS	1,663,715.66	2,327,517.37
DISBURSEMENTS		
Salaries	420,000.00	404,205.00
Employee Fringe Benefits	88,250.00	85,746.00
Supplies	362,300.00	440,883.00
Insurance	36,500.00	4,044.00
Road and Bridge Materials	344,233.63	457,231.00
Equipment Purchases	50,000.00	369,442.63
Road and Bridge Construction	275,455.66	426,214.00
Other	86,976.37	86,978.35
Transfers Out	-	32,000.00
TOTAL DISBURSEMENTS	1,663,715.66	2,306,743.98
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	20,773.39
CASH AND INVESTMENT BALANCES, JANUARY 1	53,548.47	53,548.47
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 53,548.47	\$ 74,321.86

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		PROSECUTING ATTORNEY TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 145,150.00	\$ 160,628.00	\$ -	\$ -
Charges for Services	2,135.00	-	904.00	1,152.79
Other	7,110.00	5,220.22	-	-
Transfers In	18,433.23	18,433.23	-	-
TOTAL RECEIPTS	172,828.23	184,281.45	904.00	1,152.79
DISBURSEMENTS				
Salaries	105,393.90	107,935.00	-	-
Office Expenses	11,000.00	9,696.23	-	-
Equipment	2,500.00	1,318.00	-	-
Mileage and Training	6,440.00	7,836.00	-	-
Telephone	150.00	413.00	-	-
Employee Fringe Benefits	32,500.00	32,412.00	-	-
Mapping Contract	9,922.50	7,541.00	-	-
Software Purchases	8,200.00	11,460.00	-	-
Tuition	-	-	1,300.00	-
TOTAL DISBURSEMENTS	176,106.40	178,611.23	1,300.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,278.17)	5,670.22	(396.00)	1,152.79
CASH AND INVESTMENT BALANCES, JANUARY 1	3,346.82	3,346.82	666.32	666.32
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 68.65	\$ 9,017.04	\$ 270.32	\$ 1,819.11

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT TRAINING FUND		SPECIAL TRUST FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 2,002.00	\$ 2,008.00	\$ -	\$ -
Charges for Services	\$ 1,000.00	\$ 322.00	\$ 700.00	\$ 528.00
Interest	10.00	4.93	10.00	1.88
Other	1,000.00	1,183.49	-	-
TOTAL RECEIPTS	4,012.00	3,518.42	710.00	529.88
DISBURSEMENTS				
Sheriff's Association Dues	1,500.00	1,620.00	-	-
Training	1,700.00	2,083.09	-	-
Mileage	200.00	350.00	-	-
Meals	250.00	-	-	-
Lodging	750.00	-	-	-
Fuel	100.00	-	-	-
TOTAL DISBURSEMENTS	4,500.00	4,053.09	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(488.00)	(534.67)	710.00	529.88
CASH AND INVESTMENT BALANCES, JANUARY 1	601.15	601.15	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 113.15</u>	<u>\$ 66.48</u>	<u>\$ 710.00</u>	<u>\$ 529.88</u>

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	INMATE SECURITY FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 6,000.00	\$ 3,081.00
Other	50,000.00	39,045.42
TOTAL RECEIPTS	56,000.00	42,126.42
DISBURSEMENTS		
Sheriff Supplies	55,000.00	50,875.59
TOTAL DISBURSEMENTS	55,000.00	50,875.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000.00	(8,749.17)
CASH AND INVESTMENT BALANCES, JANUARY 1	9,057.92	9,057.92
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 10,057.92	\$ 308.75

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>LAW LIBRARY FUND</u>		<u>LANDFILL FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 7,000.00	\$ 6,924.00	\$ -	\$ -
Interest	4.00	17.56	250.00	320.35
Other	-	-	-	-
TOTAL RECEIPTS	7,004.00	6,941.56	250.00	320.35
DISBURSEMENTS				
Materials Updates	7,400.00	2,625.06	-	-
TOTAL DISBURSEMENTS	7,400.00	2,625.06	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(396.00)	4,316.50	250.00	320.35
CASH AND INVESTMENT BALANCES, JANUARY 1	473.19	473.19	12,694.84	12,694.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 77.19</u>	<u>\$ 4,789.69</u>	<u>\$ 12,944.84</u>	<u>\$ 13,015.19</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>LAW ENFORCEMENT RESTITUTION FUND</u>		<u>RECORDER'S USER'S FEE FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges For Services	150,000.00	134,772.16	26,000.00	29,483.10
Interest	150.00	169.44	200.00	248.00
Other	-	-	-	-
TOTAL RECEIPTS	<u>150,150.00</u>	<u>134,941.60</u>	<u>26,200.00</u>	<u>29,731.10</u>
DISBURSEMENTS				
Supplies and Equipment	35,750.00	26,861.98	3,280.00	3,276.00
Computer Hardware and Support	-	-	26,220.00	26,197.09
Transfer to Agency Funds	42,750.00	37,185.73	11,666.00	11,665.50
Transfers Out	<u>71,500.00</u>	<u>61,368.78</u>	<u>-</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>150,000.00</u>	<u>125,416.49</u>	<u>41,166.00</u>	<u>41,138.59</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	150.00	9,525.11	(14,966.00)	(11,407.49)
CASH AND INVESTMENT				
BALANCES, JANUARY 1	<u>18,167.85</u>	<u>18,167.85</u>	<u>38,178.59</u>	<u>38,178.59</u>
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	<u>\$ 18,317.85</u>	<u>\$ 27,692.96</u>	<u>\$ 23,212.59</u>	<u>\$ 26,771.10</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>SHERIFF'S CIVIL FUND</u>		<u>SHERIFF'S REVOLVING FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 24,000.00	\$ 22,846.71	\$ 8,000.00	\$ 6,252.50
Interest	25.00	33.46	13.00	15.75
Other	-	829.82	-	-
TOTAL RECEIPTS	24,025.00	23,709.99	8,013.00	6,268.25
DISBURSEMENTS				
Sheriff	27,000.00	26,340.12	-	-
Office Supplies	-	-	10,000.00	5,416.30
TOTAL DISBURSEMENTS	27,000.00	26,340.12	10,000.00	5,416.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,975.00)	(2,630.13)	(1,987.00)	851.95
CASH AND INVESTMENT BALANCES, JANUARY 1	4,358.08	4,358.08	2,287.94	2,287.94
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1,383.08</u>	<u>\$ 1,727.95</u>	<u>\$ 300.94</u>	<u>\$ 3,139.89</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL PROSECUTING ATTORNEY CHECK FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Intergovernmental	\$ -	\$ -
Charges For Services	16,000.00	18,106.00
Interest	20.00	50.03
TOTAL RECEIPTS	16,020.00	18,156.03
DISBURSEMENTS		
State	1,200.00	800.00
Bad Check Reimbursements	5,800.00	12,105.00
Transfers Out	10,000.00	-
TOTAL DISBURSEMENTS	17,000.00	12,905.00
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(980.00)	5,251.03
CASH AND INVESTMENT BALANCES, JANUARY 1	3,882.84	3,882.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,902.84	\$ 9,133.87

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>ELECTION SERVICES FUND</u>		<u>TAX MAINTENANCE FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges For Services	1,000.00	-	19,100.00	20,247.21
Interest	10.00	-	5.50	20.08
Other	2,500.00	2,745.99	-	-
Transfers In	1,000.00	-	-	-
TOTAL RECEIPTS	4,510.00	2,745.99	19,105.50	20,267.29
DISBURSEMENTS				
Election Expenses	4,700.00	100.00	-	-
Office Expenses	-	-	4,855.64	12,059.10
Mileage and Training	-	-	16,171.86	7,859.06
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	4,700.00	100.00	21,027.50	19,918.16
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(190.00)	2,645.99	(1,922.00)	349.13
CASH AND INVESTMENT BALANCES, JANUARY 1	17,066.43	17,066.43	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 16,876.43</u>	<u>\$ 19,712.42</u>	<u>\$ -</u>	<u>\$ 349.13</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	DWI FUND		TITLE III FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 950.00	\$ 10,646.00	\$ 33,000.00	\$ 32,500.72
Interest	50.00	81.25	-	-
Other	-	-	-	-
TOTAL RECEIPTS	1,000.00	10,727.25	33,000.00	32,500.72
DISBURSEMENTS				
Other	4,000.00	686.25	-	-
TOTAL DISBURSEMENTS	4,000.00	686.25	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	10,041.00	33,000.00	32,500.72
CASH AND INVESTMENT BALANCES, JANUARY 1	6,650.58	6,650.58	131,229.78	131,229.78
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 3,650.58</u>	<u>\$ 16,691.58</u>	<u>\$ 164,229.78</u>	<u>\$ 163,730.50</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY LAW ENFORCEMENT FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Intergovernmental	\$ -	\$ -
Interest	70.00	53.60
Other	-	-
Transfers In	35,750.00	30,684.40
TOTAL RECEIPTS	35,820.00	30,738.00
DISBURSEMENTS		
Salaries	2,000.00	24,456.85
Other	35,200.00	2,556.64
Transfers Out	-	-
TOTAL DISBURSEMENTS	37,200.00	27,013.49
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,380.00)	3,724.51
CASH AND INVESTMENT BALANCES, JANUARY 1	6,848.98	6,848.98
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,468.98	\$ 10,573.49

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENATE BILL 40 FUND		WAYNE COUNTY IMPROVEMENT CORP. FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 115,000.00	\$ 123,050.00	\$ -	\$ -
Intergovernmental	-	-	48,734.30	48,402.67
Interest	160.00	1,946.87	-	596.65
Other	-	-	-	-
TOTAL RECEIPTS	115,160.00	124,996.87	48,734.30	48,999.32
DISBURSEMENTS				
Licenses & Permits	-	-	36.00	-
Development Loan - Principal	-	-	17,963.00	17,815.58
Development Loan - Interest	-	-	26,000.00	26,147.42
Utility/Maintenance Expenses	89,100.00	94,891.00	-	-
Office Supplies	-	153.00	-	-
Insurance	12,900.00	11,580.00	-	-
Construction	5,000.00	-	-	-
Bond	550.00	-	-	-
Other	-	9,305.00	-	-
TOTAL DISBURSEMENTS	107,550.00	115,929.00	43,999.00	43,963.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,610.00	9,067.87	4,735.30	5,036.32
CASH AND INVESTMENT BALANCES, JANUARY 1	256,559.00	256,559.00	45,169.39	45,169.39
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 264,169.00</u>	<u>\$ 265,626.87</u>	<u>\$ 49,904.69</u>	<u>\$ 50,205.71</u>

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

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

	<u>Surplus Tax</u>	<u>Recorder of Deeds</u>	<u>Drug Court</u>	<u>Collector</u>	<u>Sheriff</u>	<u>Sheriff's Seizure</u>
ASSETS						
Cash and Cash Equivalents	\$ 32,590.81	\$ 7,509.72	\$ 54,825.95	\$ 2,679,198.19	\$ 37,584.36	\$ 1,774.28
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	32,590.81	7,509.72	54,825.95	2,679,198.19	37,584.36	1,774.28
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	32,590.81	7,509.72	54,825.95	2,679,198.19	37,584.36	1,774.28
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,590.81</u>	<u>\$ 7,509.72</u>	<u>\$ 54,825.95</u>	<u>\$ 2,679,198.19</u>	<u>\$ 37,584.36</u>	<u>\$ 1,774.28</u>

	<u>Financial Institution Tax</u>	<u>Unclaimed Fees Fund</u>	<u>Sheriff's Agency Fund</u>	<u>Garnishments</u>	<u>Time Payment</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 18.04	\$ 2,462.50	\$ 4,755.60	\$ 3,879.82	\$ 556.99	\$ 2,825,156.26
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	18.04	2,462.50	4,755.60	3,879.82	556.99	2,825,156.26
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	18.04	2,462.50	4,755.60	3,879.82	556.99	2,825,156.26
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18.04</u>	<u>\$ 2,462.50</u>	<u>\$ 4,755.60</u>	<u>\$ 3,879.82</u>	<u>\$ 556.99</u>	<u>\$ 2,825,156.26</u>

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wayne, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator 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, public safety, transportation, economic development, and social and recreation services.

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

B. Basis of Presentation

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

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 of Revenue 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 WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 88,176,600
Personal Property	34,588,533
Railroad and Utilities	<u>17,121,963</u>
	<u>\$ 139,887,096</u>

During 2019, the County Commission approved a \$.1900 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.0000
Special Road and Bridge Fund	0.1100
Senate Bill 40 Fund	<u>0.0800</u>
	<u>\$ 0.1900</u>

F. Cash and Investments

Cash 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 WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

G. Interfund Transactions

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

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

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

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, the carrying amount of the County's deposits was \$1,174,044.38, and the bank balance was \$4,169,187.52. The total bank balance as of December 31, 2019 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 and investments 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 and Investment Balances – Governmental Funds

Deposits	\$ 705,185.15
Investments	<u>569,723.22</u>
Total Governmental Funds	1,174,044.38

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

Deposits	2,825,156.26
Investments	<u>-</u>
Total Agency Funds	2,825,156.26

Total Deposits and Investments as of December 31, 2019	<u><u>\$ 3,999,200.64</u></u>
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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type 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 not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

The Wayne County Commission entered into a lease agreement on May 20, 2008, with Wayne County Improvement Corporation, a non-profit 501 (c) (3) Missouri Corporation, for the purpose of leasing the Justice Center to Wayne County, Missouri. The Corporation is treated as a publicly supported organization, and not as a private foundation.

The term of the lease is for 30 years with an annual lease of \$48,500 due starting May 1, 2009. The lease provides for cost increases when necessary.

The Board is composed of six directors, three who are commissioners of Wayne County, Missouri, and three members at large, which are appointed by the commissioners. Due to the accountability to Wayne County Commission, it is believed that the Wayne County Improvement Corporation would be a component unit of Wayne County, Missouri.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

The Wayne County Improvement Corporation has secured financing for the construction of the Justice Center through loans with the United States Department of Agriculture-Rural Development. The Corporation received loan advances of \$521,200 during 2008, with the remaining \$194,800 authorized loans received during 2009. An analysis of the notes payable is as follows:

USDA-RD loan, dated May 20, 2008, authorized amount is \$696,000, interest rate at 4.5%. Note is secured with real estate and a pledge of the lease revenues of the property. Annual payments of \$42,735 including principal and interest are required. The balance was \$515,886.62 as of December 31, 2019.

USDA-RD loan, dated May 20, 2009, authorized amount is \$20,000, interest at 4.5%. Note is secured with real estate and a pledge of the lease revenues of the property. Annual payments of \$1,228 including principal and interest are required. The balance was \$15,739.94 as of December 31, 2019.

USDA-RD Loans	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
May 20, 2008	\$ 533,245.00	\$ -	\$17,358.38	\$ 515,886.62	\$ 25,376.62
May 20, 2009	16,197.14	-	457.20	15,739.94	770.80
	<u>\$ 549,442.14</u>	<u>\$ -</u>	<u>\$17,815.58</u>	<u>\$ 531,626.56</u>	<u>\$ 26,147.42</u>

As of December 31, 2019, the schedule of future payments of USDA Loans payable of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 18,480.96	\$ 25,482.04	\$ 43,963.00
2021	19,312.61	24,650.39	43,963.00
2022	20,181.68	23,781.32	43,963.00
2023	21,089.85	22,873.15	43,963.00
2024	22,038.89	21,924.11	43,963.00
2025-2029	125,993.97	93,821.03	219,815.00
2030-2034	157,011.41	62,803.59	219,815.00
2035-2039	147,517.19	22,867.31	170,384.50
	<u>\$ 531,626.56</u>	<u>\$ 298,202.94</u>	<u>\$ 829,829.50</u>

In 2017, the County entered into a 36-month loan with People's Community Bank for 2014 and 2015 Ford Explorers for \$26,705.00. The loan requires monthly payments of \$797.35 and matures September 25, 2020. The loan has an interest rate of 4.75%.

Loan	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
2014/2015 Ford Explorers	\$ 10,944.42	\$ -	\$10,944.42	\$ -	\$ 288.56
	<u>\$ 10,944.42</u>	<u>\$ -</u>	<u>\$10,944.42</u>	<u>\$ -</u>	<u>\$ 288.56</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. CAPITAL LEASES

In 2014, a capital lease of \$129,312 was obtained for a John Deere 670G Motor Grader. The lease required annual payments of \$27,356.16. The lease matured April 15, 2019, and the interest rate was 1.90%.

In 2019, a capital lease of \$50,020 was obtained for graders. The lease requires annual payments of \$26,544.36. The lease matures May 7, 2021, and the interest rate is 4.00%.

In 2019, a capital lease of \$207,932 was obtained for dump trucks. The lease requires annual payments of \$58,051.45, and matures October 22, 2023. The interest rate is 4.50%.

In 2019, a capital lease of \$19,056 was obtained for Sheriff vehicles. The lease requires monthly payments of \$600, becoming \$569.02 in early 2020, and matures August 17, 2022. The interest rate is 4.75%.

Capital Leases	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
2014 John Deere 670G	\$ 26,845.71	\$ -	\$ 26,845.71	\$ -	\$ 510.45
2019 Graders	-	50,020.00	-	50,020.00	-
2019 Dump Trucks	-	207,932.00	-	207,932.00	-
2019 Sheriff Vehicles	-	19,056.00	1,583.77	17,472.23	123.29
	<u>\$ 26,845.71</u>	<u>\$ 277,008.00</u>	<u>\$ 28,429.48</u>	<u>\$ 275,424.23</u>	<u>\$ 633.74</u>

As of December 31, 2019, the schedule of future payments for the capital leases of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2020	\$ 12,101.97	\$ 79,322.08	\$ 91,424.05
2021	8,699.78	82,724.27	91,424.05
2022	5,044.67	57,859.48	62,904.15
2023	<u>2,533.05</u>	<u>55,518.40</u>	<u>58,051.45</u>
	<u>\$ 28,379.47</u>	<u>\$ 275,424.23</u>	<u>\$ 303,803.70</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. OPERATING LEASES

In 2018, the County entered into an operating lease with Pitney Bowes for Label printer and meter, as well as related items and services. The lease requires quarterly payments of \$263.91, and matures in July 2023. Payments made in 2019 total \$1,055.64.

As of December 31, 2019, the schedule of future payments for the operating lease of the County is as follows:

<u>Year Ending December 31,</u>	<u>Payments</u>
2020	\$ 1,055.64
2021	1,055.64
2022	1,055.64
2023	615.79
	<u>\$ 3,782.71</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	<u>2019</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ 62,684.38	\$ 63,980.21
Special Road and Bridge Fund	45,546.98	32,000.00
Assessment Fund	18,433.23	-
Law Enforcement Restitution Fund	-	61,368.78
Prosecuting Attorney Law Enforcement Fund	<u>30,684.40</u>	<u>-</u>
TOTAL	<u>\$ 157,348.99</u>	<u>\$ 157,348.99</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 WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

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 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 year ended December 31, 2019 was \$189,879.99.

IX. 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 \$3,085.50 for the year ended December 31, 2019.

VIII. 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.

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 three weeks of paid vacation based upon the number of years of continuous service. Sick time is accrued at ½ day for each full month employed, which may accumulate up to 30 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

X. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

XII. SUBSEQUENT EVENTS

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

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the following funds had actual expenses that exceeded budgeted expenses: General Revenue, Special Road and Bridge, Assessment, and Senate Bill 40 Funds.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the County Commission
The County of Wayne, 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 Wayne ("County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 20, 2020. Our opinion on the financial statements was qualified due to not being able to test collector bank accounts.

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 opinion 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and 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 consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

Compliance and Other Matters

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

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

July 20, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission
The County of Wayne, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Wayne's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

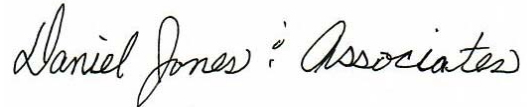
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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

July 20, 2020

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	12/31/19 PROVIDED TO SUBRECIPIENT	12/31/19 FEDERAL EXPENDITURES	FEDERAL EXPENDITURES
<u>U.S. Department of Homeland Security</u>					
Passed Through Missouri Department of Public Safety					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	\$ -	\$ 93,243.75	\$ 93,243.75
Total U.S. Department of Homeland Security			-	93,243.75	93,243.75
<u>U.S. Department of Defense</u>					
Passed Through Missouri Office of Administration					
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	24,927.78	25,797.14	25,797.14
Total U.S. Department of Defense			24,927.78	25,797.14	25,797.14
<u>U.S. Department of the Interior</u>					
Direct Program:					
Payments in Lieu of Taxes	15.226	N/A	-	260,603.00	260,603.00
National Wildlife Refuge Fund	15.659	N/A	-	13,311.00	13,311.00
Passed Through Missouri Office of Administration					
National Forest Acquired Lands	15.438	N/A	94,306.97	125,742.63	125,742.63
Total U.S. Department of the Interior			94,306.97	399,656.63	399,656.63
<u>U.S. Department of Justice</u>					
Passed Through Missouri Department of Public Safety					
Crime Victim Assistance	16.575	N/A	-	18,343.28	18,343.28
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-095	-	9,906.39	9,906.39
Total U.S. Department of Justice			-	28,249.67	28,249.67
<u>U.S. Department of Transportation</u>					
Passed Through Missouri Department of Transportation					
Highway Planning and Construction	20.205	BRO-111(011)	-	218,351.72	218,351.72
Total Highway Planning and Construction			-	218,351.72	218,351.72
Passed Through Missouri Department of Public Safety					
State and Community Highway Safety	20.600	20-PT-02-131	-	1,932.72	1,932.72
State and Community Highway Safety	20.600	19-PT-02-135	-	6,061.47	6,061.47
State and Community Highway Safety	20.600	19-PT-02-051	-	1,243.44	1,243.44
Total State and Community Highway Safety			-	9,237.63	9,237.63
Total U.S. Department of Transportation			-	227,589.35	227,589.35
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the Missouri Department of Economic Development					
Community Development Block Grants/State's program and					
Non-Entitlement Grants in Hawaii	14.228	2018-EM-02	-	42,409.00	42,409.00
	14.228	FR-2018-26	-	13,685.35	13,685.35
Total U.S. Department of Housing and Urban Development			-	56,094.35	56,094.35
<u>U.S. Department of Agriculture</u>					
Passed Through Missouri Office Of Administration					
Schools and Roads - Grants to States	10.665	N/A	138,128.04	216,671.44	216,671.44
Total U.S. Department of Agriculture			138,128.04	216,671.44	216,671.44
TOTAL FEDERAL EXPENDITURES			\$ 257,362.79	\$ 1,047,302.33	\$ 1,047,302.33

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Wayne under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Wayne, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Wayne.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 4 – SUBRECIPIENTS

The County provided federal awards to subrecipients during the year ended December 31, 2019. The subrecipients are as follows:

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal CFDA Number</u>		<u>Amount Provided to Subrecipient</u>
Schools and Roads - Grants to States	Clearwater R-I School District	10.665	2019	\$ 69,018.24
Schools and Roads - Grants to States	Greenville R-II School District	10.665	2019	69,018.24
Schools and Roads - Grants to States	East Carter Co R-II School District	10.665	2019	91.56
National Forest Acquired Lands	Clearwater R-I School District	15.438	2019	47,120.16
National Forest Acquired Lands	Greenville R-II School District	15.438	2019	47,120.16
National Forest Acquired Lands	East Carter Co R-II School District	15.438	2019	66.65
Payments to States in Lieu of Real Estate Taxes	Greenville R-II School District	12.112	2019	20,273.97
Payments to States in Lieu of Real Estate Taxes	Puxico R-VIII School District	12.112	2019	2,899.60
Payments to States in Lieu of Real Estate Taxes	Clearwater R-I School District	12.112	2019	1,754.21
Total Provided to Subrecipients				<u>\$ 257,362.79</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Modified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 X Yes No
 - b. Significant deficiency(ies) identified? 2019 X Yes None Reported
3. Noncompliance material to financial statements noted? 2019 X Yes No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 Yes X No
 - b. Significant deficiency(ies) identified? 2019 X Yes None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 X Yes No

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019	20.205	Highway Planning and Construction
2019	15.226	Payments in Lieu of taxes

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2019 Yes X No

II. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: A bank reconciliation is used to compare records to those of the bank to see if there are any differences between these two sets of records for cash transactions. Fraud detection, bank and accounting errors are the reasons for completing a bank reconciliation.

Condition: During our audit, we were informed that the Collector's office has not prepared bank reconciliations for January and February 2019. According to the Collector, the Collector is reconciling accounts mid-month, however, reconciliations were not provided for all accounts as of December 31, 2019.

Context: Bank reconciliations were not prepared each month in 2019 by the Collector's office.

Effect: By not preparing monthly bank reconciliations, fraud detection, bank and accounting errors could go undetected, causing the financial statements to be improperly reported.

Cause: During the year, the Collector position turned over to a new Collector.

Recommendation: We recommend that the Collector prepare accurate and timely bank reconciliations for all accounts.

Views of Responsible Officials and Planned Corrective Actions: This has been resolved as of now. The Collector has contacted the bank and asked for all accounts to have a first to the last date of the month bank statement to verify the transactions per month for all accounts. The Collector's phone number is (573) 224-5600 Extension 6.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Criteria: Per Section 52.160 RSMo, if any collector resigns, dies or is removed from office for any cause, he, or his legal representatives, shall pay over immediately all moneys which are in his or their hands, due the state, to his successor in office and deliver the tax books to the county clerk.

Condition: During our audit, we were informed that the prior Collector still maintains a Collector bank account.

Context: The prior Collector still maintains a Collector bank account.

Effect: The current Collector is not able to properly account for all funds of the collector's office due to the prior Collector still maintaining a bank account that the current Collector has no access to.

Cause: During the year, the Collector position turned over to a new Collector. All prior year bank account moneys were not turned over from the prior Collector.

Recommendation: We recommend that the Collector obtain all funds from the prior Collector.

Views of Responsible Officials and Planned Corrective Actions: The Collector has received all monies known to the Collector now as prior accounts from the previous Collector and has the funds held and recorded as Unknown Funds from prior Collector in a separate bank account. The phone number for the Collector's office is (573) 224-5600 x 6.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

2019-003	Federal Grantor:	All Federal Grantors listed on the SEFA
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA
	Program Title:	All Program Titles listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulations and the terms and conditions of the Federal awards.

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

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards that meet the requirement for Uniform Guidance.

Questioned Costs: Not applicable

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

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards.

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

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 224-5600 x 4.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019 (concluded)

2019-004	Federal Grantor:	All Federal Grantors listed on the SEFA except U.S. Department of Defense
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA except 12.112
	Program Title:	All Program Titles listed on the SEFA except Payments in Lieu of Real Estate Taxes
	Pass- Through Entity Identification Number:	All Pass-Through Entity Identification Numbers listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office is responsible for preparation of the Schedule of Expenditures of Federal Awards (SEFA). Information to prepare this Schedule is obtained from elected officials and department heads who receive federal awards. The County Clerk is continuously updating his knowledge and procedures in preparing the SEFA Schedule. The phone number for the County Clerk's office is (573) 224-5600 x 4.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No audit was performed on the County for the year ended December 31, 2018.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No audit was performed on the County for the year ended December 31, 2018.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

July 20, 2020

To the Board of Commissioners
County of Wayne

In planning and performing our audit of the regulatory based financial statements of the County of Wayne (the "County") as of and for the year ended December 31, 2019, 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 opinion 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 a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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

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

- I. Deficiency Considered to be Material
- II. Deficiencies Considered to be Significant
- III. 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. DEFICIENCY CONSIDERED TO BE MATERIAL

2019-001

Criteria: A bank reconciliation is used to compare records to those of the bank to see if there are any differences between these two sets of records for cash transactions. Fraud detection, bank and accounting errors are the reasons for completing a bank reconciliation.

Condition: During our audit, we were informed that the Collector's office has not prepared bank reconciliations for January and February 2019. According to the Collector, the Collector is reconciling accounts mid-month, however, reconciliations were not provided for all accounts as of December 31, 2019.

Context: Bank reconciliations were not prepared each month in 2019 by the Collector's office.

Effect: By not preparing monthly bank reconciliations, fraud detection, bank and accounting errors could go undetected, causing the financial statements to be improperly reported.

Cause: During the year, the County Collector position turned over to a new Collector.

Recommendation: We recommend that the Collector prepare accurate and timely bank reconciliations for all accounts.

Views of Responsible Officials and Planned Corrective Actions: This has been resolved as of now. The Collector has contacted the bank and asked for all accounts to have a first to the last date of the month bank statement to verify the transactions per month for all accounts. The phone number for the Collector's office is (573) 224-5600 x 6.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-002

Criteria: Per Section 52.160 RSMo, if any collector resigns, dies or is removed from office for any cause, he, or his legal representatives, shall pay over immediately all moneys which are in his or their hands, due the state, to his successor in office and deliver the tax books to the county clerk.

Condition: During our audit, we were informed that the prior Collector still maintains a Collector bank account.

Effect: The current Collector is not able to properly account for all funds of the collector's office due to the prior Collector still maintaining a bank account that the current Collector has no access to.

Cause: During the year, the County Collector position turned over to a new Collector. All prior year bank account moneys were not turned over from the prior Collector.

Recommendation: We recommend that the Collector obtain all funds from the prior Collector.

Views of Responsible Officials and Planned Corrective Actions: The Collector has received all monies known to the Collector now as prior accounts from the previous Collector and has the funds held and recorded as Unknown Funds from prior Collector in a separate bank account. The phone number for the Collector's office is (573) 224-5600 x 6.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

2019-003	Federal Grantor:	All Federal Grantors listed on the SEFA
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA
	Program Title:	All Program Titles listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulations and the terms and conditions of the Federal awards.

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

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards that meet the requirement for Uniform Guidance.

Questioned Costs: Not applicable

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

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards.

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

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 224-5600 x 4.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2019-004	Federal Grantor:	All Federal Grantors listed on the SEFA except U.S. Department of Defense
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA except 12.112
	Program Title:	All Program Titles listed on the SEFA except Payments in Lieu of Real Estate Taxes
	Pass- Through Entity Identification Number:	All Pass-Through Entity Identification Numbers listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office is responsible for preparation of the Schedule of Expenditures of Federal Awards (SEFA). Information to prepare this Schedule is obtained from elected officials and department heads who receive federal awards. The County Clerk is continuously updating his knowledge and procedures in preparing the SEFA Schedule. The phone number for the County Clerk's office is (573) 224-5600 x 4.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the *Uniform Guidance*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *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

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 year. We noted no transactions entered into by the County during the year 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 July 20, 2020.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, 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.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wayne County, Missouri

The Office of the State Auditor contracted for an audit of the Wayne County's financial statements for the year 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

November 2020
Report No. 2020-096