

TERM OF COMMISSION: August Session of the July Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center  
Chambers

PRESENT WERE: Presiding Commissioner Daniel Atwill  
District I Commissioner Fred Parry  
District II Commissioner Janet Thompson  
Auditor June Pitchford  
Captain Gary German  
Director Community Services Kelly Wallis  
Director Resource Management Stan Shawver  
Deputy County Clerk Michelle Thompson

The meeting was called to order at 1:34 p.m.

**Auditor**

**1. Presentation of the Fiscal Year 2017 Financial Audit Report**

Ted Williamson and Brandi Lawyer from the outside audit team presented the 2017 Financial Audit Report via booklet handout. That handout is included at the end of these minutes.

**Community Services**

**2. First Reading; Purchase of Service Contract: Technology Enhanced Mental Health**

Kelly Wallis stated that this contract is with HeartSpace Clinic which is a non-profit entity, for Technology Enhanced Mental Health. Essentially this is to aid in trauma treatment. They want to implement two different technology interventions that can be offered to those that have traumatic stress.

There were no comments or questions from the Commission.

Commission Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

**Sheriff's Department**

**3. First Reading; Internet Crimes Task Force Grant Acceptance**

Gary German explained that this is the grant for 2018-2019 in the amount of \$184,594.61 and this goes to the Internet Crimes Task Force. Some things such as vision are not covered under this, but this will help get more forensic and circuit level activity on devices.

Commissioner Atwill asked how many people they had in that area.

Gary German said there are three people from the Sheriff's Department on this task force.

There were no more comments or questions from the Commission.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

**4. First Reading; Budget Amendment: Internet Crimes Task Force Grant**

Gary German stated that this is the budget amendment to account for the Internet Crimes Task Force grant that is coming in. Anything that we do not get budgeted in now we will get budgeted in at a later date.

There were no comments or questions from the Commission.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

### **Resource Management**

#### **5. First Reading; Annual Consultant Services Agreement: Anderson Engineering Inc.**

Stan Shawver explained that this was an agreement with Anderson Engineering Inc. which is a civil engineering firm. This is just the standard General Consultant Services Agreement.

Commissioner Parry asked where they were based.

Stan Shawver said their office is here.

There were no more comments or questions from the Commission.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

### **Purchasing**

#### **6. Second Reading; Amendment One – 30-20JUL17 – Great Circle – Early Assessment & Intervention Service for Outcomes Now (EAIS-ON) (1<sup>st</sup> read 8-7-18)**

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby approve the attached Contract Amendment Number One between Boone County and Great Circle.

The terms of the amendment are stipulated in the attached Amendment. It is further ordered the Presiding Commissioner is hereby authorized to sign said Contract Amendment Number One.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #372-2018**

**7. Second Reading; CC170187001 – Rental Equipment for Construction & Related Maintenance or Facility Operations (1<sup>st</sup> read 8-7-18)**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby approve the utilization of the State of Missouri cooperative contract CC170187001 to purchase rental equipment for construction and related maintenance from United Rentals (North America), Inc.

The terms of the Cooperative Contract are stipulated in the attached Purchase Agreement. It is further ordered the Presiding Commissioner is hereby authorized to sign said Purchase Agreement.

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #373-2018**

**8. Second Reading; 33-19JUL18-Solid Block Asphalt Sealant – Term & Supply (1<sup>st</sup> read 8-7-18)**

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby award bid 33-19JUL18-Solid Block Asphalt Sealant – Term & Supply to Paving

Maintenance Supply, a Division of Crafc0, Inc.

Terms of the contract award are stipulated in the attached Purchase Agreement. It is further ordered the Presiding Commissioner is hereby authorized to sign said Purchase Agreement.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #374-2018**

**Commission**

**9. First & Second Reading; Board re-appointment: Jason Hoffman, Health Trust Committee**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby re-appoint the following:

| <b>Name</b>   | <b>Board</b>           | <b>Period</b>                        |
|---------------|------------------------|--------------------------------------|
| Jason Hoffman | Health Trust Committee | August 1, 2018 through July 31, 2021 |
|               |                        |                                      |

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #375-2018**

**10. First & Second Reading; Application for Organizational Use of Boone County Courthouse Plaza: Air Force ROTC**

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby approve the Organizational Use of the Boone County Courthouse Plaza and

Boone County Commission Chambers by Air Force ROTC, Det 440 – University of Missouri from 10:00 am November 2<sup>nd</sup> through 3:00 pm November 3<sup>rd</sup>, 2018.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #376-2018**

**11. Public Comment**

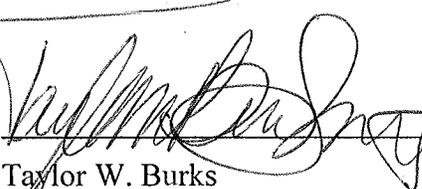
None

**12. Commission Reports**

None

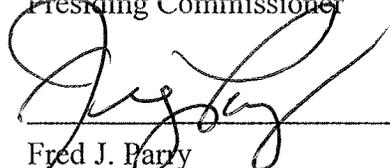
The meeting adjourned at 2:08 p.m.

Attest:

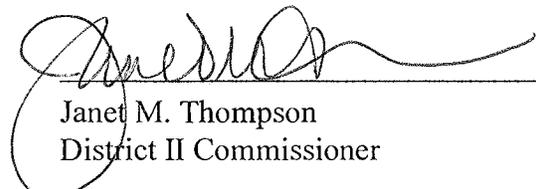
  
Taylor W. Burks  
Clerk of the County Commission

  
\_\_\_\_\_

Daniel K. Atwill  
Presiding Commissioner

  
\_\_\_\_\_

Fred J. Parry  
District I Commissioner

  
\_\_\_\_\_

Janet M. Thompson  
District II Commissioner

# County of Boone, Missouri



Views

## Presentation On Results Of The Annual Audit



for the year ended  
December 31, 2017

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The County Commissioners  
Boone County, Missouri

We are pleased to have the opportunity to present to you the results of our audit engagement of Boone County, Missouri for the year ended December 31, 2017. The accompanying report presents information regarding the scope of our audit and other matters, which summarizes the results of our audit engagement.

We thank you for the opportunity to be of continued service to the County. We have received excellent cooperation and assistance from both management and staff with respect to access to records, supporting documentation and responses to inquiries. No limitations were placed upon our ability to perform the audit.

*Rubin Brown LLP*

June 26, 2018

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# Engagement Team

Bodine County, Missouri

**Ted Williamson**  
Engagement Partner

**Brandi Lawyer**  
Engagement Manager

**Steven Hays**  
Engagement In-Charge

**Joe Schroeder, Keely Jacks**  
Engagement Staff

# Auditor Communications

Boone County, Missouri

County Commissioners  
Boone County, Missouri

We have audited the basic financial statements of Boone County, Missouri (the County) for the year ended December 31, 2017. Our audit was performed 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Auditor Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America and the County complied, in all material respects, with the applicable compliance requirements of its major federal program. Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. We also evaluated the appropriateness of accounting policies used by the County and the reasonableness of significant accounting estimates made by the County's management, as well as evaluated the overall presentation of the financial statements.

Auditing standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

This information is intended solely for the use of the County Commissioners, elected officials and management and is not intended to be and should not be used by anyone other than these specified parties.

*RubinBrown LLP*

June 26, 2018

For County Commissioners, Elected Officials And  
Management Use Only



# Auditor Communications (Continued)

| AREA  | COMMENTS  |
|---|---|
| <p><b>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards and Scope of Services</b></p> <p>Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and the County compiled, in all material respects, with the applicable compliance requirements of its major federal programs. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.</p> <p>Professional standards also require that we obtain an understanding of the County's internal control. However, such understanding is required for the purpose of assessing the risks of material misstatement of the financial statements and to design the nature, timing, and extent of our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p> | <p>We have issued:</p> <ul style="list-style-type: none"> <li>■ An unmodified opinion on the County's financial statements for the year ended December 31, 2017.</li> <li>■ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with Government Auditing Standards.</li> <li>■ An unmodified opinion on compliance and a report on internal controls over federal financial assistance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance).</li> <li>■ Report to the Governing Body.</li> </ul> |
| <p><b>Other Information In Documents Containing Audited Financial Statements</b></p>  | <p>To our knowledge, the 2017 audited financial statements are not included in any other document.</p>  |



# Auditor Communications (Continued)

| AREA   | COMMENTS  |
|--|---|
| <p><b>Planned Scope And Timing Of The Audit</b></p>  | <p>We performed the audit as stated in our engagement letter dated March 30, 2018 regarding the nature, timing and extent of our audit procedures.</p>  |
| <p><b>Qualitative Aspects Of Accounting Practices</b><br/>                     Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.</p>  | <ul style="list-style-type: none"> <li>■ Significant accounting policies are described in Note 1.</li> <li>■ No new accounting policies were adopted and the application of existing policies was not changed.</li> <li>■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus.</li> <li>■ No significant transactions have been recognized in a different period than when the transactions occurred.</li> </ul>  |
| <p><b>Management Judgments And Accounting Estimates</b><br/>                     The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.<br/><br/>                     We evaluated the key factors and assumptions used to develop the estimates noted at right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p> | <ul style="list-style-type: none"> <li>■ Depreciation and useful lives of capital assets.</li> <li>■ Fair value of investments</li> <li>■ Estimated property taxes collectible.</li> <li>■ Period of availability for revenue recognition purposes.</li> <li>■ Actuarial assumptions utilized in the calculation of pension and other post-employment benefit liabilities and related accounts.</li> <li>■ Estimated liability for payment of incurred (both reported and unreported) but unpaid insurance claims.</li> </ul> |

# Auditor Communications (Continued)

| AREA   | COMMENTS   |
|--|--|
| <p><b>Financial Statement Disclosures</b><br/>                     The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements' users.</p>   | <p>The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>■ Note 2 - Cash and investments</li> <li>■ Note 7 - Capital assets</li> <li>■ Note 8 - Long-term liabilities</li> <li>■ Note 10 - Employee benefit plans</li> <li>■ Note 11 - Other postemployment benefit plan</li> <li>■ Note 13 - Risk management</li> </ul> |
| <p><b>Corrected And Uncorrected Misstatements</b><br/>                     Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p> | <p>We identified no corrected or uncorrected misstatements during the audit.</p>   |

# Auditor Communications (Continued)

| AREA  | COMMENTS  |
|---|---|
| Difficulties Encountered In Performing The Audit            | There were no difficulties encountered in dealing with management related to the performance of the audit.  |
| Disagreements With Management                               | None  |
| Management Representations                                  | Management representation letter dated June 26, 2018. A copy is included as an exhibit.   |
| 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 an entity's financial statements or a determination of the type of auditors' 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                              | There were no matters of significant discussion that affected our retention as the County's auditors.   |

# Auditor Communications (Continued)

| AREA          | COMMENTS  |
|---------------|---|
| Other Matters | <p>The Management's Discussion and Analysis, Schedules of Selected Pension Information, Schedules of OPEB Funding Progress and Budgetary Comparison Information are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.</p> |
|               | <p>The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is management's responsibility and has been subjected to certain audit procedures. In our opinion, the supplementary information is fairly stated in relation to the financial statements taken as a whole.</p>   |
|               | <p>The introductory section and statistical section were not subjected to the auditing procedures applied in the audit of the basic financial statements. We do not express an opinion or provide any assurance on them.</p>  |



# Areas That Provide Opportunity For Improvement

## Treasurer's Office

When receiving funds that are to be paid out to a third party, the Treasurer's Office should allow time for the deposit to clear the bank prior to disbursing the funds. Currently, the funds are receipted and disbursed in the same day.

- Management's Follow-Up: The Treasurer's Office has implemented a policy of determining the clearance of any monies deposited via check. The depository institution can verify if there is any question on a quick turnaround of funds.

For refunds that are to be disbursed, the Treasurer's Office should obtain and review documentation that substantiates the requested refund was actually received and deposited by the Treasurer's Office and cleared the bank prior to disbursing the funds.

- Management's Follow-Up: Internal training was provided to staff. Fund balance verification is a mandatory step prior to any disbursement from the Treasurer's office.

The Treasurer's Office receives funds from various County Offices. For miscellaneous receipts, the Treasurer's Office should consider creating a form to be completed by other offices which would contain the required information to code the cash receipt (department name, details on the receipts, account code). This would reduce the time needed to research how miscellaneous receipts should be coded to the general ledger.

- Management's Follow-Up: After analysis, it was determined that this should be implemented as part of the new ERP system integration.

# Areas That Provide Opportunity For Improvement (Continued)

Boone County, Missouri

For any ACH/Wire transfer requests that are made, ensure the process is followed to verify the transfer was requested by the vendor.

- Management's Follow-Up: The procedures required around this process are detailed and in line with the requirements provided by the County's General Liability Insurance carrier as to what they deem necessary for a loss to be covered. The Treasurer's office staff have explicit procedures to verify the identify of a requestor of funds. There are also explicit instructions as to how to verify changes to banking information.

For agency fund transactions, consider a reconciliation process to ensure the agency's fund has an appropriate cash balance to cover the amount that is being disbursed. In addition, a reconciliation should be completed monthly to ensure all funds receipted are being disbursed.

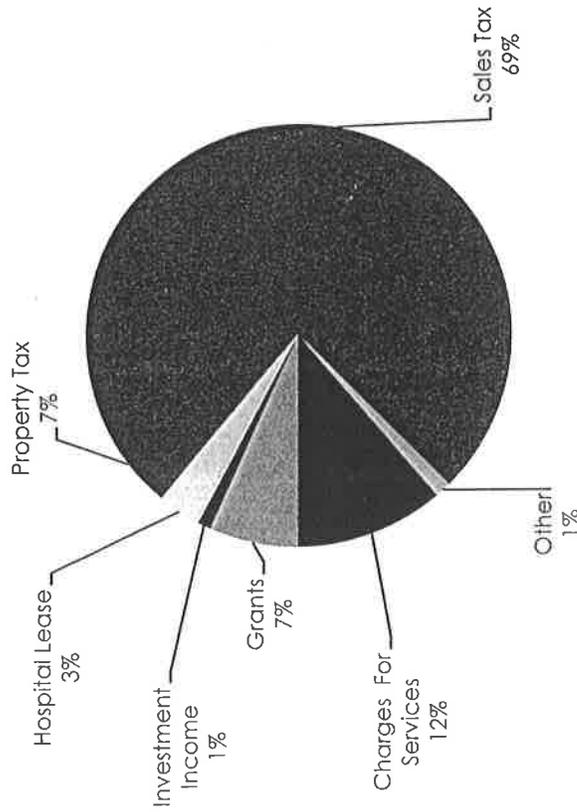
- Management's Follow-Up: Internal training was provided to staff. Fund balance verification is a mandatory step prior to any disbursement from the Treasurer's office. There is currently a monthly reconciliation process in place but the Treasurer's office was so far behind that it was ineffective. The Treasurer's office has now caught up to a point where the in place procedures will be effective

The Treasurer's office is responsible for paying various payroll taxes. Frequently, the amount recorded as a liability by the Auditor's Office is different than the amount paid by the Treasurer's office causing immaterial differences in the liability accounts. The payroll liability accounts should be reviewed monthly to ensure that all balances zero-out.

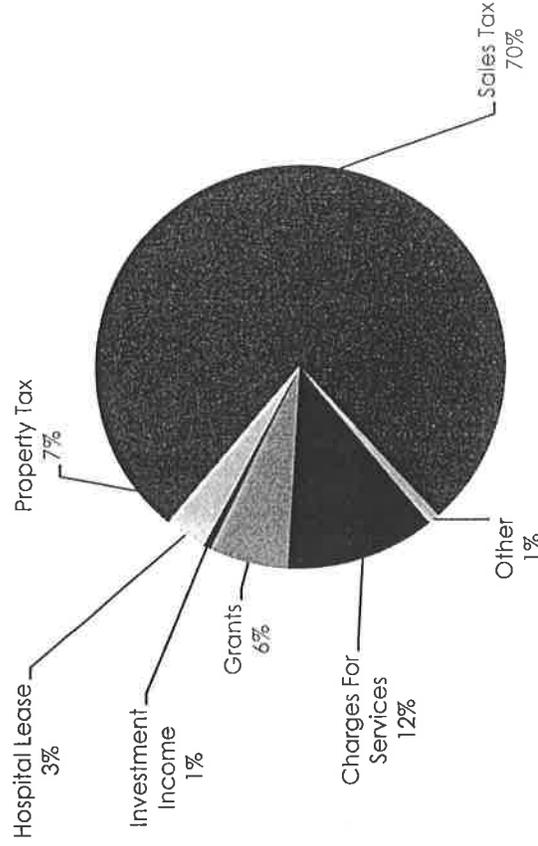
- Management's Follow-Up - The Auditor's Office submitted a work order to IT requesting a feasibility assessment for re-vamping the way the payroll transactions post to the general ledger such that all of the payroll liabilities would be consolidated in a single fund rather than spread across all of the individual funds. This would make it much easier for the Treasurer's Office to reconcile their remittances to the recorded general ledger balances.

# Government-Wide Revenues

2017 = \$72,565,973



2016 = \$71,374,557

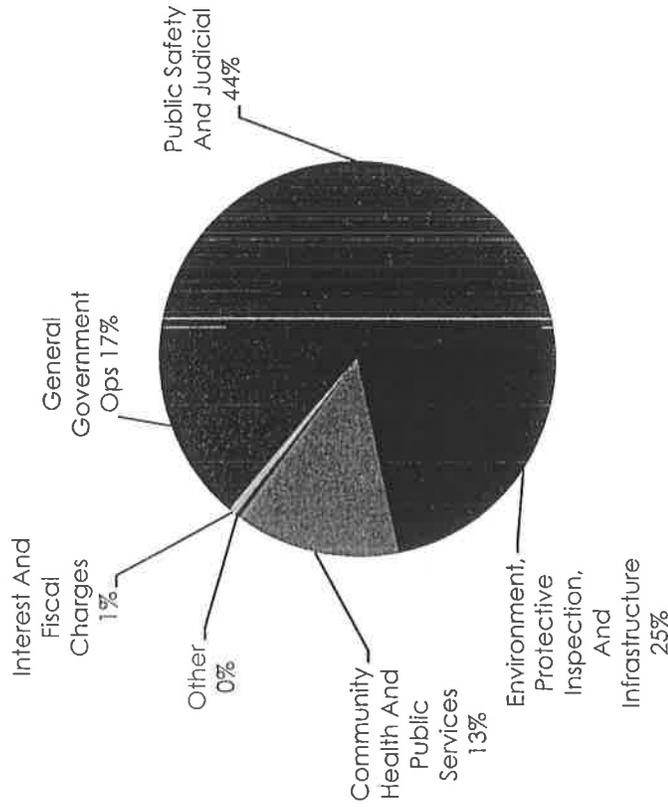


**NOTE:** Total revenue on a government-wide basis was \$72.6 million, an increase of \$1.2 million over the previous fiscal year. The increase is due in part to growth in sales tax revenue, which grew at an annual rate of approximately .04% in 2017. In addition, investment income, program revenue and gain on sale of capital assets increased \$290K, \$388K, and \$140k respectively, during 2017. Other revenue lines that increased during 2017 included property taxes and hospital leases.

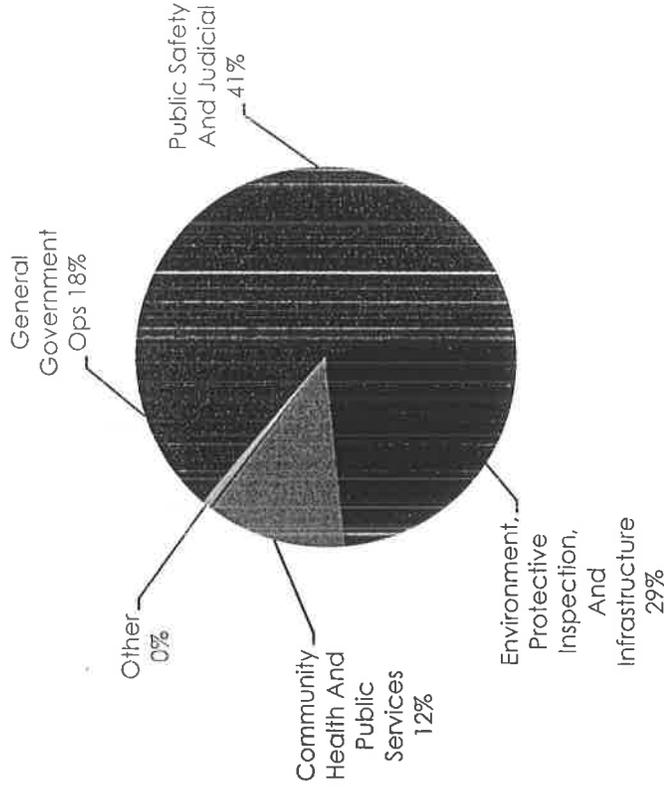
# Government-Wide Expenses

Boone County, Missouri

2017 = \$65,420,628



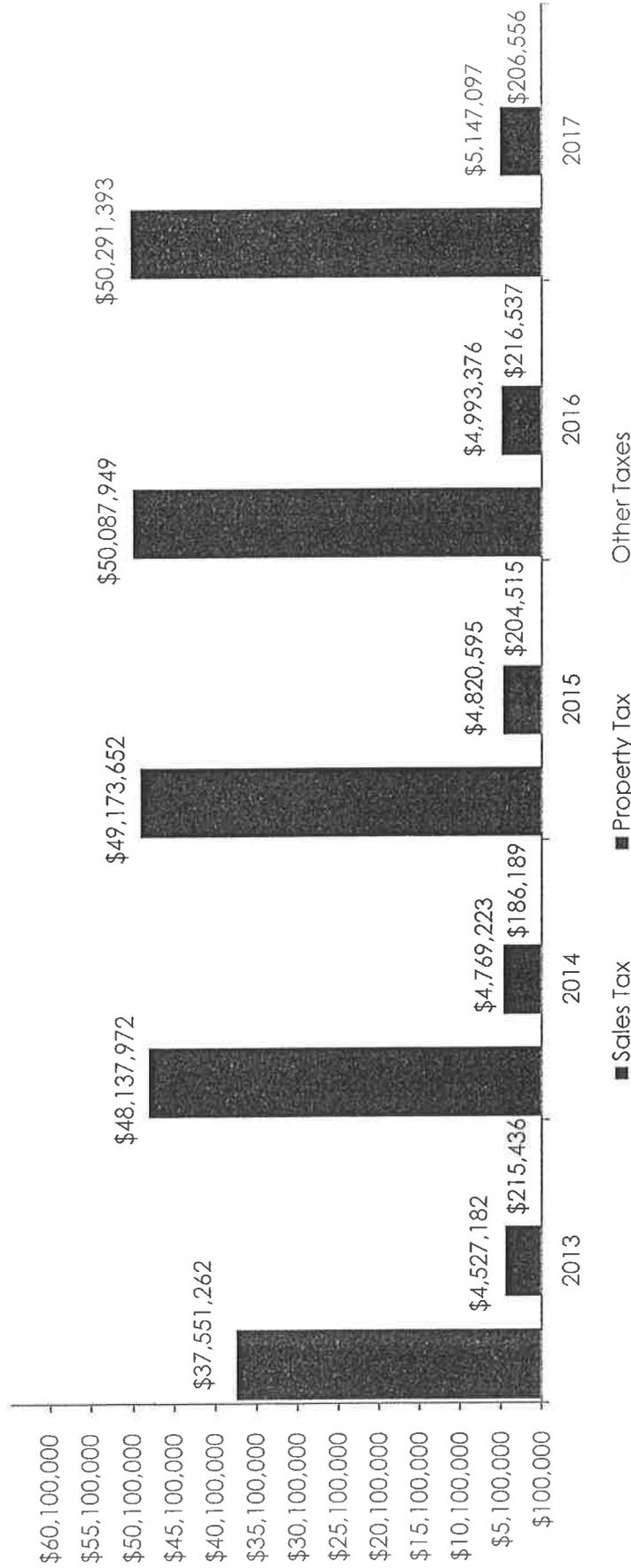
2016 = \$61,677,246



**NOTE:** The total cost of all programs and services was \$65.4 million, an increase of approximately \$3.7 million. This increase is primarily attributable to increased activity related to Community Children's Services activities and 911 and Emergency Management activities, two new services areas funded by sales tax levies approved by voters.

# Tax Revenues

Boone County, Missouri



**NOTE:** The significant increase in sales tax revenue occurring subsequent to 2013 is attributable to two new voter approved sales taxes for Community Children's Services (effective April 2013) and 911/Emergency Management (effective October 2013).



# Independent Auditors' Report On Additional Information

Boone County, Missouri

The County Commissioners  
Boone County, Missouri

Our report, dated June 26, 2018, on our audit of the basic financial statements of Boone County, Missouri for the year ended December 31, 2017 appears in the financial statements of the County. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The additional information presented on the preceding pages is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*RubinBrown LLP*

June 26, 2018

Exhibit

*Management Representation Letter*

June 26, 2018

RubinBrown LLP  
One North Brentwood Boulevard  
Saint Louis, Missouri 63105

We are providing this letter in connection with your audit of the financial statements of Boone County, Missouri, as of December 31, 2017 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Missouri and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9. Guarantees, whether written or oral, under which the county commission is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the County Commission or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
18. We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.

### **Government Specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The County Commission has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial

statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

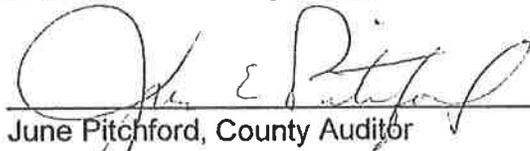
23. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
24. As part of your audit, you assisted with preparation of the financial statements and related notes, the Schedule of Expenditures of Federal Awards and the auditee section of the Data Collection Form. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, the Schedule of Expenditures of Federal Awards and the auditee section of the Data Collection Form.
25. The County Commission has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The County Commission has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
27. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
28. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
39. We have appropriately disclosed the County Commission's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect to the supplementary information included in the comprehensive annual financial report and the Schedule of Expenditures of Federal Awards (supplementary information):
- a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
42. With respect to federal award programs:
- a. We are responsible for understanding and complying with and have complied 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) , including requirements relating to preparation of the schedule of expenditures of federal awards.
  - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
  - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
  - d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

  
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Dan Atwill, Presiding Commissioner

  
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June Pitchford, County Auditor