



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Ralls County, Missouri

The Office of the State Auditor contracted for an audit of Ralls County's financial statements for the year ended December 31, 2022, 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 Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is stylized, with the first letters of the first and last names being large and prominent.

Scott Fitzpatrick
State Auditor

August 2023
Report 2023-039

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ralls, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the County of Ralls ("County"), Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash Balances - All Governmental Funds - Regulatory Basis and the Statements of Assets and Liabilities Arising From Cash Transactions - Fiduciary Funds - Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash Balances - Budget and Actual - All Governmental Funds - Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2022, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

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 accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2022, or changes in net 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 the County, 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 opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 opinion. 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 the County'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 the County'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the County of Ralls' basic financial statements. The Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the County of Ralls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ralls' internal control over financial reporting and compliance.



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

July 27, 2023

FINANCIAL STATEMENTS

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

FUND	CASH BALANCES JANUARY 1, 2022	RECEIPTS 2022	DISBURSEMENTS 2022	CASH BALANCES DECEMBER 31, 2022
General Revenue Fund	\$ 584,842.86	\$ 4,438,974.56	\$ 3,938,350.17	\$ 1,085,467.25
Special Road and Bridge Fund	424,985.30	2,937,227.33	3,051,861.37	310,351.26
Capital Improvement Fund	1,060,798.10	14,607.36	81,475.61	993,929.85
Assessment Fund	249,336.83	365,430.26	337,989.93	276,777.16
Election Services Fund	14,364.95	2,828.00	673.84	16,519.11
Prosecuting Attorney Training Fund	19,019.33	4,140.69	-	23,160.02
Prosecuting Attorney Tax Fund	4,296.57	74.10	-	4,370.67
Prosecuting Attorney Administrative Fund	8,302.56	1,224.52	1,049.27	8,477.81
Recorder's Users Fund	113,828.60	6,707.21	-	120,535.81
Domestic Fund	265.02	492.07	265.02	492.07
Inmate Security Fund	27,588.55	9,144.52	30,304.78	6,428.29
Sheriff's Fund	8,112.94	5,781.95	1,383.99	12,510.90
Recorder's Tech Fund	13,531.65	2,894.03	641.25	15,784.43
Tax Maintenance Fund	40,187.47	19,184.15	11,487.70	47,883.92
Sheriff's Revolving Fund	11,385.93	3,369.47	5,038.27	9,717.13
Law Enforcement Training Fund	2,859.44	4,172.36	2,386.80	4,645.00
Reserve Fund	446,258.93	7,178.13	-	453,437.06
County Law Enforcement Restitution Fund	22,324.02	904.43	-	23,228.45
American Rescue Plan Act Fund	651,518.12	-	651,518.12	-
TOTAL	\$ 3,703,807.17	\$ 7,824,335.14	\$ 8,114,426.12	\$ 3,413,716.19

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	GENERAL REVENUE FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 730,000.00	\$ 556,727.18
Sales Taxes	1,530,000.00	1,698,143.33
Intergovernmental	1,198,524.40	1,209,578.80
Charges for Services	308,650.00	299,302.40
Interest	1,525.00	17,133.69
Other	143,825.00	137,977.24
Transfers In	526,111.92	520,111.92
TOTAL RECEIPTS	4,438,636.32	4,438,974.56
DISBURSEMENTS		
County Commission	104,152.07	103,567.16
County Clerk	96,885.49	90,872.61
Elections	143,795.80	102,003.40
Buildings and Grounds	129,046.08	97,848.05
Employee Fringe Benefits	546,450.00	459,539.74
County Treasurer	54,987.18	53,797.78
Collector	103,906.60	110,845.67
Circuit Clerk	63,457.00	51,345.00
Court Administration	14,200.00	13,855.00
Public Administrator	58,619.53	55,392.74
Sheriff	996,272.01	1,009,442.63
Jail	250,000.00	142,496.59
Prosecuting Attorney	198,772.99	198,380.57
Juvenile Officer	78,183.73	50,918.29
Coroner	29,043.43	27,229.45
Planning and Zoning	48,720.00	20,804.02
Insurance	120,000.00	92,300.44
University Extension Service	65,000.00	65,000.00
Other	70,090.60	91,781.93
Economic Development	1,671,412.92	1,038,601.51
Health and Welfare	15,000.00	327.59
Transfers Out	165,000.00	62,000.00
TOTAL DISBURSEMENTS	5,022,995.43	3,938,350.17
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(584,359.11)	500,624.39
CASH BALANCES, JANUARY 1	584,842.86	584,842.86
CASH BALANCES, DECEMBER 31	\$ 483.75	\$ 1,085,467.25

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	SPECIAL ROAD AND BRIDGE FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 750,000.00	\$ 771,513.82
Sales Taxes	834,000.00	911,087.06
Intergovernmental	965,510.00	1,156,446.06
Charges for Services	430.00	5,046.38
Interest	-	-
Other	256,000.00	93,134.01
Transfers In	6,000.00	-
TOTAL RECEIPTS	2,811,940.00	2,937,227.33
DISBURSEMENTS		
Salaries	572,820.10	609,678.47
Employee Fringe Benefits	339,602.01	279,800.77
Supplies	571,220.00	432,047.84
Insurance	70,000.00	62,257.73
Road and Bridge Materials	782,000.00	558,483.12
Equipment Repairs	160,000.00	149,494.21
Rentals	15,000.00	4,500.00
Equipment Purchases	340,000.00	502,542.05
Road and Bridge Construction	285,000.00	342,967.83
Other	90,500.00	110,089.35
Transfers Out	-	-
TOTAL DISBURSEMENTS	3,226,142.11	3,051,861.37
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(414,202.11)	(114,634.04)
CASH BALANCES, JANUARY 1	424,985.30	424,985.30
CASH BALANCES, DECEMBER 31	\$ 10,783.19	\$ 310,351.26

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

		CAPITAL IMPROVEMENT FUND	
		2022	
		BUDGET	ACTUAL
RECEIPTS			
Property Taxes	\$	-	\$ -
Sales Taxes		-	-
Intergovernmental		-	-
Reimbursements		-	-
Interest		3,000.00	14,607.36
Other		-	-
Transfers In		-	-
TOTAL RECEIPTS		3,000.00	14,607.36
DISBURSEMENTS			
Equipment Purchases		200,000.00	81,475.61
TOTAL DISBURSEMENTS		200,000.00	81,475.61
RECEIPTS OVER (UNDER)			
DISBURSEMENTS		(197,000.00)	(66,868.25)
CASH BALANCES, JANUARY 1		1,060,798.10	1,060,798.10
CASH BALANCES, DECEMBER 31	\$	863,798.10	\$ 993,929.85

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	ASSESSMENT FUND		ELECTION SERVICES FUND	
	2022		2022	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	295,000.00	281,812.63	-	-
Charges for Services	500.00	14,520.50	-	-
Interest	178.00	5,177.63	-	259.99
Other	15,650.00	1,919.50	9,353.21	2,568.01
Transfers In	62,000.00	62,000.00	-	-
TOTAL RECEIPTS	373,328.00	365,430.26	9,353.21	2,828.00
DISBURSEMENTS				
Salaries	226,713.43	216,086.20	-	-
Employee Fringe Benefits	80,925.00	55,450.64	-	-
Office	8,500.00	4,222.00	6,945.71	-
Equipment	13,000.00	11,093.15	5,000.00	-
Appraisal Contracts	2,500.00	-	-	-
Utilities	1,800.00	1,325.37	-	-
Materials and Supplies	1,250.00	3,904.83	2,000.00	548.84
Mileage and Training	8,500.00	9,200.59	1,000.00	125.00
Insurance	1,700.00	1,319.98	-	-
GIS	20,000.00	34,175.00	-	-
Legal Fees	3,000.00	-	-	-
Vehicle Purchase	1,500.00	1,212.17	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	369,388.43	337,989.93	14,945.71	673.84
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	3,939.57	27,440.33	(5,592.50)	2,154.16
CASH BALANCES, JANUARY 1	249,336.83	249,336.83	14,364.95	14,364.95
CASH BALANCES, DECEMBER 31	\$ 253,276.40	\$ 276,777.16	\$ 8,772.45	\$ 16,519.11

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>PROSECUTING ATTORNEY TRAINING FUND</u>		<u>PROSECUTING ATTORNEY TAX FUND</u>	
	2022		2022	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,970.00	3,768.75	-	-
Interest	10.00	371.94	4.00	74.10
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	<u>2,980.00</u>	<u>4,140.69</u>	<u>4.00</u>	<u>74.10</u>
DISBURSEMENTS				
Fees	-	-	4,000.00	-
Tuition	7,000.00	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,000.00</u>	<u>-</u>	<u>4,000.00</u>	<u>-</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(4,020.00)	4,140.69	(3,996.00)	74.10
CASH BALANCES, JANUARY 1	<u>19,019.33</u>	<u>19,019.33</u>	<u>4,296.57</u>	<u>4,296.57</u>
CASH BALANCES, DECEMBER 31	<u>\$ 14,999.33</u>	<u>\$ 23,160.02</u>	<u>\$ 300.57</u>	<u>\$ 4,370.67</u>

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND		RECORDER'S USERS FUND	
	2022		2022	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	5,500.00	4,686.00
Interest	6.00	149.52	50.00	2,021.21
Other	400.00	1,075.00	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	406.00	1,224.52	5,550.00	6,707.21
DISBURSEMENTS				
Professional Services	1,500.00	418.82	-	-
State Fees	6,000.00	630.45	-	-
Other	1,200.00	-	118,000.00	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	8,700.00	1,049.27	118,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,294.00)	175.25	(112,450.00)	6,707.21
CASH BALANCES, JANUARY 1	8,302.56	8,302.56	113,828.60	113,828.60
CASH BALANCES, DECEMBER 31	\$ 8.56	\$ 8,477.81	\$ 1,378.60	\$ 120,535.81

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	DOMESTIC FUND		INMATE SECURITY FUND	
	2022		2022	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	700.00	486.50	15,984.14	8,954.95
Interest	1.00	5.57	20.00	189.57
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	701.00	492.07	16,004.14	9,144.52
DISBURSEMENTS				
Materials and Supplies	-	-	33,000.00	30,304.78
Professional Services	900.00	265.02	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	900.00	265.02	33,000.00	30,304.78
RECEIPTS OVER (UNDER) DISBURSEMENTS	(199.00)	227.05	(16,995.86)	(21,160.26)
CASH BALANCES, JANUARY 1	265.02	265.02	27,588.55	27,588.55
CASH BALANCES, DECEMBER 31	\$ 66.02	\$ 492.07	\$ 10,592.69	\$ 6,428.29

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	SHERIFF'S FUND		RECORDER'S TECH FUND	
	2022		2022	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	8,000.00	5,580.00	3,000.00	2,638.75
Interest	50.00	191.95	10.00	255.28
Other	9,100.00	10.00	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	17,150.00	5,781.95	3,010.00	2,894.03
DISBURSEMENTS				
Materials and Supplies	9,350.00	1,383.99	16,000.00	641.25
Professional Services	2,500.00	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	11,850.00	1,383.99	16,000.00	641.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,300.00	4,397.96	(12,990.00)	2,252.78
CASH BALANCES, JANUARY 1	8,112.94	8,112.94	13,531.65	13,531.65
CASH BALANCES, DECEMBER 31	\$ 13,412.94	\$ 12,510.90	\$ 541.65	\$ 15,784.43

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	TAX MAINTENANCE FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	18,400.00	19,132.51
Interest	20.00	51.64
Transfers In	-	-
TOTAL RECEIPTS	18,420.00	19,184.15
DISBURSEMENTS		
Equipment Purchases	6,000.00	8,825.17
Professional Services	3,270.00	1,254.75
Mileage and Training	1,100.00	1,401.78
Other	8,000.00	6.00
Transfers Out	-	-
TOTAL DISBURSEMENTS	18,370.00	11,487.70
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	50.00	7,696.45
CASH BALANCES, JANUARY 1	40,187.47	40,187.47
CASH BALANCES, DECEMBER 31	\$ 40,237.47	\$ 47,883.92

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	SHERIFF'S REVOLVING FUND		LAW ENFORCEMENT TRAINING FUND	
	2022		2022	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	3,190.00	3,100.00	4,103.20
Interest	200.00	179.47	62.42	69.16
Other	9,800.00	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	10,000.00	3,369.47	3,162.42	4,172.36
DISBURSEMENTS				
Training	-	-	3,500.00	2,386.80
Materials and Supplies	6,300.00	2,632.64	-	-
Other	-	-	1,500.00	-
Equipment Purchases	4,500.00	2,405.63	1,000.00	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	10,800.00	5,038.27	6,000.00	2,386.80
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(800.00)	(1,668.80)	(2,837.58)	1,785.56
CASH BALANCES, JANUARY 1	11,385.93	11,385.93	2,859.44	2,859.44
CASH BALANCES, DECEMBER 31	\$ 10,585.93	\$ 9,717.13	\$ 21.86	\$ 4,645.00

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	RESERVE FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	1,500.00	7,178.13
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	1,500.00	7,178.13
DISBURSEMENTS		
Transfers Out	100,000.00	-
TOTAL DISBURSEMENTS	100,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(98,500.00)	7,178.13
CASH BALANCES, JANUARY 1	446,258.93	446,258.93
CASH BALANCES, DECEMBER 31	\$ 347,758.93	\$ 453,437.06

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	COUNTY LAW ENFORCEMENT RESTITUTION FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	-	-
Other	-	904.43
Transfers In	-	-
TOTAL RECEIPTS	-	904.43
DISBURSEMENTS		
Transfers Out	-	-
TOTAL DISBURSEMENTS	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	904.43
CASH AND INVESTMENT BALANCES, JANUARY 1	21,960.64	22,324.02
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 21,960.64	\$ 23,228.45

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	AMERICAN RESCUE PLAN ACT FUND	
	2022	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	-	-
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	-	-
DISBURSEMENTS		
Services and Others	651,518.12	131,406.20
Transfers Out	-	520,111.92
TOTAL DISBURSEMENTS	651,518.12	651,518.12
RECEIPTS OVER (UNDER) DISBURSEMENTS	(651,518.12)	(651,518.12)
CASH AND INVESTMENT BALANCES, JANUARY 1	651,518.12	651,518.12
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
FIDUCIARY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2022

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	Ralls County Tax Fund
ASSETS					
Cash and Cash Equivalents	\$ 12,510,353.98	\$ 6,972.50	\$ 2,251.75	\$ -	\$ 27,388.79
Total Assets	12,510,353.98	6,972.50	2,251.75	-	27,388.79
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	12,510,353.98	6,972.50	2,251.75	-	27,388.79
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,510,353.98	\$ 6,972.50	\$ 2,251.75	\$ -	\$ 27,388.79
	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
	Health Department	Hannibal Rural Fire Department	Prosecuting Attorney	CERF Fund	Unclaimed Fees Fund
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 44.05	\$ 2,034.97	\$ 2,076.10
Total Assets	-	-	44.05	2,034.97	2,076.10
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	44.05	2,034.97	2,076.10
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 44.05	\$ 2,034.97	\$ 2,076.10
	County Schools' Fund	Employee Tax Savings Fund	Pass Through Fund	Land Surplus Fund	Grand Total Custodial Funds
ASSETS					
Cash and Cash Equivalents	\$ 36,967.96	\$ 770.00	\$ 347.45	\$ 814.92	\$ 12,590,022.47
Total Assets	36,967.96	770.00	347.45	814.92	12,590,022.47
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	36,967.96	770.00	347.45	814.92	12,590,022.47
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,967.96	\$ 770.00	\$ 347.45	\$ 814.92	\$ 12,590,022.47

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ralls, Missouri (“County”), which is governed by three commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, Surveyor, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

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

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri Court System and considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

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

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Custodial funds are accounted for and reported similarly to the governmental funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget 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.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2022, for purposes of taxation, was:

	<u>2022</u>
Real Estate	\$ 155,184,550
Personal Property	96,768,186
Railroad and Utilities	<u>26,555,095</u>
	<u>\$ 278,507,831</u>

During 2022, the County Commission approved a \$0.4308, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2022</u>
General Revenue Fund	\$ 0.1652
Special Road and Bridge Fund	<u>0.2656</u>
	<u>\$ 0.4308</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of 90 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, or any instrumentality thereof, certain municipal bonds authorized by Missouri statute, or time certificates of deposit. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS

The County maintains a cash pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash Balances" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2022, the carrying amounts of the County's deposits and investments were \$3,413,716.19 and the bank balances were \$11,775,209.63. The total bank balances as of December 31, 2022, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2022, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances – Governmental Funds:</u>	
Deposits and cash equivalents	\$ 3,413,716.19
Total Governmental Funds	<u>3,413,716.19</u>
<u>Statement of Assets and Liabilities Arising From Cash</u>	
<u>Transactions – Fiduciary Funds:</u>	
Deposits	<u>12,590,022.47</u>
Total Custodial Funds	<u>12,590,022.47</u>
Total Deposits as of December 31, 2022	\$ <u>16,003,738.66</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2022.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the year ended December 31, 2022.

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2022.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. CAPITAL LEASES

On September 13, 2018, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 12M3AWD Caterpillar Motor Grader. The first payment was due September 13, 2019. The financing agreement calls for four payments of \$32,489.85 to be paid annually, and the last payment is in the amount of \$32,490.85. The interest rate is 4.85% per annum.

On October 7, 2019, the County of Ralls entered into a lease purchase agreement with John Deere Financial to finance the purchase of a 2016 640R STD Farm Loader and a 2918 6145M Standard Cab Tractor. The lease term is 60 months. Payments of principal and interest are due annually on October 7 in the amount of \$15,548.34.

On March 1, 2019, the County of Ralls entered into a lease purchase agreement with US Bank to finance the purchase of a vehicle. The lease term is 48 months. Payments of principal and interest are due annually on March 1 with the first payment due March 1, 2020 in the amounts of \$31,851.33. The interest rate is 3.90% per annum.

On August 27, 2020, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 2019 140-13 Grader. The financing agreement calls for two payments to be paid annually with the first payment due on September 17, 2021 in the amount of \$101,529.12. The interest rate is 2.99% per annum.

On August 27, 2021, the County of Ralls entered into a lease purchase agreement with John Deere Financial to finance the purchase of multiple pieces of equipment. The financing agreement calls for two payments of \$61,337.18 to be paid annually. The interest rate is 2.75% per annum.

On May 15, 2022, the County of Ralls entered into a lease purchase agreement with KS State Bank to finance the purchase of a vehicle. The lease term is 3 years. Payments of principal and interest are due annually on May 15 with the first payment due May 15, 2023 in the amount of \$67,465.14. The interest rate is 4.36% per annum.

On June 10, 2022, the County of Ralls entered into a lease purchase agreement with Henry Adkins and Sons to finance the purchase of Unisyn Voting equipment. The lease term is 60 months. Payments of principal and interest are due annually on July 31 with the first payment of \$12,220 due on July 31, 2023.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. CAPITAL LEASES (concluded)

As of December 31, 2022, the payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2021	Additions	Payments	Balance 12/31/2022	Interest Paid
2022 Volvo	\$ -	\$ 185,950.00	\$ -	\$ 185,950.00	\$ -
Voting Equipment	-	61,100.00	-	61,100.00	-
2016 Loader & 2018 Tractor	38,870.85	-	15,548.34	23,322.51	-
US Bank Vehicle	60,160.80	-	29,505.06	30,655.74	2,346.27
2018 Cat Grader N9P00271	60,591.94	-	29,526.56	31,065.38	2,963.29
2019 Cat Grader N9500162	98,500.08	-	98,500.08	-	3,029.04
John Deere Equipment	59,676.24	-	59,676.24	-	1,455.78
TOTAL	<u>\$ 317,799.91</u>	<u>\$ 247,050.00</u>	<u>\$ 232,756.28</u>	<u>\$ 332,093.63</u>	<u>\$ 9,794.38</u>

The future payments for the capital leases as of December 31, 2022, are as follows:

Year Ending December 31,	Interest	Principal	Total
2023	\$ 10,755.50	\$ 148,847.19	\$ 159,602.69
2024	5,519.42	81,939.89	87,459.31
2025	2,818.59	76,866.55	79,685.14
2026	-	12,220.00	12,220.00
2027	-	12,220.00	12,220.00
	<u>\$ 19,093.51</u>	<u>\$ 332,093.63</u>	<u>\$ 351,187.14</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

IV. OPERATING LEASES

On April 25, 2019, the County of Ralls entered into an operating lease with De Lage Landen Financial Services, Inc. for two MP2555 copiers, three IM C2500 copiers and one IM C3000 copier. The term of the lease is for 60 months with monthly payments of \$506.38 beginning in May 2019.

On June 28, 2018, the County of Ralls entered into an operating lease with Axon Enterprise, Inc. for 10 tasers and accessories. The term of the lease is for 60 months with annual payments of \$2,800.00 due July 28 of each year.

The future payments for operating leases entered into by the County for the year ended December 31, 2022, are as follows:

<u>December 31</u>	<u>Payments</u>
2023	\$ 6,076.56
2024	\$ 2,531.90
	<u>\$ 8,608.46</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2022 are as follows:

	2022	
	Transfers In	Transfers Out
General Revenue Fund	\$ 520,111.92	\$ 62,000.00
Assessment Fund	62,000.00	-
American Rescue Act Plan Fund	-	520,111.92
	<u>\$ 582,111.92</u>	<u>\$ 582,111.92</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Ralls County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

2022 Valuation

Benefit Multiplier:	1.50%
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	42	11
Inactive employees entitled to but not yet receiving benefits	13	13
Active employees	33	13
	<u>88</u>	<u>37</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.2% (General) and 10.8% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 120,134	\$ 54,020
2 Interest on Total Pension Liability	322,972	88,032
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	134,572	(11,720)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(275,100)	(49,691)
7 Net change in total pension liability	302,578	80,641
8 Total pension liability - beginning	4,690,058	1,255,469
9 Total pension liability - ending	<u>\$ 4,992,636</u>	<u>\$ 1,336,110</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 154,475	\$ 60,875
2 Contributions - employee	-	-
3 Net investment income	3,942	993
4 Benefit payments, including refunds of employee contributions	(275,100)	(49,691)
5 Pension plan administrative expense	(9,612)	(2,983)
6 Other (net transfer)	29,243	(5,126)
7 Net change in plan fiduciary net position	(97,052)	4,068
8 Plan fiduciary net position - beginning	5,821,928	1,507,548
9 Plan fiduciary net position - ending	<u>\$ 5,724,876</u>	<u>\$ 1,511,616</u>
C. Net Pension Liability / (Asset)	<u>\$ (732,240)</u>	<u>\$ (175,506)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.67%	113.14%
E. Covered-Employee Payroll	\$ 1,346,932	\$ 565,162
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-54.36%	-31.05%

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division:			
Total Pension Liability (TPL)	\$ 5,617,481	\$ 4,992,636	\$ 4,473,196
Plan Fiduciary Net Position	5,724,876	5,724,876	5,724,876
Net Pension Liability / (Asset) (NPL)	\$ (107,395)	\$ (732,240)	\$ (1,251,680)
Police Division:			
Total Pension Liability (TPL)	\$ 1,531,372	\$ 1,336,110	\$ 1,175,732
Plan Fiduciary Net Position	1,511,616	1,511,616	1,511,616
Net Pension Liability / (Asset) (NPL)	\$ 19,756	\$ (175,506)	\$ (335,884)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the employer recognized pension expense of \$(72,553) under GAAP. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,849	\$ (35,135)	\$ 13,377	\$ (31,092)
Changes in assumptions	-	(57,760)	-	(6,751)
Net difference between projected and actual earnings on pension plan investments	-	(110,551)	-	(37,697)
Total	\$ 88,849	\$ (203,446)	\$ 13,377	\$ (75,540)

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2022.

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2023	\$ (70,876)	\$ (16,008)
2024	(20,388)	(31,253)
2025	(103,355)	(35,831)
2026	80,022	20,929
2027	-	-
Thereafter	-	-
Total	<u>\$ (114,597)</u>	<u>\$ (62,163)</u>

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

A. Plan Description (concluded)

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit, which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. The County has elected to make the 4% contribution on behalf of the County employees. During 2022, the County remitted to CERF, contributions of approximately \$74,088.66 for the year then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628.00, for the year ended December 31, 2022.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There was one COBRA participant for year ending December 31, 2022 paying premiums of \$566.40. There were no retirees at December 31, 2022.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Compensated Absences (Vacation and Sick Time)

Ralls County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is offered to full time employees at the rate of one-half day for each calendar month of employment and are allowed to accumulate up to 30 days. Sick time is paid for at a rate of 50% for any unused sick pay. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

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

XI. RISK MANAGEMENT

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

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

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

XII. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2022

SCHEDULE OF STATE FINDINGS

There was no County Law Enforcement Restitution Fund budget prepared for the year ending December 31, 2022.

FEDERAL COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Ralls, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ralls ("County") which comprise the Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds – Regulatory Basis and the Statements of Assets and Liabilities Arising from Cash Transactions – Fiduciary Funds – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 27, 2023.

In our report, because the County prepared its financial statements using financial reporting provisions prescribed or permitted by Missouri law, our opinion stated that the financial statements were not presented fairly in conformity with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated in accordance with the financial reporting provisions prescribed or permitted by Missouri law, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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 County'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.

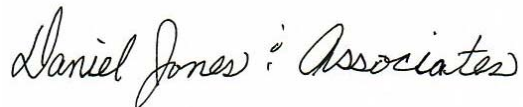
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that we've not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



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

July 27, 2023



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

Independent Auditor's Report

To The County Commission
The County of Ralls, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Ralls' ("County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws,

statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

July 27, 2023

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY NUMBER	Provided to Subrecipients	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF COMMERCE				
Direct Program:				
Economic Development Technical Assistance	11.303	ED21DEN3030041	\$ -	\$ 100,000.00
U.S. ARMY CORPS OF ENGINEERS				
Passed Through State:				
Missouri Office of Administration:				
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	-	23,719.96
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Missouri Department of Economic Development:				
Community Development Block Grants	14.228	14-EM-03	-	507,914.25
U.S. DEPARTMENT OF INTERIOR				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	-	44,438.00
U.S. DEPARTMENT OF TREASURY				
Passed Through State:				
Missouri Department of Treasury:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,041,057.71
Direct Program:				
Local Assistance and Tribal Consistency Fund	21.032	N/A	-	50,000.00
Total U.S. Department of Treasury			-	1,091,057.71
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through State:				
Missouri Office of Secretary of State:				
HAVA Election Security Grants	90.404	N/A	-	5,592.82
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State:				
Missouri Department of Public Safety:				
Disaster Grants - Public Assistance Grants (Presidential Declared Disasters)	97.036	FEMA-4451-DR-MO	-	357,987.72
Enhancing Cybersecurity Local Preparedness (ECSLP)	97.067	EMW-2021-SS-00038-38	-	9,640.91
Law Enforcement Terrorism Prevention Activities (LEPTA)	97.067	EMW-2021-SS-00038-61	-	12,989.06
Total #97.067			-	22,629.97
Total U.S. Department of Homeland Security			-	380,617.69
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 2,153,340.43

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Ralls under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Ralls, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Ralls.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUBRECIPIENTS

There were no subrecipients for federal awards for the year ending December 31, 2022.

NOTE 5– DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

Ralls County did not receive any donated personal protective equipment in the year ending December 31, 2022.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2022 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2022 ☐ Yes ☒ None Reported
3. Noncompliance material to financial statements noted? 2022 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2022 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2022 ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2022 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2022 ☐ Yes ☒ No

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
2022	21.027	COVID 19: American Rescue Plan Funds

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

6. Auditee qualified as low-risk auditee? 2022 Yes X No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended December 31, 2022.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings and questioned costs for the year ended December 31, 2022.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

There were no financial statement findings noted for the years ended December 31, 2021 and December 31, 2020.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no federal award findings and questioned costs for the years ended December 31, 2021 and December 31, 2020.