



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lewis County, Missouri

The Office of the State Auditor contracted for an audit of Lewis 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

December 2022
Report No. 2022-117



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Lewis County

| | |
|----------|--|
| 2021-001 | The county periodically review its actual expenditures as compared to budgeted amounts in order to prevent expenditures in excess of budget. An original and/or amended budget should be prepared and approved as necessary to comply with statutes. |
| 2021-002 | The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks. |
| 2021-003 | In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget. |

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



**The County of Lewis
Monticello, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Lewis County, Missouri

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

We have audited the accompanying financial statements of Lewis County, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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.

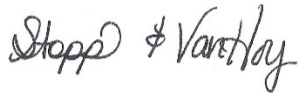
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- 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 Lewis 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 Lewis 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 24, 2022 on our consideration of Lewis 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 Lewis County, Missouri's internal control over financial reporting and compliance.

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

Creve Coeur, Missouri
October 24, 2022

**The County of Lewis
Monticello, 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 January 1, 2021 | Receipts 2021 | Disbursements 2021 | Cash and Equivalents December 31, 2021 |
|--------------------------------|---|---------------------|-----------------------|---|
| General Revenue | \$ 1,093,593 | \$ 2,236,693 | \$ 1,827,944 | \$ 1,502,342 |
| Special Road and Bridge | 325,407 | 1,223,034 | 1,112,116 | 436,325 |
| Road and Bridge Capital | 562,063 | 326,890 | 125,150 | 763,803 |
| Assessment | 114,366 | 250,545 | 193,465 | 171,446 |
| Records Preservation | 14,616 | 3,986 | 12,632 | 5,970 |
| Law Enforcement Operating | 135,693 | 902,241 | 1,005,673 | 32,261 |
| Law Enforcement Training | (340) | 5,396 | 3,842 | 1,214 |
| County Farm | 183,888 | 51,698 | 12,849 | 222,737 |
| Domestic Violence | - | 8,908 | 8,908 | - |
| Prosecuting Attorney Training | 3,362 | 5,288 | 1,228 | 7,422 |
| Prosecuting Attorney Bad Check | 5,137 | 1,298 | 125 | 6,310 |
| D.W.I. | 8,783 | 526 | - | 9,309 |
| Law Enforcement Restitution | 19,525 | 23,722 | 13,000 | 30,247 |
| Collector's Tax Maintenance | 33,249 | 14,197 | 13,102 | 34,344 |
| Recorder's Technology | 13,774 | 2,919 | - | 16,693 |
| Sheriff Civil Fees | 11,826 | 10,247 | 15,674 | 6,399 |
| Sheriff Revolving | 11,171 | 10,282 | 3,431 | 18,022 |
| Election Services | (8,624) | 23,468 | 490 | 14,354 |
| D.A.R.E. | 14,522 | 1,800 | 4,509 | 11,813 |
| Inmate Security | 15,892 | 23,171 | 16,711 | 22,352 |
| Election Authority | 49,244 | 13,938 | 46,826 | 16,356 |
| CARES Act Grant | 55,004 | 71 | 48,825 | 6,250 |
| ARPA Grant | - | 950,662 | 43,433 | 907,229 |
| Total | <u>\$ 2,662,151</u> | <u>\$ 6,090,980</u> | <u>\$ 4,509,933</u> | <u>\$ 4,243,198</u> |

See Notes to the Financial Statements

**The County of Lewis
Monticello, 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 | \$ 395,000 | \$ 441,617 |
| Sales Taxes | 1,400,000 | 1,161,511 |
| Intergovernmental | 85,000 | 56,337 |
| Charges for Services | 287,400 | 349,163 |
| Interest | 15,000 | 6,047 |
| Other Receipts | 130,450 | 115,335 |
| Transfers In | 106,700 | 106,683 |
| Total Receipts | 2,419,550 | 2,236,693 |
| <u>Disbursements</u> | | |
| County Commission | 107,702 | 104,364 |
| County Clerk | 99,658 | 84,362 |
| Elections | 32,500 | 18,616 |
| Building and Grounds | 475,030 | 129,914 |
| Employee Fringe Benefits | 269,150 | 227,983 |
| Treasurer | 65,722 | 58,510 |
| Collector | 93,830 | 93,566 |
| Recorder of Deeds | 79,505 | 70,475 |
| Circuit Clerk | 23,000 | 15,518 |
| Court Administrator | - | 329 |
| Public Administrator | 60,095 | 54,906 |
| Prosecuting Attorney | 163,422 | 151,870 |
| Juvenile Office | 45,007 | 34,302 |
| Coroner | 27,466 | 25,649 |
| Emergency Management | 16,561 | 12,425 |
| Other Disbursements | 434,073 | 322,655 |
| Transfers Out | 772,500 | 422,500 |
| Emergency | 600,000 | - |
| Total Disbursements | 3,365,221 | 1,827,944 |
| Receipts Over (Under) | | |
| Disbursements | \$ (945,671) | \$ 408,749 |
| Cash and Equivalents, Jan 1 | 1,093,593 | 1,093,593 |
| Cash and Equivalents, Dec 31 | \$ 147,922 | \$ 1,502,342 |

See Notes to the Financial Statements

**The County of Lewis
Monticello, 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 | \$ 421,100 | \$ 448,218 |
| Sales Taxes | 180,000 | 209,558 |
| Intergovernmental | 496,300 | 556,624 |
| Charges for Services | - | - |
| Interest | 7,500 | 2,113 |
| Other Receipts | 12,500 | 6,521 |
| Transfers In | - | - |
| Total Receipts | <u>1,117,400</u> | <u>1,223,034</u> |
| <u>Disbursements</u> | | |
| Salaries | 399,133 | 321,136 |
| Employee Fringe Benefits | 221,500 | 198,845 |
| Supplies | 154,800 | 126,041 |
| Insurance | 16,000 | 12,591 |
| Road and Bridge Materials | 408,500 | 351,602 |
| Equipment Repairs | 100,000 | 89,941 |
| Rentals | 1,000 | - |
| Equipment Purchases | 101,000 | 1,745 |
| Road and Bridge Construction | - | - |
| Other Disbursements | 13,420 | 10,215 |
| Transfers Out | - | - |
| Total Disbursements | <u>1,415,353</u> | <u>1,112,116</u> |
| Receipts Over (Under) | | |
| Disbursements | \$ (297,953) | \$ 110,918 |
| Cash and Equivalents, Jan 1 | <u>325,407</u> | <u>325,407</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 27,454</u> | <u>\$ 436,325</u> |

See Notes to the Financial Statements

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

| | Road and Bridge Capital Fund | |
|------------------------------|------------------------------|------------|
| | Budget | Actual |
| <u>Receipts</u> | | |
| Property Taxes | \$ - | \$ - |
| Sales Taxes | 280,000 | 314,418 |
| Intergovernmental | 2,035 | 2,035 |
| Charges for Services | - | - |
| Interest | 7,000 | 2,513 |
| Other Receipts | 12,000 | 7,924 |
| Transfers In | 350,000 | - |
| Total Receipts | 651,035 | 326,890 |
| <u>Disbursements</u> | | |
| Salaries | - | - |
| Employee Fringe Benefits | - | - |
| Supplies | - | - |
| Insurance | - | - |
| Road and Bridge Materials | 230,000 | 55,392 |
| Equipment Repairs | - | - |
| Rentals | 6,000 | - |
| Equipment Purchases | 36,303 | 36,303 |
| Road and Bridge Construction | 853,235 | 2,335 |
| Other Disbursements | 50,000 | 31,120 |
| Transfers Out | - | - |
| Total Disbursements | 1,175,538 | 125,150 |
| Receipts Over (Under) | | |
| Disbursements | \$ (524,503) | \$ 201,740 |
| Cash and Equivalents, Jan 1 | 562,063 | 562,063 |
| Cash and Equivalents, Dec 31 | \$ 37,560 | \$ 763,803 |

See Notes to the Financial Statements

**The County of Lewis
Monticello, 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 | | Records Preservation Fund | |
|------------------------------|-----------------|-------------------|---------------------------|-----------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | 176,763 | 198,242 | - | - |
| Charges for Services | 2,000 | 3,547 | 3,500 | 3,942 |
| Interest | 1,000 | 756 | 100 | 44 |
| Other Receipts | 250 | - | - | - |
| Transfers In | 22,500 | 48,000 | - | - |
| Total Receipts | <u>202,513</u> | <u>250,545</u> | <u>3,600</u> | <u>3,986</u> |
| <u>Disbursements</u> | | | | |
| Salaries | 109,216 | 106,955 | - | - |
| Employee Fringe Benefits | 64,200 | 49,474 | - | - |
| Materials and Supplies | 49,500 | 10,481 | 15,000 | 12,632 |
| Services | 19,000 | 8,304 | - | - |
| Other Disbursements | - | - | 500 | - |
| Capital Outlay | 68,000 | 18,251 | 1,500 | - |
| Transfers Out | - | - | - | - |
| Total Disbursements | <u>309,916</u> | <u>193,465</u> | <u>17,000</u> | <u>12,632</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (107,403) | \$ 57,080 | \$ (13,400) | \$ (8,646) |
| Cash and Equivalents, Jan 1 | <u>114,366</u> | <u>114,366</u> | <u>14,616</u> | <u>14,616</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 6,963</u> | <u>\$ 171,446</u> | <u>\$ 1,216</u> | <u>\$ 5,970</u> |

See Notes to the Financial Statements

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

| | Law Enforcement Operating Fund | | Law Enforcement Training Fund | |
|------------------------------|--------------------------------|------------------|-------------------------------|-----------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | 380,000 | 419,184 | - | - |
| Intergovernmental | 70,000 | 32,664 | - | - |
| Charges for Services | - | - | 3,900 | 5,396 |
| Interest | 2,800 | 833 | 50 | - |
| Other Receipts | 38,500 | 49,560 | - | - |
| Transfers In | 400,000 | 400,000 | - | - |
| Total Receipts | <u>891,300</u> | <u>902,241</u> | <u>3,950</u> | <u>5,396</u> |
| <u>Disbursements</u> | | | | |
| Salaries | 550,378 | 550,425 | - | - |
| Employee Fringe Benefits | 229,500 | 208,898 | - | - |
| Materials and Supplies | 45,050 | 40,486 | - | - |
| Services | 99,309 | 115,784 | 3,000 | 3,842 |
| Other Disbursements | 15,500 | 10,739 | - | - |
| Capital Outlay | 7,500 | 1,341 | - | - |
| Transfers Out | 78,000 | 78,000 | - | - |
| Total Disbursements | <u>1,025,237</u> | <u>1,005,673</u> | <u>3,000</u> | <u>3,842</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (133,937) | \$ (103,432) | \$ 950 | \$ 1,554 |
| Cash and Equivalents, Jan 1 | <u>135,693</u> | <u>135,693</u> | <u>(340)</u> | <u>(340)</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 1,756</u> | <u>\$ 32,261</u> | <u>\$ 610</u> | <u>\$ 1,214</u> |

See Notes to the Financial Statements

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

| | County Farm Fund | | Domestic Violence Fund | |
|------------------------------|------------------|-------------------|------------------------|--------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 46,930 | 50,890 | 8,000 | 8,908 |
| Interest | 1,500 | 808 | - | - |
| Other Receipts | 1,000 | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>49,430</u> | <u>51,698</u> | <u>8,000</u> | <u>8,908</u> |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | 6,000 | 1,765 | - | - |
| Services | 22,250 | 11,084 | 5,992 | 8,908 |
| Other Disbursements | 40,000 | - | - | - |
| Capital Outlay | 150,000 | - | - | - |
| Transfers Out | - | - | - | - |
| Total Disbursements | <u>218,250</u> | <u>12,849</u> | <u>5,992</u> | <u>8,908</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (168,820) | \$ 38,849 | \$ 2,008 | \$ - |
| Cash and Equivalents, Jan 1 | <u>183,888</u> | <u>183,888</u> | <u>-</u> | <u>-</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 15,068</u> | <u>\$ 222,737</u> | <u>\$ 2,008</u> | <u>\$ -</u> |

See Notes to the Financial Statements

The County of Lewis
Monticello, 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 | | Prosecuting Attorney Bad Check Fund | |
|------------------------------|------------------------------------|-----------------|-------------------------------------|-----------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 3,000 | 5,269 | 400 | 1,275 |
| Interest | 6 | 19 | 55 | 23 |
| Other Receipts | - | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>3,006</u> | <u>5,288</u> | <u>455</u> | <u>1,298</u> |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | - | - | - | - |
| Services | 4,356 | 1,228 | 3,592 | - |
| Other Disbursements | 12 | - | - | 125 |
| Capital Outlay | 2,000 | - | 2,000 | - |
| Transfers Out | - | - | - | - |
| Total Disbursements | <u>6,368</u> | <u>1,228</u> | <u>5,592</u> | <u>125</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (3,362) | \$ 4,060 | \$ (5,137) | \$ 1,173 |
| Cash and Equivalents, Jan 1 | <u>3,362</u> | <u>3,362</u> | <u>5,137</u> | <u>5,137</u> |
| Cash and Equivalents, Dec 31 | <u>\$ -</u> | <u>\$ 7,422</u> | <u>\$ -</u> | <u>\$ 6,310</u> |

See Notes to the Financial Statements

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

| | D.W.I. Fund | | Law Enforcement Restitution Fund | |
|------------------------------|------------------------|------------------------|----------------------------------|-------------------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 950 | 526 | 15,100 | 23,436 |
| Interest | 55 | - | 300 | 286 |
| Other Receipts | - | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>1,005</u> | <u>526</u> | <u>15,400</u> | <u>23,722</u> |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | - | - | - | - |
| Services | - | - | - | - |
| Other Disbursements | - | - | - | - |
| Capital Outlay | 6,000 | - | 5,000 | 5,500 |
| Transfers Out | - | - | 7,500 | 7,500 |
| Total Disbursements | <u>6,000</u> | <u>-</u> | <u>12,500</u> | <u>13,000</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (4,995) | \$ 526 | \$ 2,900 | \$ 10,722 |
| Cash and Equivalents, Jan 1 | <u>8,783</u> | <u>8,783</u> | <u>19,525</u> | <u>19,525</u> |
| Cash and Equivalents, Dec 31 | <u><u>\$ 3,788</u></u> | <u><u>\$ 9,309</u></u> | <u><u>\$ 22,425</u></u> | <u><u>\$ 30,247</u></u> |

See Notes to the Financial Statements

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

| | Collector's Tax Maintenance Fund | | Recorder's Technology Fund | |
|------------------------------|----------------------------------|------------------|----------------------------|------------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 15,000 | 14,043 | 1,900 | 2,858 |
| Interest | 175 | 154 | 100 | 61 |
| Other Receipts | - | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>15,175</u> | <u>14,197</u> | <u>2,000</u> | <u>2,919</u> |
| <u>Disbursements</u> | | | | |
| Salaries | 6,000 | 4,860 | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | 2,500 | 120 | - | - |
| Services | 31,500 | 6,909 | 6,500 | - |
| Other Disbursements | 5,424 | 30 | 1,200 | - |
| Capital Outlay | - | - | 1,500 | - |
| Transfers Out | 3,000 | 1,183 | - | - |
| Total Disbursements | <u>48,424</u> | <u>13,102</u> | <u>9,200</u> | <u>-</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (33,249) | \$ 1,095 | \$ (7,200) | \$ 2,919 |
| Cash and Equivalents, Jan 1 | <u>33,249</u> | <u>33,249</u> | <u>13,774</u> | <u>13,774</u> |
| Cash and Equivalents, Dec 31 | <u>\$ -</u> | <u>\$ 34,344</u> | <u>\$ 6,574</u> | <u>\$ 16,693</u> |

See Notes to the Financial Statements

**The County of Lewis
Monticello, 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 Civil Fees Fund | | Sheriff Revolving Fund | |
|------------------------------|-------------------------|-----------------|------------------------|------------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 16,500 | 9,529 | 4,500 | 10,220 |
| Interest | 200 | 37 | 200 | 62 |
| Other Receipts | - | 681 | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>16,700</u> | <u>10,247</u> | <u>4,700</u> | <u>10,282</u> |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | 500 | - | 2,500 | - |
| Services | 11,000 | 8,800 | 2,500 | - |
| Other Disbursements | - | - | 2,000 | 2,283 |
| Capital Outlay | 11,000 | 6,874 | 5,000 | 1,148 |
| Transfers Out | - | - | - | - |
| Total Disbursements | <u>22,500</u> | <u>15,674</u> | <u>12,000</u> | <u>3,431</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (5,800) | \$ (5,427) | \$ (7,300) | \$ 6,851 |
| Cash and Equivalents, Jan 1 | <u>11,826</u> | <u>11,826</u> | <u>11,171</u> | <u>11,171</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 6,026</u> | <u>\$ 6,399</u> | <u>\$ 3,871</u> | <u>\$ 18,022</u> |

See Notes to the Financial Statements

**The County of Lewis
Monticello, 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 Services Fund | | D.A.R.E. Fund | |
|------------------------------|------------------------|-----------|---------------|------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | 3,200 | 3,405 | - | - |
| Charges for Services | 1,200 | - | 2,000 | 700 |
| Interest | 40 | 52 | - | - |
| Other Receipts | - | 5,341 | 2,500 | 1,100 |
| Transfers In | 15,070 | 14,670 | - | - |
| Total Receipts | 19,510 | 23,468 | 4,500 | 1,800 |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | 1,000 | 242 | - | - |
| Services | 2,000 | 248 | 8,000 | 4,509 |
| Other Disbursements | - | - | 3,500 | - |
| Capital Outlay | - | - | - | - |
| Transfers Out | 3,300 | - | - | - |
| Total Disbursements | 6,300 | 490 | 11,500 | 4,509 |
| Receipts Over (Under) | | | | |
| Disbursements | \$ 13,210 | \$ 22,978 | \$ (7,000) | \$ (2,709) |
| Cash and Equivalents, Jan 1 | (8,624) | (8,624) | 14,522 | 14,522 |
| Cash and Equivalents, Dec 31 | \$ 4,586 | \$ 14,354 | \$ 7,522 | \$ 11,813 |

See Notes to the Financial Statements

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

| | Inmate Security Fund | | Election Authority Fund | |
|------------------------------|----------------------|------------------|-------------------------|------------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 13,500 | 23,085 | 32,500 | 13,938 |
| Interest | 400 | 86 | - | - |
| Other Receipts | - | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | <u>13,900</u> | <u>23,171</u> | <u>32,500</u> | <u>13,938</u> |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | - |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | 8,000 | 6,754 | 32,500 | 2,021 |
| Services | - | - | - | 10,135 |
| Other Disbursements | - | - | - | - |
| Capital Outlay | 19,000 | 9,957 | - | - |
| Transfers Out | - | - | - | 34,670 |
| Total Disbursements | <u>27,000</u> | <u>16,711</u> | <u>32,500</u> | <u>46,826</u> |
| Receipts Over (Under) | | | | |
| Disbursements | \$ (13,100) | \$ 6,460 | \$ - | \$ (32,888) |
| Cash and Equivalents, Jan 1 | <u>15,892</u> | <u>15,892</u> | <u>49,244</u> | <u>49,244</u> |
| Cash and Equivalents, Dec 31 | <u>\$ 2,792</u> | <u>\$ 22,352</u> | <u>\$ 49,244</u> | <u>\$ 16,356</u> |

See Notes to the Financial Statements

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

| | CARES Act Grant Fund | | ARPA Grant Fund | |
|------------------------------|----------------------|-------------|-----------------|------------|
| | Budget | Actual | Budget | Actual |
| <u>Receipts</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | - | - | - | - |
| Intergovernmental | - | - | - | 949,436 |
| Charges for Services | - | - | - | - |
| Interest | - | 71 | - | 1,226 |
| Other Receipts | - | - | - | - |
| Transfers In | - | - | - | - |
| Total Receipts | - | 71 | - | 950,662 |
| <u>Disbursements</u> | | | | |
| Salaries | - | - | - | 6,223 |
| Employee Fringe Benefits | - | - | - | - |
| Materials and Supplies | - | - | - | - |
| Services | - | 48,825 | - | 11,710 |
| Other Disbursements | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Transfers Out | - | - | - | 25,500 |
| Total Disbursements | - | 48,825 | - | 43,433 |
| Receipts Over (Under) | | | | |
| Disbursements | \$ - | \$ (48,754) | \$ - | \$ 907,229 |
| Cash and Equivalents, Jan 1 | 55,004 | 55,004 | - | - |
| Cash and Equivalents, Dec 31 | \$ 55,004 | \$ 6,250 | \$ - | \$ 907,229 |

See Notes to the Financial Statements

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

| | Collector | Recorder | County Clerk | Prosecuting Attorney | Sheriff | Treasurer | Total |
|--------------------------------------|--------------|----------|-----------------|-------------------------|----------|-----------|--------------|
| Assets | | | | | | | |
| Cash and Equivalents | \$ 7,384,769 | \$ 6,871 | \$ 589 | \$ 181 | \$ 2,437 | \$ 45,605 | \$ 7,440,452 |
| Total Assets | 7,384,769 | 6,871 | 589 | 181 | 2,437 | 45,605 | 7,440,452 |
| Liabilities and Fund Balances | | | | | | | |
| Total Liabilities | 7,384,769 | 6,871 | 589 | 181 | 2,437 | 45,605 | 7,440,452 |
| | 7,384,769 | 6,871 | 589 | 181 | 2,437 | 45,605 | 7,440,452 |
| Fund Balances | - | - | - | - | - | - | - |
| Total Liabilities and Fund Balances | \$ 7,384,769 | \$ 6,871 | \$ 589 | \$ 181 | \$ 2,437 | \$ 45,605 | \$ 7,440,452 |

See Notes to the Financial Statements

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

Note 1 - Summary of Significant Accounting Policies

Organized in 1833, the county of Lewis was named after Captain Merriwether Lewis, Governor of the Missouri Territory. It is a third-class county, and the county seat is Monticello. 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 Lewis County, Missouri.

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 Lewis County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

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 Lewis 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.

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.

**The County of Lewis
Monticello, 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)

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., Lewis 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 funds had actual expenditures which exceeded budgeted expenditures: Law Enforcement Training Fund, Domestic Violence Fund, Law Enforcement Restitution Fund and Election Authority Fund. The following funds did not have prepared budgets: CARES Act Grant Fund and ARPA Grant Fund.

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 County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes (continued)

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:

| | General Revenue | Special Road and Bridge |
|------------------------|-----------------------|----------------------------|
| Real Estate | \$ 88,867,790 | \$ 49,568,810 |
| Personal Property | 43,635,600 | 26,106,440 |
| Railroad and Utilities | 28,117,922 | 18,804,284 |
| | <u>\$ 160,621,312</u> | <u>\$ 94,479,534</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:

| | | |
|-------------------------|-----------|---|
| General Revenue | \$ 0.2528 | |
| Special Road and Bridge | 0.2525 | |
| Common Road District* | 0.1955 | *Reported in Special Road and Bridge Fund |

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.

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.

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

Note 2 - Deposits and Investments

Lewis 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 | \$ 11,683,650 | \$ 10,785,100 |
| Investments | - | - |
| Total Deposits and Investments as of December 31, 2021 | <u>\$ 11,683,650</u> | <u>\$ 10,785,100</u> |
| Total Cash and Equivalents - Governmental Funds | \$ 4,243,198 | |
| Total Cash and Equivalents - Custodial Funds | <u>7,440,452</u> | |
| | <u>\$ 11,683,650</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.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

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

Note 3 - Long-Term Debt

In March 2017, the County entered into a lease-purchase agreement to finance the purchase of a 2017 John Deere 770G Motor Grader at a cost of \$173,964, net of trade-in. The agreement requires four annual payments of \$36,303, which includes interest payable at 3.25%.

The following is the changes in long-term debt for the year ended December 31, 2021:

| | Balance at 1/1/2021 | Amount Borrowed | Amount Repaid | Balance at 12/31/2021 | Interest Paid During Year |
|-----------------------------|------------------------|--------------------|------------------|--------------------------|------------------------------|
| 2017 770G John Deere Grader | \$ 35,145 | \$ - | \$ (35,145) | \$ - | \$ 1,159 |

Note 4 - Interfund Transfers

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

| Fund | Transfers In | Transfers Out |
|-----------------------------|-------------------|-------------------|
| General Revenue | \$ 106,683 | \$ 422,500 |
| Assessment | 48,000 | - |
| Law Enforcement Operating | 400,000 | 78,000 |
| Law Enforcement Restitution | - | 7,500 |
| Collector's Tax Maintenance | - | 1,183 |
| Election Services | 14,670 | - |
| Election Authority | - | 34,670 |
| ARPA Grant | - | 25,500 |
| | <u>\$ 569,353</u> | <u>\$ 569,353</u> |

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

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

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

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

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Benefits Provided

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

Contributions

Full-time employees of the County do not contribute to the pension plan. The January 1st statutorily required employer contribution rates were 8.30% (General) and 9.30% (Police) of annual covered payroll for the year ended December 31, 2021. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2021, the County contributed \$116,053 to LAGERS.

Note 6 - 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 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.

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

Note 6 - County Employees' Retirement Fund (CERF) (continued)

Contributions

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 25, 2002, is not required to make contributions. During the year ended December 31, 2021, the County collected and remitted to CERF employee contributions of \$34,907.

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 \$95,063 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.

Note 7 - 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 \$3,366 for the year ended December 31, 2021.

Note 8 - 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 9 - 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.

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

Note 9 - Claims, Commitments, and Contingencies (continued)

Compensated Absences

The County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service. Employees receive five days of vacation after the first year of service, ten days of vacation per year after two years of employment, 15 days of vacation per year after seven years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The county allows employees to have a maximum of thirty days. However, upon termination, employees are not reimbursed for sick leave. 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.

Note 10 - Risk Management

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

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make 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 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 24, 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.

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 Lewis 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 Lewis County, Missouri as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Lewis County, Missouri's basic financial statements, and have issued our report thereon dated October 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewis 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 Lewis County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis 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 Lewis 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.

Lewis County, Missouri's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lewis County, Missouri's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Lewis 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 24, 2022

**The County of Lewis
Monticello, 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.

Condition: During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures which exceeded budgeted expenditures: Law Enforcement Training Fund, Domestic Violence Fund, Law Enforcement Restitution Fund and Election Authority Fund. The following funds did not have prepared budgets: CARES Act Grant Fund and ARPA Grant Fund.

Cause: Oversight.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and failing to prepare a budget for all applicable funds.

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. An original and/or amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2022.

2021-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there were no formal fraud risk assessment procedures in place for a majority of the year.

Cause: Management had not prepared adequate documentation of fraud risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may be undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County formally adopted a fraud assessment and policy handbook on October 25, 2021, therefore, this issue has been resolved as of the date the audit was performed.

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

Financial Statement Findings (continued)

2021-003 **Criteria:** Management should prepare the financial statements of the County, as presented in the annual budget, to present balanced transfers between all funds.

Condition: The recorded transfers out did not equal the recorded transfers in in both the 2021 budget and actual revenues and expenditures. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2021.

Cause: Oversight.

Effect: The financial statements of the County, as presented in the annual budget, were inaccurately prepared due to an imbalance between transfers in and out.

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget.

Management's Response: The County will work to develop a process to reconcile all budgeted and actual interfund transfers. The expected completion date is December 31, 2022.

**The County of Lewis
Monticello, 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 Lewis 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 **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: Domestic Violence Fund and Election Services Fund. The following funds did not have prepared budgets: Election Authority Fund and CARES Act Grant Fund. The following funds had a negative ending fund balance: Law Enforcement Training Fund and Election Services Fund.

Cause: Oversight.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds, failing to prepare a budget for all applicable funds, and expending funds in excess of total available fund balance in certain funds, resulting in a deficit fund balance at year-end.

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: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2021.

Status: Management has not corrected this issue. The finding is repeated as finding 2021-001 in the current year.

2020-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared adequate documentation of fraud risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may be undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**The County of Lewis
Monticello, 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 **Management's Response:** The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2021.
(cont.)

Status: Management has not corrected this issue. The finding is repeated as finding 2021-002 in the current year.

2020-003 **Criteria:** Management should prepare the financial statements of the County, as presented in the annual budget, to present balanced transfers between all funds.

Condition: The recorded transfers out did not equal the recorded transfers in in both the 2020 budget and actual revenues and expenditures. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. This has the effect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2020.

Cause: Oversight.

Effect: The financial statements of the County, as presented in the annual budget, were inaccurately prepared due to an imbalance between transfers in and out.

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified in the accounting system and on the annual budget.

Management's Response: The County will work to develop a process to reconcile all budgeted and actual interfund transfers. The expected completion date is December 31, 2021.

Status: Management has not corrected this issue. The finding is repeated as finding 2021-003 in the current year.

Prior Year Federal Award Findings

2020-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal awarding agency, name of pass-through entity, and awards paid to subrecipients.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

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

Prior Year Federal Award Findings (continued)

2020-004 **Effect:** Federal expenditures reported in the SEFA were incorrect.
(cont.)

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: County officers and employees have diligently tried to maintain sufficient records so that the SEFA can be accurately completed. Title 2 *U.S. Code of Federal Regulations* Part 200 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County is also going to consider retaining an expert/consultant to assist in completing the next SEFA. The expected completion date is December 31, 2021.

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.