



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Douglas County, Missouri

The Office of the State Auditor contracted for an audit of Douglas 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 McBride, Lock & Associates, LLC, is attached.

Scott Fitzpatrick
State Auditor

September 2023
Report No. 2023-064



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Douglas County

Sheriff Stale Checks

The Sheriff resolve the stale dated checks, turn over any funds required to go to unclaimed property, and remove the items from the list of outstanding checks on the bank reconciliation.

ANNUAL FINANCIAL REPORT

DOUGLAS COUNTY, MISSOURI

For the Year Ended
December 31, 2022

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

DOUGLAS COUNTY, MISSOURI

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INTRODUCTORY SECTION

DOUGLAS COUNTY, MISSOURI
List of Elected Officials 2022

County Commission

Presiding Commissioner – Lance Stillings
Commissioner, District 1 – Travis Cheyney
Commissioner, District 2 – Bradley Loveless

Other Elected Officials

Assessor – Alicia Degase
Circuit Clerk – Kim Hathcock
Collector – Laura Stillings
County Clerk – Karry Davis
Prosecuting Attorney – Christopher Wade
Public Administrator – Shelia Miller
Recorder – Jacinda Sheppard
Sheriff – Chris Degase
Treasurer – Theresa Miller

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Douglas County, Missouri

Opinion

We have audited the accompanying financial statements of Douglas County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – 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 financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Douglas County, Missouri, 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 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Douglas County, Missouri, as of December 31, 2022, or the changes in financial position 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 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 Douglas 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 opinion.

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

As described in Note 1, the financial statements are prepared by Douglas County, Missouri 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 Law. 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 these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Douglas 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 Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated August 7, 2023, on our consideration of Douglas 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 Douglas County, Missouri'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 the County's internal control over financial reporting and compliance.

(Original Signed By McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 7, 2023

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

Fund	Cash and Cash Equivalents			Cash and Cash Equivalents
	January 1	Receipts	Disbursements	December 31
General Revenue	\$ 857,921	\$ 2,366,552	\$ 1,971,308	\$ 1,253,165
Special Road & Bridge	519,814	1,490,614	1,407,778	602,650
Assessment	25,976	171,626	171,816	25,786
Sheriff's Training	2,953	1,873	3,058	1,768
Sheriff's Civil Service Fee	3,766	4,120	3,100	4,786
Law Enforcement	42,325	37,477	48,328	31,474
Sheriff's Revolving (CCW)	30,269	10,517	6,085	34,701
Inmate Security	77,561	124,156	116,201	85,516
Prosecuting Attorney Training	1,581	1,492	1,311	1,762
Prosecuting Attorney Bad Check	12,990	5,457	3,726	14,721
Prosecuting Attorney Delinquent Tax	199	2	-	201
Election Services	17,194	3,518	5,342	15,370
Tax Maintenance	29,995	14,336	16,685	27,646
Recorder User	12,732	11,365	4,285	19,812
Victims of Domestic Violence	370	1,026	1,000	396
Election Improvement	14,075	3,000	-	17,075
Emergency Management	5,776	15,969	17,996	3,749
Local Emergency Planning Commission	2,110	-	100	2,010
Addressing Location Project	8,727	5,550	4,800	9,477
Law Enforcement Sales Tax	303,596	1,633,493	1,679,584	257,505
Special Election	-	36,368	36,368	-
Road Sales Tax	120,244	665,334	542,374	243,204
Missouri 911 Trust	40,579	35,177	39,270	36,486
American Rescue Plan Act	175,972	1,452,842	531,412	1,097,402
CDBG Grant	-	10,082	10,082	-
Senate Bill 40 Board	97,220	140,671	133,230	104,661
Total	<u>\$ 2,403,945</u>	<u>\$ 8,242,617</u>	<u>\$ 6,755,239</u>	<u>\$ 3,891,323</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	GENERAL REVENUE FUND	
	<u>Budget</u>	<u>Actual</u>
RECEIPTS		
Property taxes	\$ 165,000	\$ 169,779
Sales taxes	1,250,000	1,327,772
Intergovernmental	220,409	295,231
Charges for services	210,500	241,589
Interest	3,500	12,714
Other	270,974	270,751
Transfers in	21,007	48,716
Total Receipts	<u>\$ 2,141,390</u>	<u>\$ 2,366,552</u>
DISBURSEMENTS		
County Commission	\$ 85,980	\$ 86,662
County Clerk	76,490	76,191
Elections	117,700	95,179
Buildings and grounds	204,740	200,208
Employee fringe benefits	237,988	217,279
Treasurer	47,500	44,773
Collector	106,600	104,487
Recorder of Deeds	49,300	48,390
Circuit Clerk	14,770	11,939
Court Administration	31,800	36,924
Public Administrator	48,825	48,776
Prosecuting Attorney	169,514	170,275
Juvenile Officer	38,907	32,804
Coroner	14,790	15,150
Other County government	211,807	192,243
Transfers out	591,500	590,028
Emergency fund	64,242	-
Total Disbursements	<u>\$ 2,112,453</u>	<u>\$ 1,971,308</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 28,937	\$ 395,244
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>857,921</u>	<u>857,921</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 886,858</u></u>	<u><u>\$ 1,253,165</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2022

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		SHERIFF'S TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 385,000	\$ 370,567	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	963,354	1,061,661	36,868	38,623	900	666
Charges for services	1,825	5,186	100,400	100,093	1,300	1,188
Interest	2,600	5,081	300	262	20	19
Other	1,030	38,034	-	148	-	-
Transfers in	-	10,085	32,500	32,500	-	-
Total Receipts	<u>\$ 1,353,809</u>	<u>\$ 1,490,614</u>	<u>\$ 170,068</u>	<u>\$ 171,626</u>	<u>\$ 2,220</u>	<u>\$ 1,873</u>
DISBURSEMENTS						
Salaries	\$ 607,597	\$ 548,837	\$ 102,360	\$ 102,280	\$ -	\$ -
Employee fringe benefits	267,770	230,930	16,000	17,637	-	-
Materials and supplies	37,900	61,434	33,000	24,382	-	-
Services and other	258,150	386,863	44,335	27,517	3,066	3,058
Capital outlay	290,000	174,214	-	-	-	-
Construction	10,000	5,500	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,471,417</u>	<u>\$ 1,407,778</u>	<u>\$ 195,695</u>	<u>\$ 171,816</u>	<u>\$ 3,066</u>	<u>\$ 3,058</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (117,608)	\$ 82,836	\$ (25,627)	\$ (190)	\$ (846)	\$ (1,185)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>519,814</u>	<u>519,814</u>	<u>25,976</u>	<u>25,976</u>	<u>2,953</u>	<u>2,953</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 402,206</u>	<u>\$ 602,650</u>	<u>\$ 349</u>	<u>\$ 25,786</u>	<u>\$ 2,107</u>	<u>\$ 1,768</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	SHERIFF'S CIVIL SERVICE FEE FUND		LAW ENFORCEMENT FUND		SHERIFF'S REVOLVING (CCW) FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	2,830	4,007	40,000	36,884	13,000	10,190
Interest	35	42	200	593	153	327
Other	-	71	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,865</u>	<u>\$ 4,120</u>	<u>\$ 40,200</u>	<u>\$ 37,477</u>	<u>\$ 13,153</u>	<u>\$ 10,517</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	2,000	1,902	-	-	-	-
Services and other	2,400	1,198	11,000	3,845	10,000	6,085
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	40,007	44,483	-	-
Total Disbursements	<u>\$ 4,400</u>	<u>\$ 3,100</u>	<u>\$ 51,007</u>	<u>\$ 48,328</u>	<u>\$ 10,000</u>	<u>\$ 6,085</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	\$ (1,535)	\$ 1,020	\$ (10,807)	\$ (10,851)	\$ 3,153	\$ 4,432
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>3,766</u>	<u>3,766</u>	<u>42,325</u>	<u>42,325</u>	<u>30,269</u>	<u>30,269</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,231</u>	<u>\$ 4,786</u>	<u>\$ 31,518</u>	<u>\$ 31,474</u>	<u>\$ 33,422</u>	<u>\$ 34,701</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2022

	INMATE SECURITY FUND		PROSECUTING ATTORNEY TRAINING FUND		PROSECUTING ATTORNEY BAD CHECK FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	5,325	-	-	-	-
Charges for services	118,475	117,735	1,400	1,477	4,150	5,320
Interest	350	1,096	7	15	50	137
Other	900	-	100	-	25	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 119,725</u>	<u>\$ 124,156</u>	<u>\$ 1,507</u>	<u>\$ 1,492</u>	<u>\$ 4,225</u>	<u>\$ 5,457</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	20,500	18,254	-	-	800	711
Services and other	38,000	37,135	1,900	1,311	3,075	3,015
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	60,812	60,812	-	-	-	-
Total Disbursements	<u>\$ 119,312</u>	<u>\$ 116,201</u>	<u>\$ 1,900</u>	<u>\$ 1,311</u>	<u>\$ 3,875</u>	<u>\$ 3,726</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 413	\$ 7,955	\$ (393)	\$ 181	\$ 350	\$ 1,731
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>77,561</u>	<u>77,561</u>	<u>1,581</u>	<u>1,581</u>	<u>12,990</u>	<u>12,990</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 77,974</u></u>	<u><u>\$ 85,516</u></u>	<u><u>\$ 1,188</u></u>	<u><u>\$ 1,762</u></u>	<u><u>\$ 13,340</u></u>	<u><u>\$ 14,721</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2022

	PROSECUTING ATTORNEY DELINQUENT TAX FUND		ELECTION SERVICES FUND		TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	850	640	-	-
Charges for services	-	-	650	1,646	16,000	14,022
Interest	2	2	100	145	150	314
Other	-	-	-	59	-	-
Transfers in	-	-	2,500	1,028	-	-
Total Receipts	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 4,100</u>	<u>\$ 3,518</u>	<u>\$ 16,150</u>	<u>\$ 14,336</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	7,500	3,137	8,000	6,631
Services and other	-	-	1,600	2,205	2,450	3,484
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	8,000	6,570
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,100</u>	<u>\$ 5,342</u>	<u>\$ 18,450</u>	<u>\$ 16,685</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	\$ 2	\$ (5,000)	\$ (1,824)	\$ (2,300)	\$ (2,349)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>199</u>	<u>199</u>	<u>17,194</u>	<u>17,194</u>	<u>29,995</u>	<u>29,995</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 201</u>	<u>\$ 201</u>	<u>\$ 12,194</u>	<u>\$ 15,370</u>	<u>\$ 27,695</u>	<u>\$ 27,646</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2022

	RECORDER USER FUND		VICTIMS OF DOMESTIC VIOLENCE FUND		ELECTION IMPROVEMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	9,800	11,181	960	1,022	3,000	3,000
Interest	40	184	2	4	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 9,840</u>	<u>\$ 11,365</u>	<u>\$ 962</u>	<u>\$ 1,026</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	3,000	813	-	-	-	-
Services and other	3,600	481	1,000	1,000	6,000	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	3,000	2,991	-	-	-	-
Total Disbursements	<u>\$ 9,600</u>	<u>\$ 4,285</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 240	\$ 7,080	\$ (38)	\$ 26	\$ (3,000)	\$ 3,000
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>12,732</u>	<u>12,732</u>	<u>370</u>	<u>370</u>	<u>14,075</u>	<u>14,075</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 12,972</u>	<u>\$ 19,812</u>	<u>\$ 332</u>	<u>\$ 396</u>	<u>\$ 11,075</u>	<u>\$ 17,075</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	EMERGENCY MANAGEMENT FUND		LOCAL EMERGENCY PLANNING COMMISSION FUND		ADDRESSING LOCATION PROJECT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	6,800	6,098	-	-	-	-
Charges for services	-	-	-	-	5,400	5,550
Interest	-	-	-	-	-	-
Other	3,271	3,371	-	-	-	-
Transfers in	6,500	6,500	-	-	-	-
Total Receipts	<u>\$ 16,571</u>	<u>\$ 15,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,400</u>	<u>\$ 5,550</u>
DISBURSEMENTS						
Salaries	\$ 9,600	\$ -	\$ 1,200	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	2,200	2,143	-	-	-	-
Services and other	6,400	15,853	700	100	4,800	4,800
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,200</u>	<u>\$ 17,996</u>	<u>\$ 1,900</u>	<u>\$ 100</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	\$ (1,629)	\$ (2,027)	\$ (1,900)	\$ (100)	\$ 600	\$ 750
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>5,776</u>	<u>5,776</u>	<u>2,110</u>	<u>2,110</u>	<u>8,727</u>	<u>8,727</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,147</u>	<u>\$ 3,749</u>	<u>\$ 210</u>	<u>\$ 2,010</u>	<u>\$ 9,327</u>	<u>\$ 9,477</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	LAW ENFORCEMENT		SPECIAL ELECTION FUND		ROAD SALES TAX FUND	
	SALES TAX FUND		Budget	Actual	Budget	Actual
	Budget	Actual				
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	660,000	663,617	-	-	620,000	663,260
Intergovernmental	165,974	166,209	46,400	36,368	-	-
Charges for services	94,822	111,179	-	-	-	-
Interest	3,000	2,571	-	-	500	2,074
Other	39,157	39,158	-	-	-	-
Transfers in	646,283	650,759	-	-	-	-
Total Receipts	<u>\$ 1,609,236</u>	<u>\$ 1,633,493</u>	<u>\$ 46,400</u>	<u>\$ 36,368</u>	<u>\$ 620,500</u>	<u>\$ 665,334</u>
DISBURSEMENTS						
Salaries	\$ 697,895	\$ 701,384	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	209,500	206,176	-	-	-	-
Materials and supplies	10,150	11,700	5,900	4,507	-	-
Services and other	690,283	687,633	40,500	31,861	-	-
Capital outlay	73,000	72,586	-	-	-	-
Construction	-	-	-	-	680,000	542,374
Transfers out	-	105	-	-	-	-
Total Disbursements	<u>\$ 1,680,828</u>	<u>\$ 1,679,584</u>	<u>\$ 46,400</u>	<u>\$ 36,368</u>	<u>\$ 680,000</u>	<u>\$ 542,374</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (71,592)	\$ (46,091)	\$ -	\$ -	\$ (59,500)	\$ 122,960
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>303,596</u>	<u>303,596</u>	<u>-</u>	<u>-</u>	<u>120,244</u>	<u>120,244</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 232,004</u></u>	<u><u>\$ 257,505</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,744</u></u>	<u><u>\$ 243,204</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	MISSOURI 911 TRUST FUND		AMERICAN RESCUE PLAN ACT FUND		CDBG GRANT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	39,340	34,821	1,445,782	1,445,782	10,082	10,082
Charges for services	-	-	-	-	-	-
Interest	100	356	7,000	7,060	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 39,440</u>	<u>\$ 35,177</u>	<u>\$ 1,452,782</u>	<u>\$ 1,452,842</u>	<u>\$ 10,082</u>	<u>\$ 10,082</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	18,402	17,557	-	-	-	-
Services and other	23,086	21,713	1,458,088	486,813	10,082	10,082
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	5,471	44,599	-	-
Total Disbursements	<u>\$ 41,488</u>	<u>\$ 39,270</u>	<u>\$ 1,463,559</u>	<u>\$ 531,412</u>	<u>\$ 10,082</u>	<u>\$ 10,082</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,048)	\$ (4,093)	\$ (10,777)	\$ 921,430	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>40,579</u>	<u>40,579</u>	<u>175,972</u>	<u>175,972</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 38,531</u>	<u>\$ 36,486</u>	<u>\$ 165,195</u>	<u>\$ 1,097,402</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	SENATE BILL 40 BOARD FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 132,205	\$ 140,555
Sales taxes	-	-
Intergovernmental	-	-
Charges for services	-	-
Interest	100	116
Other	-	-
Transfers in	-	-
Total Receipts	\$ 132,305	\$ 140,671
DISBURSEMENTS		
Salaries	\$ -	\$ -
Employee fringe benefits	-	-
Materials and supplies	-	-
Services and other	165,000	133,230
Capital outlay	-	-
Construction	-	-
Transfers out	-	-
Total Disbursements	\$ 165,000	\$ 133,230
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (32,695)	\$ 7,441
CASH AND CASH EQUIVALENTS, JANUARY 1	97,220	97,220
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 64,525	\$ 104,661

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer Schools	\$ -	\$ 5,200,982	\$ 5,200,982	\$ -
Treasurer Ava Ambulance	-	5,831	5,831	-
Treasurer Willow Springs Ambulance	-	8,745	8,745	-
Treasurer Library	-	140,553	140,553	-
Treasurer Health Center	-	337,596	337,596	-
Treasurer Sheltered Workshop	-	140,554	140,554	-
Treasurer So. Webster Fire	-	9,647	9,647	-
Treasurer Crime Costs	-	165,997	165,997	-
Treasurer Unclaimed Fees	116	1,499	-	1,615
Treasurer Capital Fines	37,033	57,198	64,987	29,244
Treasurer Over/Under Payment	617	6	-	623
Treasurer Overplus Land Sales	14,607	130	1,481	13,256
Treasurer 44th Judicial Drug Court	153,195	62,488	9,545	206,138
Treasurer Sheriff Deputy Salary Supplemental	-	1,990	1,990	-
Treasurer TT & L Tax	-	442,055	442,055	-
Treasurer CERF	2,002	196,353	196,955	1,400
Collector General	3,550,243	6,708,368	6,577,714	3,680,897
Collector Partial Payment	13,113	24,130	28,779	8,464
Collector Protested Tax	3	707	707	3
County Clerk Fee	-	7,752	7,752	-
Recorder	75	112,363	110,861	1,577
Prosecuting Attorney	1,081	46,064	45,214	1,931
Sheriff Civil	2,285	12,185	11,131	3,339
Sheriff General	1,050	252,901	253,941	10
Sheriff Evidence	39,719	3,661	2,287	41,093
Sheriff Tiger Commissary	13,058	155,567	146,486	22,139
Sheriff Other	4,581	3,550	6,615	1,516
Public Administrator	114,293	525,383	484,087	155,589
Total	<u>\$ 3,947,071</u>	<u>\$ 14,624,255</u>	<u>\$ 14,402,492</u>	<u>\$ 4,168,834</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

DOUGLAS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Douglas County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

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

The financial statements referred to above include the primary government of Douglas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

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 is considered to be a state function, including the operations of the Circuit Clerk (other than the portion that is funded by the General Revenue Fund) and all funds under their control.

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County’s custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting 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.

D. Budgets 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's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. 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 valuations of the tangible taxable property included within the County's boundaries for the calendar year 2022 for purposes of taxation were:

Real Estate	\$ 122,507,346
Personal Property	50,182,777
Railroad and Utilities	<u>1,957,632</u>
Total	<u>\$ 174,647,755</u>

For calendar year 2022, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$ 0.0950
Special Road & Bridge	0.2082
Senate Bill 40 Board	0.0795

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents 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 these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may 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, 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 and cash equivalent balances are presented in Note 2.

G. Interfund Activity

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.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents include deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. 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 County had the following cash and cash equivalent balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 3,891,323	\$ 4,239,863	\$ 354,851
Cash and Cash Equivalents - Fiduciary Funds	\$ 4,168,834	\$ 3,392,527	\$ 481,663

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2022 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective 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 the 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.

2) Pension Benefits

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, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2022, the County collected and remitted to CERF employee withholdings and fees collected of \$196,955 for the year then ended.

B. Other Retirement Plan

Douglas County has a voluntary 457(b) plan which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2022 were \$43,804.

C. Prosecuting Attorney Retirement Fund

In accordance with 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 contributed \$10,659 for the year ended December 31, 2022.

4. 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.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees with up to 120 hours (15 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue 4 hours of sick time per month. The County allows employees to carry forward a maximum of 240 hours (30 days). Accumulated sick leave is paid out at 50% upon termination of employment, with a minimum of 5 years of continuous employment.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, 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 and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. 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 of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. 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.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2022:

- A. In October 2013, the County entered into a lease purchase agreement to finance the purchase of a 2014 John Deere motor grader at a net cost of \$173,890 after trade-in allowance. The agreement required five annual payments of \$16,900, which included interest at 3.30% until 2018, plus one additional payment of \$115,000 in 2018. The balance due of \$115,360 was refinanced in February 2019 for five years through December 2023, payable in five fixed annual payments of \$26,095 which includes interest payable at 4.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 24,855	\$ 1,240	\$ 26,095

- B. In June 2016, the County entered into a lease purchase agreement to finance the purchase of six patrol vehicles for the Sheriff’s department at a cost of \$197,087. The agreement required annual payments of \$35,650, which includes interest payable at 2.39% until 2022. A final payment of \$35,137 was made on February 18, 2022, which included a \$10 UCC release fee.
- C. In February 2018, the County entered into a lease purchase agreement to finance the purchase of a 2017 John Deere motor grader at a net cost of \$163,067 after trade-in allowance. The agreement requires five annual payments of \$13,347, which includes interest at 3.75% until 2023, plus one additional payment of \$125,000 in 2023.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 132,890	\$ 5,457	\$ 138,347

- D. In February 2019, the County issued Certificates of Participation (COP’s) in the amount of \$5,840,000 for the purpose of constructing and equipping a new sheriff’s administration facility and 48-bed jail, and to pay the cost related to execution and delivery of the Series 2019 certificates. Funds from a dedicated sales tax are used to make principal and interest payments. The COP’s reach maturity on December 1, 2045 with variable interest rates from 3.25% to 4.375%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 155,000	\$ 206,894	\$ 361,894
2024	160,000	202,244	362,244
2025	165,000	197,444	362,444
2026	165,000	192,494	357,494
2027	170,000	187,544	357,544
2028-2032	955,000	849,219	1,804,219
2033-2037	1,140,000	657,362	1,797,362
2038-2042	1,395,000	403,163	1,798,163
2043-2045	990,000	87,937	1,077,937
Total	<u>\$5,295,000</u>	<u>\$2,984,301</u>	<u>\$ 8,279,301</u>

- E. In April 2019, the County entered into a lease purchase agreement to finance the purchase of a 2018 John Deere motor grader at a cost of \$239,962. The agreement requires four annual payments of \$39,677, which includes interest payable at 2.40% until 2023, and a final payment of \$120,000 in 2024.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 33,252	\$ 6,425	\$ 39,677
2024	115,016	4,984	120,000
Total	<u>\$ 148,268</u>	<u>\$ 11,409</u>	<u>\$ 159,677</u>

- F. In August 2019, the County entered into a lease purchase agreement to finance the purchase of a 2014 Hitachi Excavator at a cost of \$48,020. The agreement requires four annual payments of \$13,562, which includes interest payable at 4.95% until 2023.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 12,909	\$ 653	\$ 13,562

- G. In June 2020, the County entered into a lease purchase agreement to finance the purchase of a used 2015 Caterpillar motor grader and a 2011 John Deere motor grader at a cost of \$210,820. The agreement requires an initial payment of \$29,100, and five additional annual payments of \$39,960, which includes interest payable at 3.20% until 2025.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 36,307	\$ 3,653	\$ 39,960
2024	37,486	2,474	39,960
2025	38,703	1,257	39,960
Total	<u>\$ 112,496</u>	<u>\$ 7,384</u>	<u>\$ 119,880</u>

- H. In July 2021, the County entered into a lease purchase agreement to finance the purchase of two Dodge Durangos at a cost of \$34,497. An initial payment of \$2,690 was paid in October 2021 which reduced the principal outstanding. The agreement required an initial payment of \$6,288 in 2022, four additional annual payments of \$6,288, which includes interest payable at 2.99% until 2026, and a final payment of \$3,641 in 2027.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 5,485	\$ 803	\$ 6,288
2024	5,651	637	6,288
2025	5,822	466	6,288
2026	5,999	289	6,288
2027	3,534	107	3,641
Total	<u>\$ 26,491</u>	<u>\$ 2,302</u>	<u>\$ 28,793</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2022:

Description	Balance	Additions	Payments	Balance	Interest
	12/31/2021			12/31/2022	Paid
2014 John Deere Motor Grader	\$ 48,840	\$ -	\$ (23,985)	\$ 24,855	\$ 2,110
2016 Sheriff's Patrol Vehicles	34,594	-	(34,594)	-	533
2017 John Deere Motor Grader	140,863	-	(7,973)	132,890	5,374
Series 2019 COPS	5,445,000	-	(150,000)	5,295,000	211,394
2018 John Deere Motor Grader	180,138	-	(31,870)	148,268	7,807
2014 Hitachi Excavator	25,196	-	(12,287)	12,909	1,275
2015 & 2011 Motor Graders	147,661	-	(35,165)	112,496	4,795
2021 Dodge Durangos	31,807	-	(5,316)	26,491	972

8. OPERATING LEASES

In February 2021, the County entered into a lease agreement for a used 2021 Caterpillar Hydraulic Excavator. The agreement requires five annual payments of \$17,873 with an option to purchase the equipment for \$50,400 in 2027.

Fiscal Year Ending	Amount
December 31,	
2023	\$ 17,873
2024	17,873
2025	17,873
2026	17,873

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 7, 2023, the date the financial statements were available to be issued.

In March 2023, the County entered into a \$235,000 lease-purchase agreement for a 2023 Caterpillar Motor Grader. The lease will be repaid through 5 annual payments of \$42,133 and a final payment of \$87,760.

In April 2023, the County refinanced the 2017 and 2018 John Deere Motor Graders described in Note 7.C and 7.E above by entering into a new lease purchase agreement for \$283,413. The new lease calls for five annual payments of \$40,000 and a final balloon payment due on April 6, 2028.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Douglas County, 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 Douglas County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Douglas County, Missouri's basic financial statements and have issued our report thereon dated August 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas 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 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas 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 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.

(Original Signed By McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 7, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Douglas County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas County, Missouri's 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 Douglas County, Missouri's major federal programs for the year ended December 31, 2022. Douglas County, Missouri'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, Douglas County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, 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 Douglas County, Missouri 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 Douglas County, Missouri's compliance with the compliance requirements referred to above.

Responsibilities 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 Douglas County, Missouri's federal programs.

Auditor's Responsibilities for 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 Douglas County, Missouri'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 Douglas County, Missouri'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 Douglas County, Missouri'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 Douglas County, Missouri'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 Douglas County, Missouri'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 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies 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 have not been 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.

(Original Signed By McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 7, 2023

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	Awards Passed-Through to Subrecipients
U. S. DEPARTMENT OF AGRICULTURE				
10.665	Passed through Missouri Office of Administration - Schools and Roads - Grants to States (Forest Service Schools and Roads Cluster)	n/a	\$ 168,267	\$ 126,200
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
14.228	Passed through Missouri Department of Economic Development - Community Development Block Grant/State's Program	2020-PF-33	10,082	-
U. S. DEPARTMENT OF THE INTERIOR				
15.226	Payments in Lieu of Taxes	n/a	86,411	-
U. S. DEPARTMENT OF JUSTICE				
16.U01	Passed through Lawrence County, Missouri - Domestic Cannabis Eradication and Suppression Program	2022-73	3,511	-
16.575	Passed through Missouri Association of Prosecuting Attorneys - Crime Victim Assistance	MAPADOUGLAS2022	45,863	-
U. S. DEPARTMENT OF TRANSPORTATION				
20.607	Passed through University of Central Missouri - Alcohol Open Container Requirements	SAF162-0099	3,877	-
20.616	National Priority Safety Programs (Highway Safety Cluster)	SAF161-0099	2,092	-
U. S. DEPARTMENT OF THE TREASURY				
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	n/a	531,412	-
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.563	Passed through Missouri Department of Social Services - Child Support Enforcement	ER10220C030	5,195	-
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.042	Passed through Missouri Department of Public Safety - Emergency Management Performance Grants	EMK-2021-EP-0006-038-002	3,698	-
Total Expenditures of Federal Awards			<u>\$ 860,408</u>	<u>\$ 126,200</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Douglas County, Missouri 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

DOUGLAS COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516? Yes No

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None noted

ITEMS OF NONCOMPLIANCE

None noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

DOUGLAS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Douglas County, Missouri on the applicable findings in the prior audit report issued for the year ended December 31, 2021.

There were no findings noted in the prior audit report.

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Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

August 7, 2023

To the County Commission and Officeholders
Douglas County, Missouri

We have audited the accompanying financial statements of Douglas County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Douglas County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Douglas County, Missouri during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Since the County is reporting on the cash basis of accounting, there are no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 7, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2022, we considered Douglas County, Missouri's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our

report on our consideration of internal control over financial reporting dated August 7, 2023. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Sheriff Stale Checks

The bank reconciliation of the Sheriff's Civil account for December 31, 2022 included several stale dated checks as outstanding going back as far as 2012. There were 78 checks totaling \$1,906 listed as outstanding on the reconciliation that were written prior to the current audit period. State statutes require that unclaimed property should be done annually and any unclaimed amounts greater than 5 years (3 years for checks written to government entities) should be turned over to the state unclaimed property. We recommend that the Sheriff resolve the stale dated checks, turn over any funds required to go to unclaimed property, and remove the items from the list of outstanding checks on the bank reconciliation.

Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

(Original Signed By McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC