



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor contracted for an audit of Barry County's financial statements for the year ended December 31, 2021, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, CPAs and Business Advisors, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2022
Report No. 2022-104



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Barry County

2021-001	The county periodically review its actual expenditures as compared to budgeted amounts in order to prevent expenditures in excess of budget and also to prevent deficit fund balances. An amended budget should be prepared and approved as necessary to comply with statutes.
2021-002	The Treasurer's office implement the necessary accounting procedures to perform reconciliation of all bank accounts and county funds on a timely basis.
2021-003	The Sheriff implement the necessary procedures to ensure that the commissary account bank balance reconciles to the book balance on a monthly basis.

**The County of Barry
Cassville, Missouri
Independent Auditor's Report and Financial Statements
For the year ended December 31, 2021**



**The County of Barry
Cassville, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Barry County, Missouri

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of Barry County, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Barry County, Missouri's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balances of each fund of Barry County, Missouri as of December 31, 2021, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

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 section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Barry County, Missouri as of December 31, 2021, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Barry County, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 1 of the financial statements, the financial statements are prepared by Barry County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Barry County, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

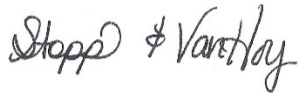
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Barry County, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Barry County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 on our consideration of Barry County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Barry County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Stopp & VanHoy".

Creve Coeur, Missouri
October 19, 2022

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

<u>Fund</u>	Cash and Equivalents (restated) January 1, 2021	Receipts 2021	Disbursements 2021	Cash and Equivalents December 31, 2021
General Revenue	\$ 1,699,343	\$ 5,594,614	\$ 5,181,799	\$ 2,112,158
Special Road and Bridge	871,288	1,107,950	520,768	1,458,470
Assessment	284,721	457,644	474,578	267,787
Shelter Home	2,229	4,438	4,198	2,469
Prosecuting Attorney Training	1,773	1,897	3,184	486
Law Enforcement Training	4,956	1,507	-	6,463
Prosecuting Attorney Administrative Handling Cost	3,994	7,719	-	11,713
Recorder's Microfilm	153,847	31,163	12,850	172,160
Sheriff Special Enforcement	3,253	2,606	3,419	2,440
Sheriff Inmate Security	3,025	28,392	20,692	10,725
Forest Reserve	88,741	13,715	-	102,456
Law Enforcement Restitution	34,402	9,460	14,921	28,941
Sheriff Revolving	21,974	39,856	22,984	38,846
Local Emergency Planning Commission	29,574	50	300	29,324
Prosecuting Attorney Delinquent Tax	27,979	2,335	1,189	29,125
Emergency Reserve	3,100,470	1,000,000	-	4,100,470
Deputy Sheriff Salary Supplementation	95,655	29,194	25,295	99,554
Sheriff's	33,721	27,480	27,379	33,822
Peace Officers' Standards and Training	848	736	984	600
Liberty Common Road	20,603	15,692	6,978	29,317
Election	9,618	6,779	8,035	8,362
Local Law Enforcement Block Grant	45	-	-	45
COVID-19	184,609	3,478,763	190,444	3,472,928
Collector's Tax Maintenance	100,871	56,533	56,476	100,928
Senate Bill 40 Board	979,638	190,576	343,524	826,690
Senior Citizens Service Board	119,580	274,389	289,812	104,157
Total	\$ 7,876,757	\$ 12,383,488	\$ 7,209,809	\$ 13,050,436

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 57,000	\$ 54,802
Sales Taxes	3,200,000	4,042,931
Intergovernmental	530,000	536,387
Charges for Services	652,750	746,250
Interest	25,000	10,069
Other Receipts	151,000	184,175
Transfers In	10,000	20,000
Total Receipts	4,625,750	5,594,614
<u>Disbursements</u>		
County Commission	178,366	107,148
County Clerk	76,824	75,974
Elections	46,287	39,035
Building and Grounds	213,283	234,322
Employee Fringe Benefits	620,556	527,620
Treasurer	49,825	49,654
Collector	119,961	121,879
Recorder of Deeds	72,395	72,283
Circuit Clerk	22,500	12,328
Court Administrator	8,156	6,399
Public Administrator	82,655	76,736
Sheriff	1,262,477	1,154,592
Jail	616,651	535,515
Prosecuting Attorney	423,214	397,825
Juvenile Office	142,222	136,765
Coroner	37,586	37,204
Emergency Management	21,550	20,966
Capital Projects	300,000	29,705
Other Disbursements	464,650	545,849
Transfers Out	-	-
Emergency	1,000,000	1,000,000
Total Disbursements	5,759,158	5,181,799
Receipts Over (Under)		
Disbursements	\$ (1,133,408)	\$ 412,815
Cash and Equivalents, Jan 1	1,699,343	1,699,343
Cash and Equivalents, Dec 31	\$ 565,935	\$ 2,112,158

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 197,000	\$ 197,024
Sales Taxes	-	-
Intergovernmental	130,000	902,747
Charges for Services	-	-
Interest	10,000	2,479
Other Receipts	-	5,700
Transfers In	-	-
Total Receipts	337,000	1,107,950
<u>Disbursements</u>		
Salaries	3,000	-
Employee Fringe Benefits	230	-
Supplies	6,000	273
Insurance	-	-
Road and Bridge Materials	-	-
Equipment Repairs	-	-
Rentals	-	-
Equipment Purchases	-	-
Road and Bridge Construction	1,155,500	520,398
Other Disbursements	15,000	97
Transfers Out	-	-
Total Disbursements	1,179,730	520,768
Receipts Over (Under)		
Disbursements	\$ (842,730)	\$ 587,182
Cash and Equivalents, Jan 1	871,288	871,288
Cash and Equivalents, Dec 31	\$ 28,558	\$ 1,458,470

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Assessment Fund		Shelter Home Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	427,000	433,592	-	-
Charges for Services	22,500	23,427	4,500	4,436
Interest	3,600	625	8	2
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>453,100</u>	<u>457,644</u>	<u>4,508</u>	<u>4,438</u>
<u>Disbursements</u>				
Salaries	298,955	298,170	-	-
Employee Fringe Benefits	96,300	95,667	-	-
Materials and Supplies	26,500	18,039	-	-
Services	12,000	7,869	6,700	4,198
Other Disbursements	100,000	42,099	-	-
Capital Outlay	25,000	12,734	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>558,755</u>	<u>474,578</u>	<u>6,700</u>	<u>4,198</u>
Receipts Over (Under)				
Disbursements	\$ (105,655)	\$ (16,934)	\$ (2,192)	\$ 240
Cash and Equivalents, Jan 1	<u>284,721</u>	<u>284,721</u>	<u>2,229</u>	<u>2,229</u>
Cash and Equivalents, Dec 31	<u>\$ 179,066</u>	<u>\$ 267,787</u>	<u>\$ 37</u>	<u>\$ 2,469</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Prosecuting Attorney Training Fund		Law Enforcement Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,000	1,897	1,650	1,507
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>2,000</u>	<u>1,897</u>	<u>1,650</u>	<u>1,507</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	3,700	3,184	6,600	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>3,700</u>	<u>3,184</u>	<u>6,600</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (1,700)	\$ (1,287)	\$ (4,950)	\$ 1,507
Cash and Equivalents, Jan 1	<u>1,773</u>	<u>1,773</u>	<u>4,956</u>	<u>4,956</u>
Cash and Equivalents, Dec 31	<u>\$ 73</u>	<u>\$ 486</u>	<u>\$ 6</u>	<u>\$ 6,463</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Prosecuting Attorney Administrative Handling Cost Fund		Recorder's Microfilm Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	7,500	7,705	41,000	30,881
Interest	35	14	800	282
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>7,535</u>	<u>7,719</u>	<u>41,800</u>	<u>31,163</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	60,000	700
Services	3,000	-	15,000	-
Other Disbursements	500	-	-	-
Capital Outlay	-	-	75,000	12,150
Transfers Out	8,000	-	-	-
Total Disbursements	<u>11,500</u>	<u>-</u>	<u>150,000</u>	<u>12,850</u>
Receipts Over (Under)				
Disbursements	\$ (3,965)	\$ 7,719	\$ (108,200)	\$ 18,313
Cash and Equivalents, Jan 1	<u>3,994</u>	<u>3,994</u>	<u>153,847</u>	<u>153,847</u>
Cash and Equivalents, Dec 31	<u>\$ 29</u>	<u>\$ 11,713</u>	<u>\$ 45,647</u>	<u>\$ 172,160</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Sheriff Special Enforcement Fund		Sheriff Inmate Security Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	2,600	21,500	28,385
Interest	20	6	20	7
Other Receipts	1,000	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,020</u>	<u>2,606</u>	<u>21,520</u>	<u>28,392</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	22,500	20,692
Services	-	-	-	-
Other Disbursements	4,200	3,419	2,000	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>4,200</u>	<u>3,419</u>	<u>24,500</u>	<u>20,692</u>
Receipts Over (Under)				
Disbursements	\$ (3,180)	\$ (813)	\$ (2,980)	\$ 7,700
Cash and Equivalents, Jan 1	<u>3,253</u>	<u>3,253</u>	<u>3,025</u>	<u>3,025</u>
Cash and Equivalents, Dec 31	<u>\$ 73</u>	<u>\$ 2,440</u>	<u>\$ 45</u>	<u>\$ 10,725</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Forest Reserve Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	14,000	13,715	-	-
Charges for Services	-	-	21,000	9,395
Interest	-	-	350	65
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>14,000</u>	<u>13,715</u>	<u>21,350</u>	<u>9,460</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	88,000	-	55,000	14,921
Transfers Out	-	-	-	-
Total Disbursements	<u>88,000</u>	<u>-</u>	<u>55,000</u>	<u>14,921</u>
Receipts Over (Under)				
Disbursements	\$ (74,000)	\$ 13,715	\$ (33,650)	\$ (5,461)
Cash and Equivalents, Jan 1	<u>88,741</u>	<u>88,741</u>	<u>34,402</u>	<u>34,402</u>
Cash and Equivalents, Dec 31	<u>\$ 14,741</u>	<u>\$ 102,456</u>	<u>\$ 752</u>	<u>\$ 28,941</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Sheriff Revolving Fund		Local Emergency Planning Commission Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	3,500	-
Charges for Services	25,000	39,797	-	-
Interest	75	59	250	50
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>25,075</u>	<u>39,856</u>	<u>3,750</u>	<u>50</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	6,096	-	-
Services	-	-	11,000	-
Other Disbursements	-	-	10,000	300
Capital Outlay	47,000	16,888	12,000	-
Transfers Out	-	-	-	-
Total Disbursements	<u>47,000</u>	<u>22,984</u>	<u>33,000</u>	<u>300</u>
Receipts Over (Under)				
Disbursements	\$ (21,925)	\$ 16,872	\$ (29,250)	\$ (250)
Cash and Equivalents, Jan 1	<u>21,974</u>	<u>21,974</u>	<u>29,574</u>	<u>29,574</u>
Cash and Equivalents, Dec 31	<u>\$ 49</u>	<u>\$ 38,846</u>	<u>\$ 324</u>	<u>\$ 29,324</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Prosecuting Attorney Delinquent Tax Fund		Emergency Reserve Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,500	2,285	-	-
Interest	200	50	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	1,000,000	1,000,000
Total Receipts	<u>4,700</u>	<u>2,335</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	32,000	1,189	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	3,900,000	-
Transfers Out	-	-	-	-
Total Disbursements	<u>32,000</u>	<u>1,189</u>	<u>3,900,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (27,300)	\$ 1,146	\$ (2,900,000)	\$ 1,000,000
Cash and Equivalents, Jan 1	<u>27,979</u>	<u>27,979</u>	<u>3,100,470</u>	<u>3,100,470</u>
Cash and Equivalents, Dec 31	<u>\$ 679</u>	<u>\$ 29,125</u>	<u>\$ 200,470</u>	<u>\$ 4,100,470</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Deputy Sheriff Salary Supplementation Fund		Sheriff's Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	29,000	21,554	-	-
Charges for Services	6,200	7,640	50,000	27,424
Interest	-	-	2,500	56
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	35,200	29,194	52,500	27,480
<u>Disbursements</u>				
Salaries	93,000	17,100	-	-
Employee Fringe Benefits	15,000	1,265	-	-
Materials and Supplies	-	-	25,000	17,907
Services	-	-	-	-
Other Disbursements	25,000	6,930	-	-
Capital Outlay	-	-	45,000	9,472
Transfers Out	-	-	-	-
Total Disbursements	133,000	25,295	70,000	27,379
Receipts Over (Under)				
Disbursements	\$ (97,800)	\$ 3,899	\$ (17,500)	\$ 101
Cash and Equivalents, Jan 1	95,655	95,655	33,721	33,721
Cash and Equivalents, Dec 31	<u>\$ (2,145)</u>	<u>\$ 99,554</u>	<u>\$ 16,221</u>	<u>\$ 33,822</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Peace Officers' Standards and Training Fund		Liberty Common Road Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 800	\$ 659
Sales Taxes	-	-	9,000	10,089
Intergovernmental	900	734	4,500	4,901
Charges for Services	-	-	-	-
Interest	8	2	150	43
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	908	736	14,450	15,692
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	1,700	984	-	-
Other Disbursements	-	-	300	323
Capital Outlay	-	-	34,700	6,655
Transfers Out	-	-	-	-
Total Disbursements	1,700	984	35,000	6,978
Receipts Over (Under)				
Disbursements	\$ (792)	\$ (248)	\$ (20,550)	\$ 8,714
Cash and Equivalents, Jan 1	848	848	20,603	20,603
Cash and Equivalents, Dec 31	\$ 56	\$ 600	\$ 53	\$ 29,317

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Election Fund		Local Law Enforcement Block Grant Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	2,100	4,968	5,400	-
Charges for Services	1,800	1,792	-	-
Interest	-	19	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>3,900</u>	<u>6,779</u>	<u>5,400</u>	<u>-</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	4,000	2,035	-	-
Other Disbursements	-	-	-	-
Capital Outlay	9,000	6,000	5,419	-
Transfers Out	-	-	-	-
Total Disbursements	<u>13,000</u>	<u>8,035</u>	<u>5,419</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (9,100)	\$ (1,256)	\$ (19)	\$ -
Cash and Equivalents, Jan 1	<u>9,618</u>	<u>9,618</u>	<u>45</u>	<u>45</u>
Cash and Equivalents, Dec 31	<u><u>\$ 518</u></u>	<u><u>\$ 8,362</u></u>	<u><u>\$ 26</u></u>	<u><u>\$ 45</u></u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	COVID-19 Fund		Collector's Tax Maintenance Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	3,475,797	3,475,797	-	-
Charges for Services	-	-	57,000	56,480
Interest	3,000	2,966	55	53
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>3,478,797</u>	<u>3,478,763</u>	<u>57,055</u>	<u>56,533</u>
<u>Disbursements</u>				
Salaries	-	764	-	-
Employee Fringe Benefits	-	58	-	-
Materials and Supplies	-	-	17,000	19,076
Services	3,475,797	189,622	50,253	2,170
Other Disbursements	-	-	100	425
Capital Outlay	-	-	67,000	14,805
Transfers Out	-	-	10,000	20,000
Total Disbursements	<u>3,475,797</u>	<u>190,444</u>	<u>144,353</u>	<u>56,476</u>
Receipts Over (Under)				
Disbursements	\$ 3,000	\$ 3,288,319	\$ (87,298)	\$ 57
Cash and Equivalents, Jan 1	<u>184,609</u>	<u>184,609</u>	<u>100,871</u>	<u>100,871</u>
Cash and Equivalents, Dec 31	<u>\$ 187,609</u>	<u>\$ 3,472,928</u>	<u>\$ 13,573</u>	<u>\$ 100,928</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Senate Bill 40 Board Fund		Senior Citizens Service Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 175,000	\$ 142,513	\$ 278,000	\$ 273,959
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	11,000	9,209	200	430
Other Receipts	-	38,854	-	-
Transfers In	-	-	-	-
Total Receipts	<u>186,000</u>	<u>190,576</u>	<u>278,200</u>	<u>274,389</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	1,000	29	-	-
Services	499,000	343,495	278,248	289,812
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>500,000</u>	<u>343,524</u>	<u>278,248</u>	<u>289,812</u>
Receipts Over (Under)				
Disbursements	\$ (314,000)	\$ (152,948)	\$ (48)	\$ (15,423)
Cash and Equivalents, Jan 1	<u>979,638</u>	<u>979,638</u>	<u>119,580</u>	<u>119,580</u>
Cash and Equivalents, Dec 31	<u>\$ 665,638</u>	<u>\$ 826,690</u>	<u>\$ 119,532</u>	<u>\$ 104,157</u>

See Notes to the Financial Statements

The County of Barry
Cassville, Missouri
Statement of Assets and Liabilities Arising From Cash Transactions
Custodial Funds - Regulatory Basis
December 31, 2021

	Collector	County Clerk	Recorder	Sheriff	Treasurer	Total
Assets						
Cash and Equivalents	\$ 18,795,802	\$ 1,706	\$ 28,949	\$ 50,907	\$ 451,314	\$ 19,328,678
Total Assets	18,795,802	1,706	28,949	50,907	451,314	19,328,678
Liabilities and Fund Balances						
Total Liabilities	18,795,802	1,706	28,949	50,907	451,314	19,328,678
	18,795,802	1,706	28,949	50,907	451,314	19,328,678
Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 18,795,802	\$ 1,706	\$ 28,949	\$ 50,907	\$ 451,314	\$ 19,328,678

See Notes to the Financial Statements

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies

Organized in 1835, the county of Barry was named after William T. Barry, a U.S. Postmaster General. It is a third-class county, and the county seat is Cassville. The County's government is composed of a three-member board of commissioners and the following separately elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Coroner, Treasurer, Recorder of Deeds, Sheriff, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, 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).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Barry County, Missouri, the Barry County Senate Bill 40 Board, and the Barry County Senior Citizens Service Board.

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

The financial statements referred to above include only the primary government of Barry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The Senate Bill 40 Board and Senior Citizens Service Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statement of Assets and Liabilities Arising from Cash Transactions - Custodial Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Barry County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of 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.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo., Barry County adopts a budget for each governmental fund.

On or before January 15th, each elected official 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.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

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.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

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 financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following fund had actual expenditures which exceeded budgeted expenditures: Senior Citizens Service Board Fund. The following fund was budgeted to have a negative ending fund balance: Deputy Sheriff Salary Supplementation Fund.

The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

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 for the purposes of taxation was as follows:

	Total County	Liberty Common Road Fund
Real Estate	\$ 402,749,266	\$ 485,790
Personal Property	154,973,097	132,787
Railroad and Utilities	21,610,015	201,990
	<u>\$ 579,332,378</u>	<u>\$ 820,567</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year for the purpose of County taxation, was as follows:

Liberty Common Road	\$ 0.1271
Senate Bill 40 Board	0.0300
Senior Citizens Service Board	0.0483

The property tax revenues in the General Revenue Fund are from a surtax on commercial real estate and private car tax collections. The Special Road and Bridge Fund receives one-fifth of the basic taxes levied and collected by each Road District in the County.

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments 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 2.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Barry County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2021, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 31,729,114	\$ 29,433,339
Investments	<u>650,000</u>	<u>650,000</u>
Total Deposits and Investments as of December 31, 2021	<u><u>\$ 32,379,114</u></u>	<u><u>\$ 30,083,339</u></u>
Total Cash and Equivalents - Governmental Funds	\$ 13,050,436	
Total Cash and Equivalents - Custodial Funds	<u>19,328,678</u>	
	<u><u>\$ 32,379,114</u></u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2021; all deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

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 that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments (continued)

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

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does 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 following investments represent more than 5%, individually, of total investments:

<u>Issuer</u>	<u>Investment Type</u>	<u>Balance</u>	<u>% of Portfolio</u>
Freedom Bank of So. Missouri	Cert. of Deposit	\$ 650,000	100%

Note 3 - Interfund Transfers

Transfers between funds for the year ended December 31, 2021 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 20,000	\$ 1,000,000
Emergency Reserve	1,000,000	-
Collector's Tax Maintenance	-	20,000
	<u>\$ 1,020,000</u>	<u>\$ 1,020,000</u>

Note 4 - County Employees' Retirement Fund (CERF)

Plan Description

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

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 4 - County Employees' Retirement Fund (CERF) (continued)

Plan Description (continued)

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

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees 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 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2021, the County collected and remitted to CERF, employee contributions of \$112,660 for the year ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchants' and manufacturers' license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$335,676 for the year ended December 31, 2021.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo., the County contributes annually to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 for the year ended December 31, 2021.

Note 6 - Other Retirement Plans

Barry County has 457 and 401(a) plans administered by Empower Retirement which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2021 for the 457 plan were \$40,464, and employee contributions collected and remitted by the County for the year ended December 31, 2021 for the 401(a) plan were \$14,889.

Note 7 - 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.

Note 8 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides full-time employees with up to 90 days of sick time, to accrue at one day per complete calendar month of employment. Upon retirement, employees are compensated for up to 15 days of accrued sick time. Accrued sick leave will be forfeited upon termination other than retirement. Vacation time is accrued for every full-time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. Employees may not carry over any unused vacation beyond the year earned. Unused vacation will be forfeited at the end of the calendar year. Employees are compensated for unused vacation time at retirement. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 9 - 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 537.620 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 specific 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-Injured 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 \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 10 - Property Tax Abatements

Under the Missouri TIF Act, localities may adopt redevelopment plans for certain designated areas for the purpose of promoting economic development. Under the tax increment financing (TIF) agreement, each parcel's assessed valuation is frozen at the current base level prior to any construction or improvements for a period of 23 years. Payments in lieu of taxes (PILOTS) are made into a special allocation fund in the amount of taxes that are not assessed on the incremental increase in appraised valuation subject to abatement. In addition, 50 percent of incremental sales and utility tax revenue generated by the TIF are transferred by localities into the special allocation fund, which may be used to pay directly for redevelopment project costs or to retire bonds or other indebtedness issued to pay such costs. The County established TIF #2 in 2005 which will expire in 2028. In 2021, real property with an appraised valuation of \$6,608,295 was subject to abatement under TIF #2, and sales tax collections of \$87,333 were remitted to the special allocation fund.

Enhanced Enterprise Zones (EEZs) are established in conjunction with the Missouri Department of Economic Development for the purposes of job creation in areas of low income and high unemployment. Qualifying businesses located in the EEZ are entitled to receive local real property tax abatements of up to 75 percent of new investment, excluding land and personal property, for a period of 10 years. In 2021, real property with an appraised valuation of \$1,799,475 was not assessed for tax purposes under an EEZ agreement ending in 2024.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through October 19, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**The County of Barry
Cassville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 12 - Prior Period Adjustments

Beginning fund balance has been restated to exclude certain funds that were held in a custodial capacity and include certain funds over which the County holds discretion over expenditures. This change will have no impact on operations of the County.

Beginning fund balance, as originally stated on December 31, 2020	\$ 8,058,207
Prior Period Adjustment - Exclude Drug Court Fund	(183,679)
Prior Period Adjustment - Include Shelter Home Fund	<u>2,229</u>
Beginning fund balance, as restated on December 31, 2020	<u><u>\$ 7,876,757</u></u>

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 and
Officeholders of Barry County, Missouri

We have audited, 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, the accompanying financial statements of Barry County, Missouri as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Barry County, Missouri's basic financial statements, and have issued our report thereon dated October 19, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-002 and 2021-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barry County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2021-001.

Barry County, Missouri's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Barry County, Missouri's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Barry County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
October 19, 2022

**The County of Barry
Cassville, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2021**

Financial Statement Findings

2021-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget, and the ending results of annual fund activity may not result in a deficit fund balance.

Condition: During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following fund had actual expenditures which exceeded budgeted expenditures: Senior Citizens Service Board Fund. The following fund was budgeted to have a negative ending fund balance: Deputy Sheriff Salary Supplementation Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and budgeting expenditures in excess of total available fund balance in a certain fund.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts in order to prevent expenditures in excess of budget and also to prevent deficit fund balances. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: Barry County will do monthly reviews of actual expenditures as compared to budgeted amounts to prevent deficit fund balances. Should budgets go over budget, amendments will be filed with the State Auditor.

2021-002 **Criteria:** Per the County's internal control procedures, the Treasurer is responsible for reconciling all bank accounts and all funds to bank statements. Strong internal controls over financial statement reporting require that cash and fund balances be tracked for all funds.

Condition: The previous Treasurer failed to reconcile all bank accounts and all funds to bank statements in a timely manner. As a result, we were originally unable to determine the accuracy of the County's year-end fund balances. The County's current Treasurer was able to assist in completion of the year-end bank reconciliation prior to the issuance of the financial statements.

Cause: Oversight.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer, it is possible that cash and fund balances could be materially misstated due to error or fraud.

Recommendation: We recommend that the Treasurer's office implement the necessary accounting procedures to perform reconciliation of all bank accounts and County funds on a timely basis.

Management's Response: The Barry County Treasurer is currently working to balance and correct errors from the previous Treasurer's oversight due to illness. She is consulting with the accountant, auditor, and other county officials to identify and correct errors. The Treasurer is currently doing daily reconciliations. The County is also doing appropriate software updates to help with reconciliation matters.

**The County of Barry
Cassville, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2021**

Financial Statement Findings (continued)

2021-003 **Criteria:** The Sheriff is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis for all bank accounts to ensure that cash balances per the accounting records agree to the cash balances held in the bank. Additionally, the Sheriff's office should prepare a list of all outstanding liabilities for each account.

Condition: For the year ended December 31, 2021, the Sheriff's office failed to perform timely and accurate bank reconciliations or prepare a list of outstanding liabilities for the commissary account held by the Sheriff's office.

Cause: The reconciled bank balance, including all outstanding liabilities, is not being compared to the balances of the commissary funds on hand per the Sheriff's records due to lack of internal controls and procedures in the Sheriff's office.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Sheriff's cash balances due to error or misappropriation is heightened. Additionally, there is a risk that the Sheriff's office cannot account for all outstanding liabilities which may result in account overdrafts.

Recommendation: We recommend that the Sheriff implement the necessary procedures to ensure that the commissary account bank balance reconciles to the book balance on a monthly basis.

Management's Response: The Barry County Sheriff's Office will immediately turn over all monies in the commissary account to the treasurer to deposit to the inmate security fund. Only monies identified as current inmate funds will be kept in the account, and a monthly reconciliation will be done at the end of every month for the inmate monies in the account.

**The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Barry County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2020.

Prior Year Financial Statement Findings

2020-001 Internal Controls over Property Tax Levies

Criteria: Property tax levy rates are established by political subdivisions and certified with the State Auditor by the County Clerk pursuant to state statute. A proper system of internal control requires review of levy rates certified with the State Auditor and input into the Collector's property tax system to ensure levy rates applied to property tax bills are the same rates established by political subdivisions.

Condition: In 2021, the Senate Bill 40 Board and Barry-Lawrence Ambulance District notified Barry County of incorrect levy rates applied to 2020 property tax bills. The County billed and collected rates of \$0.0648 and \$0.1236 per \$100 of assessed valuation for the Senate Bill 40 Board and Barry-Lawrence Ambulance District, respectively, whereas the correct rates certified by those Boards were \$0.03 and \$0.00, respectively.

Cause: Barry County has not implemented adequate internal control to ensure the property tax rates certified with the State Auditor and applied to property tax bills are the same rates established by political subdivisions.

The County Clerk uses a standardized pro forma summary form to certify with the State Auditor property tax rates established by political subdivisions. The pro forma certification signed by the Senate Bill 40 Board indicates a proposed rate of \$0.03 per \$100 of assessed valuation, which is derived from the computation section of the pro forma. The computation section was not properly completed to show a voluntary reduction taken from the tax rate ceiling, resulting in the tax rate ceiling of \$0.0648 being certified with the State Auditor, as opposed to the proposed rate of \$0.03.

After certification with the State Auditor, the County Clerk provides levy rates for the Collector to input into the property tax system used to generate tax bills. Although the correct rate of \$0.00 established by the Barry-Lawrence Ambulance District was certified with the State Auditor, the tax rate tables provided to the Collector by the County Clerk indicated a rate of \$0.1236, which was the tax rate ceiling.

Effect: Levies applied to property tax bills were higher than levies established by the Senate Bill 40 Board and Barry-Lawrence Ambulance District, resulting in excess 2020 collections of \$178,025 and \$229,251, respectively, through February 28, 2021. Excess collections were remitted back to the Collector in April and May 2021, and the Collector has printed refund checks to be mailed to taxpayers.

Recommendation: We recommend the County Clerk review levy rates certified with the State Auditor to ensure agreement with levy rates certified by political subdivisions, and we recommend the Collector review levy rates provided by the County Clerk for accuracy prior to input into the property tax system.

Management's Response: The County Clerk and Deputy Clerk will review levy rates certified with the State Auditor to ensure agreement with levy rates certified by political subdivisions. The Collector will review levy rates provided by the County Clerk for accuracy prior to and after input into the property tax system.

Auditor Evaluation: The response is appropriate to correct the concern.

Status: Management has corrected this finding, therefore, this finding will not be repeated.

The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021

Prior Year Financial Statement Findings (continued)

2020-002 Internal Control over Schedule of Expenditures of Federal Awards

Criteria: 2 CFR 200.51 0(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

Condition: The schedule of expenditures of federal awards (SEFA) reported by the County in the annual budget documents contained errors in amounts of federal expenditures reported. Total federal award expenditures by the county were understated by \$634,835 in 2020.

Discrepancies in amounts reported on the SEFA and amounts supported by underlying accounting records are summarized as follows:

Federal Agency	CFDA Number	Federal Program	Original SEFA	Supported	Difference
USDA	10.665	Schools and Roads - Grants to States	\$ 165,650	\$ 151,149	\$ 14,501
Interior	15.226	Payment in Lieu of Taxes	-	131,385	(131,385)
DOJ	16.575	Crime Victim Assistance	-	36,390	(36,390)
DOT	20.205	Highway Planning and Construction	63,491	712,400	(648,909)
Treasury	21.019	COVID-19 Coronavirus Relief Fund	4,198,764	4,021,345	177,419
DHS	97.042	Emergency Management Performance Grant	1,768	11,520	(9,752)
DHS	97.067	Homeland Security Grant Program	14,490	14,809	(319)
					<u>\$ (634,835)</u>

The 2020 SEFA also incorrectly noted an additional \$62,951 expended under CFDA 10.665 - Schools and Roads - Grants to States. However, supporting documentation indicates these were expenditures of CFDA 12.112, Department of Defense - Payment to States in Lieu of Real Estate Taxes.

Furthermore, the SEFA prepared by the County does not indicate the amount of awards passed through to subrecipients.

Cause: The County has not implemented a proper system of internal control over SEFA preparation, such as a reconciliation to underlying accounting records or having a separate individual review the SEF A for clerical accuracy after it has been prepared. Reasons for discrepancies varied.

The County reported the total allotment of \$165,650 received under CFDA 10.665. However, \$14,501 of this amount was receipted into the Forest Reserve Fund and remained unexpended as of December 31, 2020. The remaining \$151,149 was disbursed to school and road districts but not noted as a passthrough award on the SEFA.

Federal Forest PILT expenditures of \$131,385 under CFDA 15.226 were omitted. This appears to have been an oversight due to lack of internal control over SEFA preparation.

**The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

Prior Year Financial Statement Findings (continued)

2020-002 Internal Control over Schedule of Expenditures of Federal Awards (continued)
(cont.)

Crime Victim Assistance expenditures of \$36,390 for the Prosecuting Attorney's victim advocate program under CFDA 16.575 were also omitted. The Treasurer was not informed reimbursements from the Missouri Association of Prosecuting Attorneys consisted of federal funds.

Amounts reported under CFDA 20.205 of \$54,226 and \$9,226 for projects BRO-B005(18) and BROB005(19), respectively, were the same amounts reported on the 2019 SEFA.

Likewise, expenditures of \$1,768 and \$14,490 reported under CFDA 97.042 and 97.067, respectively, were also copied from the 2019 SEFA and not updated to reflect actual 2020 expenditures.

Expenditures of the Coronavirus Relief Fund, CFDA 21.019, were overstated by \$177,419 due to the County reporting its full allotment of CARES Act funding, as opposed to actual expenditures through December 31, 2020.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for the year ended December 31, 2020.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

Management's Response: The County will implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

Auditor Evaluation: The response is appropriate to correct the concern.

Status: This finding is not applicable to the current audit. The status of this finding will be updated with the County's next required Single Audit.

2020-003 Sheriff's Internal Control Procedures

Criteria: A proper system of internal control requires effective segregation of duties between recordkeeping, custodial and reconciliatory functions. Additionally, a proper system of internal control requires reconciliations between bank statements and underlying accounting records. Furthermore, Section 50.370, RSMo, states, "every county officer who receives any fees or other remuneration for official services which is payable to the county shall at the end of each month ... pay over to the county treasurer all fees and other moneys collected by him which belong to the county."

The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021

Prior Year Financial Statement Findings (continued)

2020-003 **Sheriff's Internal Control Procedures (continued)**
(cont.)

Condition: The Sheriff's office maintains three separate bank accounts for civil fees, bonds and the inmate commissary. Duties have not been effectively segregated, as the same administrative assistant responsible for making deposits and issuing checks also maintains accounting ledgers and reconciles the bond and civil fees accounts. Bank reconciliations are not being performed for the inmate commissary account. Additionally, the Sheriff's office remitted estimated quarterly commissary commissions of \$5,000 three times in 2020, as opposed to turning over actual commissary commissions on a monthly basis.

There were eight instances of the Sheriff's office not turning over civil fees collected to the Treasurer in a timely manner. The month the funds were collected for, the amount of fees collected, and the date the fees were paid over to the Treasurer are detailed as follows:

Month Collected	Account	Amount	Month Paid
Dec-19	Civil Fees	\$ 3,406	Apr-20
Jan-20	Civil Fees	5,054	Apr-20
Feb-20	Civil Fees	5,084	Apr-20
Mar-20	Civil Fees	5,655	Jun-20
Apr-20	Civil Fees	673	Jun-20
May-20	Civil Fees	5,794	Jul-20
Jul-20	Civil Fees	4,700	Sep-20
Sep-20	Civil Fees	4,102	Nov-20

Cause: Per the Sheriff's office, the funds were turned over late due to a lack of staffing. Inadequate segregation of duties was also attributed to a lack of staffing. The lack of commissary account reconciliations and practice of turning over estimated commissary commissions quarterly, as opposed to turning over actual commissions on a monthly basis, was attributed to migration between commissary accounting systems.

Effect: The inadequate segregation of duties, lack of commissary account reconciliations, absence of supervisory review and approval, practice of estimated commissary commissions instead of actual commissions, and delays in paying over fees at the end of each month increase the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

Recommendation: We recommend the Sheriff's office segregate custodial, recordkeeping and reconciliatory functions to the greatest extent possible. To the extent that segregating duties is not possible, we recommend that the Sheriff oversee the duties of the administrative assistant. We further recommend the Sheriff perform documented reviews of monthly turnovers and bank reconciliations and ensure turnovers are made on a monthly basis in compliance with RSMo 50.370.

**The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

Prior Year Financial Statement Findings (continued)

2020-003 Sheriff's Internal Control Procedures (continued)
(cont.)

Management's Response: The Barry County Sheriff's Office has taken measures to ensure that a checks and balances system is being put into place for the three accounts maintained by the Sheriff's Office. One person will no longer be responsible for the deposits, verification of receipts and the balancing of accounts at the end of every month. To ensure that the accounts are maintained in an efficient and timely manner, the daily deposits and verification of receipts will be done by two other staff members and initialed by the administrator. At the end of every month the administrator will balance the accounts and turn over the monies to the treasurer. It will be the responsibility of the Sheriff or Chief Deputy to review the accounts and sign off in acknowledgment. Sheriff Danny Boyd and Administrator Kathy Emo have discussed this new plan and have started implementing the new procedures to ensure compliance with future audits.

Auditor Evaluation: The response is appropriate to correct the concern.

Status: The Sheriff's department has partially implemented corrective actions to address this finding. Bank reconciliations are not performed for the commissary account, therefore, a finding has been reported for the current year as finding 2021-003.

2020-004 Senate Bill 40 Board Internal Control Procedures

Criteria: An effective system of internal control includes proper documentation and reconciliatory controls, including a complete accounting record and periodic reconciliations between bank statements and the underlying accounting record.

Condition: The Senate Bill 40 Board does not maintain a complete accounting record that provides the current balance of cash, and bank reconciliations were not prepared.

There was a difference of \$22,611 between the December 31, 2019 Senate Bill 40 Board fund balances of \$1,094,541 and \$1,117,152 noted in the 2021 and 2020 budgets, respectively. Actual bank deposits at December 31, 2019 totaled \$1,102,310, and unreconciled outstanding checks written prior to December 31, 2019 totaled \$2,137. There were no outstanding deposits.

The Board reported bank balances totaling \$979,638 at December 31, 2020 and did not account for unreconciled outstanding checks totaling \$1,727 written prior to December 31, 2020 in the 2020 actual expenditures noted in the 2021 budget.

Cause: Accounting records were incomplete and consisted of a manually written payment stub corresponding to each check number, a manual running total of bank interest and Microsoft Excel spreadsheet used to track property tax collections received from the County Treasurer. A record displaying the running total of cash after each receipt or disbursement is not maintained.

The Board Secretary-Treasurer, who was appointed in 2020, stated she was unaware how the December 31, 2019 fund balance of \$1,117,152 noted in the 2020 budget was determined. The 2021 budget also erroneously reported the December 31, 2018 ending fund balance fund balance of \$1,094,541 noted in the 2020 budget as the ending fund balance at December 31, 2019. However, this amount more closely approximated the bank balance of \$1,102,310 at December 31, 2019, less outstanding checks totaling \$2,137 which cleared the bank in January 2020.

**The County of Barry
Cassville, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

Prior Year Financial Statement Findings (continued)

2020-004 **Senate Bill 40 Board Internal Control Procedures (continued)**
(cont.)

Effect: The lack of a complete accounting record and proper bank reconciliations resulted in discrepancies in the December 31, 2019 fund balances noted in the 2020 and 2021 County budgets which could not be readily explained.

Additionally, the lack of a complete accounting record and proper bank reconciliations increases the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

Recommendation: We recommend the Board maintain a complete accounting record of all receipts and disbursements, including a running total of the Board's cash balances. Additionally, we recommend the Board perform monthly reconciliations between bank statements and underlying account records that identify individual reconciling items.

Management's Response: I have already taken care of your recommendation in regards to the reconciliation of bank statements. The reconciliation takes place on the back of the statement.

Considering the budget, each year I used the 12-31 's balance but subtracted outstanding checks and statements for services sent to me in January of the following year. This could be statements for one month up to three months. In the future I will use the bank's balance less outstanding checks as of the 31st.

I trust this is the answer to the recommendations stated in the audit. If additional information is needed, please -let me know. Thank you for your service to Barry County.

Auditor Evaluation: The response is appropriate to correct the concern.

Status: Management has corrected this finding, therefore, this finding will not be repeated.