



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor contracted for an audit of Stone 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 Stopp & VanHoy, CPAs and Business Advisors, is attached.

A handwritten signature in black ink that reads "S. Fitzpatrick". The signature is stylized with a large "S" and a cursive "Fitzpatrick".

Scott Fitzpatrick
State Auditor

October 2023
Report No. 2023-068



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Stone County

2022-001

The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the county should closely monitor fund balances on an ongoing basis.

**The County of Stone
Galena, Missouri
Independent Auditor's Report and Financial Statements
For the year ended December 31, 2022**



**The County of Stone
Galena, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Stone County, Missouri

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

We have audited the accompanying financial statements of Stone County, Missouri, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balances of each fund of Stone 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 basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Stone County, Missouri as of December 31, 2022, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stone County, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Stone County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stone County, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stone 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

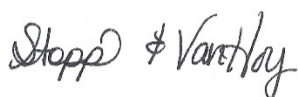
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stone County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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. Such 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 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 have also issued our report dated June 27, 2023 on our consideration of Stone County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stone County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
June 27, 2023

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

<u>Fund</u>	Cash and Equivalents January 1, 2022	Receipts 2022	Disbursements 2022	Cash and Equivalents December 31, 2022
General Revenue	\$ 3,617,400	\$ 11,263,628	\$ 11,781,817	\$ 3,099,211
Special Road and Bridge	1,275,209	5,942,450	5,483,277	1,734,382
Road and Bridge Reserve	551,082	51,897	-	602,979
Road and Bridge Capital Improvement	90,610	66,223	57,439	99,394
Road and Bridge Equipment	69,313	117,051	4,142	182,222
Law Enforcement Sales Tax	-	98,893	-	98,893
Flood Control	-	987,593	987,593	-
National Forest	1,219	36,366	36,366	1,219
Assessment	229,047	691,989	623,141	297,895
Law Enforcement Restitution	40,363	18,362	16,483	42,242
Election Grant	9,236	23	4,741	4,518
Law Enforcement Grant	-	-	-	-
Capital Improvement	18,247	140,104	156,338	2,013
Emergency	1,277,909	2,009,141	-	3,287,050
Law Enforcement Training	2,359	2,082	2,995	1,446
Prosecuting Attorney Training	2,543	1,846	989	3,400
Local Emergency Planning Committee	5,863	-	697	5,166
Insurance Claims Proceeds	25,969	31,087	57,032	24
Children's Trust	-	920	920	-
Abuse Victims	288	4,548	4,836	-
Inmate Security	87,264	88,483	133,793	41,954
Special Recorder	166,134	64,138	131,094	99,178
Special Recorder Capital Improvement	360,000	80,000	-	440,000
Sheriff Revolving	48,400	9,914	47,703	10,611
Election Services	15,242	5,015	3,689	16,568
Senior Citizens Service Board	145,651	398,970	363,464	181,157
Prosecuting Attorney Delinquent Tax	13,150	4,220	-	17,370
Drug Abuse Resistance Education (D.A.R.E.)	24,731	14,036	10,954	27,813
Reserve	237,141	162,237	211,941	187,437
Law Enforcement Civil Fees	653	55,375	31,362	24,666
Prosecuting Attorney Bad Check	8,290	4,764	8,005	5,049
Collector's Tax Maintenance	47,972	62,744	31,533	79,183
Tax Maintenance Archive	49,385	10,000	-	59,385
Edgewater Neighborhood Improv. Dist.	3,670	13,498	-	17,168
Black Oak Neighborhood Improv. Dist.	6,450	-	6,449	1
Federal Seized and Forfeiture	439	1	-	440
Tax Increment Financing	-	343,999	343,999	-
Coronavirus Relief	8	-	-	8
American Rescue Plan Act	3,109,387	3,118,264	1,165,308	5,062,343
Bond Development	695,000	-	-	695,000
Total	<u>\$ 12,235,624</u>	<u>\$ 25,899,861</u>	<u>\$ 21,708,100</u>	<u>\$ 16,427,385</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 989,000	\$ 904,349
Sales Taxes	7,870,382	7,951,826
Intergovernmental	313,010	318,864
Charges for Services	1,291,500	1,518,720
Interest	17,000	14,266
Other Receipts	365,500	549,154
Transfers In	6,449	6,449
Total Receipts	10,852,841	11,263,628
<u>Disbursements</u>		
County Commission	233,528	231,511
County Clerk	170,808	167,886
Elections	309,251	256,428
Buildings and Grounds	389,275	381,631
Employee Fringe Benefits	1,646,256	1,399,721
County Treasurer	111,975	107,316
County Collector	378,879	374,727
Recorder of Deeds	197,448	195,281
Circuit Clerk	111,156	66,109
Court Administration	123,860	91,167
Public Administrator	107,318	93,263
Sheriff	2,430,317	2,448,519
Jail	957,864	972,002
Prosecuting Attorney	678,132	630,669
Juvenile Officer	145,373	122,570
County Coroner	87,805	66,578
Emergency Management	37,413	31,199
Janitorial	105,976	105,437
Planning and Zoning	372,755	361,988
Debt Service	360,000	360,054
Other Disbursements	742,928	674,004
Transfers Out	2,658,758	2,643,757
Emergency Fund	-	-
Total Disbursements	12,357,075	11,781,817
Receipts Over (Under)		
Disbursements	\$ (1,504,234)	\$ (518,189)
Cash and Equivalents, Jan 1	3,617,400	3,617,400
Cash and Equivalents, Dec 31	\$ 2,113,166	\$ 3,099,211

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022**

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 8,000	\$ 10,532
Sales Taxes	3,403,220	3,421,437
Intergovernmental	1,298,432	1,633,822
Charges for Services	-	-
Interest	6,000	4,964
Other Receipts	10,000	6,449
Transfers In	862,655	865,246
Total Receipts	<u>5,588,307</u>	<u>5,942,450</u>
<u>Disbursements</u>		
Salaries	1,310,256	1,220,255
Employee Fringe Benefits	566,559	469,915
Supplies	346,000	400,677
Insurance	84,690	84,908
Road and Bridge Materials	2,490,000	2,417,766
Equipment Repairs	182,500	208,305
Rentals	6,000	154
Equipment Purchases	450,000	435,029
Other Disbursements	148,050	137,468
Transfers Out	108,800	108,800
Total Disbursements	<u>5,692,855</u>	<u>5,483,277</u>
Receipts Over (Under)		
Disbursements	\$ (104,548)	\$ 459,173
Cash and Equivalents, Jan 1	<u>1,275,209</u>	<u>1,275,209</u>
Cash and Equivalents, Dec 31	<u>\$ 1,170,661</u>	<u>\$ 1,734,382</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Road and Bridge Reserve Fund		Road and Bridge Capital Improvement Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	1,897	390	280
Other Receipts	-	-	-	-
Transfers In	50,000	50,000	65,943	65,943
Total Receipts	<u>50,000</u>	<u>51,897</u>	<u>66,333</u>	<u>66,223</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	500,000	-	156,925	57,439
Transfers Out	-	-	-	-
Total Disbursements	<u>500,000</u>	<u>-</u>	<u>156,925</u>	<u>57,439</u>
Receipts Over (Under)				
Disbursements	\$ (450,000)	\$ 51,897	\$ (90,592)	\$ 8,784
Cash and Equivalents, Jan 1	<u>551,082</u>	<u>551,082</u>	<u>90,610</u>	<u>90,610</u>
Cash and Equivalents, Dec 31	<u>\$ 101,082</u>	<u>\$ 602,979</u>	<u>\$ 18</u>	<u>\$ 99,394</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Road and Bridge Equipment Fund		Law Enforcement Sales Tax Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	100,000	98,893
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	100,000	117,051	-	-
Transfers In	-	-	-	-
Total Receipts	<u>100,000</u>	<u>117,051</u>	<u>100,000</u>	<u>98,893</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	119,813	4,142	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>119,813</u>	<u>4,142</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (19,813)	\$ 112,909	\$ 100,000	\$ 98,893
Cash and Equivalents, Jan 1	<u>69,313</u>	<u>69,313</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u><u>\$ 49,500</u></u>	<u><u>\$ 182,222</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 98,893</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Flood Control Fund		National Forest Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	987,593	987,593	25,000	36,366
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>987,593</u>	<u>987,593</u>	<u>25,000</u>	<u>36,366</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	131,438	131,438	18,500	27,275
Capital Outlay	-	-	-	-
Transfers Out	856,155	856,155	6,500	9,091
Total Disbursements	<u>987,593</u>	<u>987,593</u>	<u>25,000</u>	<u>36,366</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>1,219</u>	<u>1,219</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,219</u></u>	<u><u>\$ 1,219</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Assessment Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	485,970	559,455	-	-
Charges for Services	-	-	20,000	18,362
Interest	1,500	1,017	-	-
Other Receipts	3,102	2,962	-	-
Transfers In	128,555	128,555	-	-
Total Receipts	619,127	691,989	20,000	18,362
<u>Disbursements</u>				
Salaries	441,120	364,492	-	-
Employee Fringe Benefits	195,126	155,631	-	-
Materials and Supplies	50,500	38,996	-	-
Services	28,132	22,231	-	-
Other Disbursements	-	-	-	-
Capital Outlay	63,000	41,791	40,000	16,483
Transfers Out	-	-	-	-
Total Disbursements	777,878	623,141	40,000	16,483
Receipts Over (Under)				
Disbursements	\$ (158,751)	\$ 68,848	\$ (20,000)	\$ 1,879
Cash and Equivalents, Jan 1	229,047	229,047	40,363	40,363
Cash and Equivalents, Dec 31	\$ 70,296	\$ 297,895	\$ 20,363	\$ 42,242

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Election Grant Fund		Law Enforcement Grant Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	6,589	-	5,000	-
Charges for Services	-	-	-	-
Interest	-	23	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>6,589</u>	<u>23</u>	<u>5,000</u>	<u>-</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	91	-	-
Services	15,700	4,650	5,000	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>15,700</u>	<u>4,741</u>	<u>5,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (9,111)	\$ (4,718)	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>9,236</u>	<u>9,236</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u>\$ 125</u>	<u>\$ 4,518</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Capital Improvement Fund		Emergency Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	300	104	10,000	9,141
Other Receipts	-	-	-	-
Transfers In	140,000	140,000	2,000,000	2,000,000
Total Receipts	140,300	140,104	2,010,000	2,009,141
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	150,000	156,338	300,000	-
Transfers Out	-	-	-	-
Total Disbursements	150,000	156,338	300,000	-
Receipts Over (Under)				
Disbursements	\$ (9,700)	\$ (16,234)	\$ 1,710,000	\$ 2,009,141
Cash and Equivalents, Jan 1	18,247	18,247	1,277,909	1,277,909
Cash and Equivalents, Dec 31	<u>\$ 8,547</u>	<u>\$ 2,013</u>	<u>\$ 2,987,909</u>	<u>\$ 3,287,050</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Law Enforcement Training Fund		Prosecuting Attorney Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,000	1,398	1,500	1,846
Interest	-	-	-	-
Other Receipts	-	684	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,000</u>	<u>2,082</u>	<u>1,500</u>	<u>1,846</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	3,000	2,995	1,500	989
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>3,000</u>	<u>2,995</u>	<u>1,500</u>	<u>989</u>
Receipts Over (Under)				
Disbursements	\$ (2,000)	\$ (913)	\$ -	\$ 857
Cash and Equivalents, Jan 1	<u>2,359</u>	<u>2,359</u>	<u>2,543</u>	<u>2,543</u>
Cash and Equivalents, Dec 31	<u>\$ 359</u>	<u>\$ 1,446</u>	<u>\$ 2,543</u>	<u>\$ 3,400</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Local Emergency Planning Committee Fund		Insurance Claims Proceeds Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	-	-	31,000	31,087
Transfers In	-	-	-	-
Total Receipts	-	-	31,000	31,087
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	5,800	697	-	-
Other Disbursements	-	-	3,600	2,200
Capital Outlay	-	-	16,400	54,832
Transfers Out	-	-	-	-
Total Disbursements	5,800	697	20,000	57,032
Receipts Over (Under)				
Disbursements	\$ (5,800)	\$ (697)	\$ 11,000	\$ (25,945)
Cash and Equivalents, Jan 1	5,863	5,863	25,969	25,969
Cash and Equivalents, Dec 31	\$ 63	\$ 5,166	\$ 36,969	\$ 24

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Children's Trust Fund		Abuse Victims Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,000	920	4,525	4,548
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,000</u>	<u>920</u>	<u>4,525</u>	<u>4,548</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	1,000	920	4,813	4,836
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,000</u>	<u>920</u>	<u>4,813</u>	<u>4,836</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ -	\$ (288)	\$ (288)
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>288</u>	<u>288</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Inmate Security Fund		Special Recorder Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	72,400	88,483	68,000	62,438
Interest	-	-	2,500	1,700
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>72,400</u>	<u>88,483</u>	<u>70,500</u>	<u>64,138</u>
<u>Disbursements</u>				
Salaries	-	-	30,160	-
Employee Fringe Benefits	-	-	11,782	-
Materials and Supplies	100,000	17,417	10,000	6,641
Services	-	18,797	26,000	43,333
Other Disbursements	-	-	-	-
Capital Outlay	-	97,579	50,000	1,120
Transfers Out	-	-	80,000	80,000
Total Disbursements	<u>100,000</u>	<u>133,793</u>	<u>207,942</u>	<u>131,094</u>
Receipts Over (Under)				
Disbursements	\$ (27,600)	\$ (45,310)	\$ (137,442)	\$ (66,956)
Cash and Equivalents, Jan 1	<u>87,264</u>	<u>87,264</u>	<u>166,134</u>	<u>166,134</u>
Cash and Equivalents, Dec 31	<u><u>\$ 59,664</u></u>	<u><u>\$ 41,954</u></u>	<u><u>\$ 28,692</u></u>	<u><u>\$ 99,178</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Special Recorder		Sheriff Revolving Fund	
	Capital Improvement Fund			
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	25,000	9,914
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	80,000	80,000	-	-
Total Receipts	<u>80,000</u>	<u>80,000</u>	<u>25,000</u>	<u>9,914</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	1,000	4,006
Services	-	-	-	16,707
Other Disbursements	-	-	-	990
Capital Outlay	20,000	-	49,000	-
Transfers Out	-	-	-	26,000
Total Disbursements	<u>20,000</u>	<u>-</u>	<u>50,000</u>	<u>47,703</u>
Receipts Over (Under)				
Disbursements	\$ 60,000	\$ 80,000	\$ (25,000)	\$ (37,789)
Cash and Equivalents, Jan 1	<u>360,000</u>	<u>360,000</u>	<u>48,400</u>	<u>48,400</u>
Cash and Equivalents, Dec 31	<u><u>\$ 420,000</u></u>	<u><u>\$ 440,000</u></u>	<u><u>\$ 23,400</u></u>	<u><u>\$ 10,611</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Election Services Fund		Senior Citizens Service Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 336,279	\$ 398,738
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	5,000	5,015	-	-
Interest	-	-	-	232
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>5,000</u>	<u>5,015</u>	<u>336,279</u>	<u>398,970</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	20,000	604	2,500	1,392
Services	-	3,034	393,200	362,072
Other Disbursements	-	51	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>20,000</u>	<u>3,689</u>	<u>395,700</u>	<u>363,464</u>
Receipts Over (Under)				
Disbursements	\$ (15,000)	\$ 1,326	\$ (59,421)	\$ 35,506
Cash and Equivalents, Jan 1	<u>15,242</u>	<u>15,242</u>	<u>145,651</u>	<u>145,651</u>
Cash and Equivalents, Dec 31	<u>\$ 242</u>	<u>\$ 16,568</u>	<u>\$ 86,230</u>	<u>\$ 181,157</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Prosecuting Attorney Delinquent Tax Fund		Drug Abuse Resistance Education (D.A.R.E.) Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,500	4,220	-	-
Interest	-	-	-	-
Other Receipts	-	-	5,000	14,036
Transfers In	-	-	-	-
Total Receipts	<u>1,500</u>	<u>4,220</u>	<u>5,000</u>	<u>14,036</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	5,000	6,620
Services	1,500	-	-	4,334
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,500</u>	<u>-</u>	<u>5,000</u>	<u>10,954</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 4,220	\$ -	\$ 3,082
Cash and Equivalents, Jan 1	<u>13,150</u>	<u>13,150</u>	<u>24,731</u>	<u>24,731</u>
Cash and Equivalents, Dec 31	<u>\$ 13,150</u>	<u>\$ 17,370</u>	<u>\$ 24,731</u>	<u>\$ 27,813</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Reserve Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	1,200	577
Other Receipts	-	-
Transfers In	161,660	161,660
Total Receipts	<u>162,860</u>	<u>162,237</u>
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	-	-
Other Disbursements	200,000	211,941
Capital Outlay	-	-
Transfers Out	-	-
Total Disbursements	<u>200,000</u>	<u>211,941</u>
Receipts Over (Under)		
Disbursements	\$ (37,140)	\$ (49,704)
Cash and Equivalents, Jan 1	<u>237,141</u>	<u>237,141</u>
Cash and Equivalents, Dec 31	<u><u>\$ 200,001</u></u>	<u><u>\$ 187,437</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Law Enforcement Civil Fees Fund		Prosecuting Attorney Bad Check Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	15,000	26,875	4,150	4,746
Interest	-	-	25	18
Other Receipts	12,000	2,500	-	-
Transfers In	-	26,000	-	-
Total Receipts	<u>27,000</u>	<u>55,375</u>	<u>4,175</u>	<u>4,764</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	16,844	-	-
Services	27,000	14,518	4,000	8,005
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>27,000</u>	<u>31,362</u>	<u>4,000</u>	<u>8,005</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 24,013	\$ 175	\$ (3,241)
Cash and Equivalents, Jan 1	<u>653</u>	<u>653</u>	<u>8,290</u>	<u>8,290</u>
Cash and Equivalents, Dec 31	<u>\$ 653</u>	<u>\$ 24,666</u>	<u>\$ 8,465</u>	<u>\$ 5,049</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Collector's Tax Maintenance Fund		Tax Maintenance Archive Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	58,000	62,478	-	-
Charges for Services	-	-	-	-
Interest	200	266	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	10,000	10,000
Total Receipts	<u>58,200</u>	<u>62,744</u>	<u>10,000</u>	<u>10,000</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	12,933	50,000	-
Services	70,000	8,600	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	10,000	10,000	-	-
Total Disbursements	<u>80,000</u>	<u>31,533</u>	<u>50,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (21,800)	\$ 31,211	\$ (40,000)	\$ 10,000
Cash and Equivalents, Jan 1	<u>47,972</u>	<u>47,972</u>	<u>49,385</u>	<u>49,385</u>
Cash and Equivalents, Dec 31	<u><u>\$ 26,172</u></u>	<u><u>\$ 79,183</u></u>	<u><u>\$ 9,385</u></u>	<u><u>\$ 59,385</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Edgewater Neighborhood Improvement District Fund		Black Oak Neighborhood Improvement District Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ 13,493		
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	5	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	-	13,498	-	-
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	3,670	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	6,449	6,449
Total Disbursements	3,670	-	6,449	6,449
Receipts Over (Under)				
Disbursements	\$ (3,670)	\$ 13,498	\$ (6,449)	\$ (6,449)
Cash and Equivalents, Jan 1	3,670	3,670	6,450	6,450
Cash and Equivalents, Dec 31	\$ -	\$ 17,168	\$ 1	\$ 1

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Federal Seized and Forfeiture Fund		Tax Increment Financing Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	1	-	-
Other Receipts	-	-	137,600	137,600
Transfers In	-	-	206,800	206,399
Total Receipts	-	1	344,400	343,999
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	344,000	343,999
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	-	-	344,000	343,999
Receipts Over (Under)				
Disbursements	\$ -	\$ 1	\$ 400	\$ -
Cash and Equivalents, Jan 1	439	439	-	-
Cash and Equivalents, Dec 31	<u>\$ 439</u>	<u>\$ 440</u>	<u>\$ 400</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022

	Coronavirus Relief Fund		American Rescue Plan Act Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	3,000,000	3,103,151
Charges for Services	-	-	-	-
Interest	-	-	10,000	15,113
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	-	-	3,010,000	3,118,264
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	4,500,000	1,165,308
Other Disbursements	7	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	7	-	4,500,000	1,165,308
Receipts Over (Under)				
Disbursements	\$ (7)	\$ -	\$ (1,490,000)	\$ 1,952,956
Cash and Equivalents, Jan 1	8	8	3,109,387	3,109,387
Cash and Equivalents, Dec 31	\$ 1	\$ 8	\$ 1,619,387	\$ 5,062,343

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2022**

	Bond Development Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	3,000	-
Other Receipts	-	-
Transfers In	14,600	-
Total Receipts	<u>17,600</u>	<u>-</u>
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	-	-
Other Disbursements	698,000	-
Capital Outlay	-	-
Transfers Out	-	-
Total Disbursements	<u>698,000</u>	<u>-</u>
Receipts Over (Under)		
Disbursements	\$ (680,400)	\$ -
Cash and Equivalents, Jan 1	<u>695,000</u>	<u>695,000</u>
Cash and Equivalents, Dec 31	<u>\$ 14,600</u>	<u>\$ 695,000</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Custodial Funds - Regulatory Basis
For the year ended December 31, 2022

	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets					
Cash and Equivalents	\$ 689	\$ 29,329,134	\$ 37,924	\$ 433,578	\$ 21
Total Assets	689	29,329,134	37,924	433,578	21
Liabilities and Fund Balances					
Total Liabilities	689	29,329,134	37,924	433,578	21
	689	29,329,134	37,924	433,578	21
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 689	\$ 29,329,134	\$ 37,924	\$ 433,578	\$ 21
	Planning & Zoning	Public Administrator	Treasurer	Total	
Assets					
Cash and Equivalents	\$ 2,247,529	\$ 1	\$ 713,616	\$ 32,762,492	
Total Assets	2,247,529	1	713,616	32,762,492	
Liabilities and Fund Balances					
Total Liabilities	2,247,529	1	713,616	32,762,492	
	2,247,529	1	713,616	32,762,492	
Fund Balances	-	-	-	-	
Total Liabilities and Fund Balances	\$ 2,247,529	\$ 1	\$ 713,616	\$ 32,762,492	

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Stone was named after pioneer judge William Stone. It is a third-class county, and the county seat is Galena. Stone County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

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

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

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

The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Stone County Senate Bill 40 Board has issued separate reporting entity financial statements. For information on this component unit, please contact the Senate Bill 40 Board at (417) 272-0444 or write to P.O. Box 2383, Branson West, MO 65737.

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

Basis of Presentation

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

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

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

Budget and Budgetary Accounting

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

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

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

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

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

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

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

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

The following funds had actual expenditures that exceeded the budget expenditures:

National Forest Fund
Capital Improvement Fund
Insurance Claims Proceeds Fund
Abuse Victims Fund
Inmate Security Fund
Drug Abuse Resistance Education (D.A.R.E) Fund
Reserve Fund
Law Enforcement Civil Fees Fund
Prosecuting Attorney Bad Check Fund

Taxes

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

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

Real Estate	\$ 584,838,570
Personal Property	209,626,965
Railroad and Utilities	<u>7,656,268</u>
	<u><u>\$ 802,121,803</u></u>

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

General Revenue	\$ 0.0569
Senior Citizens Service Board	0.0482

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

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 these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, 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 and investment balances are presented in Note 2.

Interfund Transactions

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

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

Note 2 - Deposits and Investments

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

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

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2022, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 49,139,877	\$ 41,464,473
Investments	50,000	50,094
Total Deposits and Investments as of December 31, 2022	<u>\$ 49,189,877</u>	<u>\$ 41,514,567</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 16,427,385	
Total Cash and Equivalents - Custodial Funds	32,762,492	
	<u>\$ 49,189,877</u>	

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 2 - Deposits and Investments (continued)

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. At December 31, 2022, 100% of Stone County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Stone County or its agent but not in the government's name. Stone County does not have a policy for custodial credit risk relating to investments.

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

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Stone 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 Stone 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). Stone County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. 100% of investments were held as certificates of deposit at Table Rock Community Bank for the year ended December 31, 2022.

The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022

Note 3 - Interfund Transfers

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 6,449	\$ 2,643,757
Special Road and Bridge	865,246	108,800
Road and Bridge Reserve	50,000	-
Road and Bridge Capital Improvement	65,943	-
Flood Control	-	856,155
National Forest	-	9,091
Assessment	128,555	-
Capital Improvement	140,000	-
Emergency Fund	2,000,000	-
Special Recorder	-	80,000
Special Recorder Capital Improvement	80,000	-
Sheriff Revolving	-	26,000
Reserve	161,660	-
Law Enforcement Civil Fees	26,000	-
Collector's Tax Maintenance	-	10,000
Tax Maintenance Archive	10,000	-
Black Oak Neighborhood Improv. Dist.	-	6,449
Tax Increment Financing	206,399	-
Total	<u>\$ 3,740,252</u>	<u>\$ 3,740,252</u>

Note 4 - Long-Term Debt

Certificates of Participation

In 2018, Stone County issued \$5,760,000 in Refunding and Improvement Certificates of Participation (COP's) for the purpose of refunding the 2009 Refunding Certificates of Participation and paying the costs of construction and equipping new additions to the County's existing Stone County Justice Center. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 3.50%.

<u>Balance at</u> <u>12/31/21</u>	<u>Amount</u> <u>Borrowed</u>	<u>Amount</u> <u>Repaid</u>	<u>Balance at</u> <u>12/31/22</u>	<u>Interest</u> <u>Paid During</u> <u>the Year</u>
<u>\$ 4,600,000</u>	<u>\$ -</u>	<u>\$ (210,000)</u>	<u>\$ 4,390,000</u>	<u>\$ 149,154</u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 4 - Long-Term Debt (continued)

Certificates of Participation (continued)

Future minimum payments due on the Series 2018 Refunding and Improvement Certificates of Participation are as follows:

Year ended December 31	Principal	Interest	Total
2023	\$ 215,000	\$ 142,854	\$ 357,854
2024	220,000	136,404	356,404
2025	230,000	129,804	359,804
2026	235,000	122,904	357,904
2027	245,000	115,854	360,854
2028-2032	1,335,000	462,644	1,797,644
2033-2037	1,565,000	194,609	1,759,609
2038	345,000	12,075	357,075
	<u>\$ 4,390,000</u>	<u>\$ 1,317,148</u>	<u>\$ 5,707,148</u>

Lease-Purchase Agreements

In October 2019, the County entered into a lease purchase agreement to finance the purchase of Sheriff's department radio equipment at a cost of \$470,854. The agreement requires one annual payment of \$84,301 and two subsequent annual payments of \$205,054, which includes interest payable at 2.98%.

In November 2019, the County entered into a lease purchase agreement to finance the purchase of a Caterpillar Motor Grader at a cost of \$135,000. The agreement requires eighty-four monthly payments of \$1,841, which includes interest payable at 3.94%.

In October 2020, the County entered into a lease purchase agreement to finance the purchase of two Sheriff's department patrol vehicles at a cost of \$69,108. The agreement requires six semi-annual payments of \$12,335, which includes interest payable at 3.99%.

In April 2021, the County entered into a lease purchase agreement to finance the purchase of three Sheriff's department patrol vehicles at a cost of \$105,622. The agreement requires three annual payments of \$38,054, which includes interest payable at 3.92%.

	Balance at 12/31/21	Amount Borrowed	Amount Repaid	Balance at 12/31/22	Interest Paid During the Year
Radio Equipment	\$ 199,205	\$ -	\$ (199,205)	\$ -	\$ 5,849
Motor Grader	98,627	-	(18,546)	80,081	3,551
Sheriff Patrol Vehicles - #2	46,976	-	(23,024)	23,952	1,647
Sheriff Patrol Vehicles - #3	105,622	-	(33,839)	71,783	4,215
	<u>\$ 450,430</u>	<u>\$ -</u>	<u>\$ (274,614)</u>	<u>\$ 175,816</u>	<u>\$ 15,262</u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 4 - Long-Term Debt (continued)

Lease-Purchase Agreements (continued)

Future minimum payments due on all lease purchase agreements are as follows:

Year ended December 31	Principal	Interest	Total
2023	\$ 78,431	\$ 6,393	\$ 84,824
2024	56,657	3,495	60,152
2025	20,867	1,230	22,097
2026	19,862	393	20,255
	<u>\$ 175,817</u>	<u>\$ 11,511</u>	<u>\$ 187,328</u>

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

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

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

Benefits Provided

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

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

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 5 - County Employees' Retirement Fund (CERF) (continued)

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 6%. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. The County collected and remitted CERF employee contributions of \$281,074 for the year ended December 31, 2022.

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

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

The County collected and remitted CERF fees and penalties of \$417,441 for the year ended December 31, 2022.

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

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Stone County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Stone County has contributed \$11,628 for the year ended December 31, 2022.

Note 7 - Other Retirement Plan

Stone County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2022 for the 457 plan were \$186,403. Employee contributions collected and remitted by the County for the year ended December 31, 2022 for the 401(a) plan were \$38,460.

Note 8 - Post-Employment Benefits

Stone 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 Stone County.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 9 - Claims, Commitments and Contingencies

Litigation

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

Compensated Absences

The County provides employees with up to 200 hours (25 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 one sick day per month. The County allows employees to carry forward a maximum of 320 hours (40 days). Accumulated sick leave is not paid out upon termination of employment. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

Other Commitments

Part of the County's taxing district contains a redevelopment area subject to a tax increment financing (TIF) plan where the County must remit certain economic activity taxes to a local business for the purpose of reimbursing certain costs of development. The County is committed to remitting these taxes through the year ended December 31, 2030; future amounts are based on overall taxes collected for the redeveloped area and cannot be estimated. Payments remitted for the year ended December 31, 2022 totaled \$137,599. Additionally, the County collected and remitted \$206,399 for the year ended December 31, 2022, on behalf of another agency included in the TIF plan.

Note 10 - Risk Management

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

Note 11 - Economic Concentrations

Approximately 29.91% of the County's sales tax revenues received was remitted by two taxpayers located in the County, for the year ended December 31, 2022. Any material reduction in sales tax could result in a significant impact to the County's operations.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the year ended December 31, 2022**

Note 12 - 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 have been evaluated through June 27, 2023, the date the financial statements were available to be issued.

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

Independent Auditor's Report

To the County Commission and
Officeholders of Stone County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Stone County, Missouri as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements, and have issued our report thereon dated June 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stone County, Missouri's internal control over financial reporting (internal control) as a basis for designing 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 Stone County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Stone County, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Stone County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under

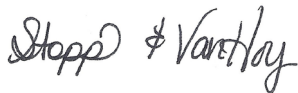
Government Auditing Standards, and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

Stone County, Missouri's Response to Findings

Stone County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
June 27, 2023

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission and
Officeholders of Stone County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Stone 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 Stone County, Missouri's major federal programs for the year ended December 31, 2022. Stone 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, Stone County, Missouri 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 Stone 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 Stone 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 Stone County, Missouri'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 Stone 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 GAAS, *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 Stone County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Stone 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 Stone 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 Stone 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

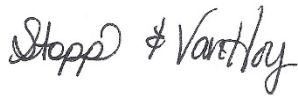
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 black ink, appearing to read "Stopp & VantHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
June 27, 2023

**The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures	Awards Provided to Subrecipients
U.S. Department of Agriculture				
Forest Service Schools and Roads Cluster				
Passed through state:				
Missouri Office of Administration				
Schools and Roads - Grants to States	10.665	n/a	\$ 20,399	\$ 15,299
Total Forest Service Schools and Roads Cluster			20,399	15,299
U.S. Department of Defense				
Passed through state:				
Missouri Office of Administration				
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	987,594	131,438
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	n/a	140,050	-
Passed through state:				
Missouri Office of Administration				
National Forest Acquired Lands	15.438	n/a	15,967	11,975
U.S. Department of Justice				
Passed through state:				
Missouri Association of Prosecuting Attorneys				
Crime Victim Assistance	16.575	MAPA22-23Stone	19,297	-
Crime Victim Assistance	16.575	MAPASStone2022	36,013	-
Crime Victim Assistance	16.575	MAPASStone19-21	20,222	-
			75,532	-
U.S. Department of Transportation				
Highway Safety Cluster				
Passed through state:				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	22-PT-02-045	3,498	-
Total Highway Safety Cluster			3,498	-
U.S. Department of Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	1,165,308	-
U.S. Department of Homeland Security				
Passed through state:				
Missouri Department of Public Safety				
Emergency Management Performance Grants	97.042	EMK-2021-EP-00006-112	5,363	
Emergency Management Performance Grants	97.042	EMK-2022-EP-00004-105	6,782	-
			12,145	-
Total Expenditures of Federal Awards			\$ 2,420,493	\$ 158,712

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Stone
Galena, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the year ended December 31, 2022**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply 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). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the assistance listing number or other identifying number when the assistance listing number is not available.

This schedule includes all federal awards administered by Stone County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Stone County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Stone County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal expenditures are considered to have occurred when cash is disbursed for allowable expenditures.

Stone County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Donated Personal Protective Equipment

Stone County received no donated personal protective equipment which had been purchased with federal funds. This footnote is unaudited.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2022**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

_____ Yes X None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

_____ Yes X 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 section 2 CFR section 200.516(a)?

_____ Yes X No

Identification of Major Programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

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 auditee?

_____ Yes X No

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2022**

Section 2 - Financial Statement Findings

2022-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

The following funds had actual expenditures that exceeded the budget expenditures:

- National Forest Fund
- Capital Improvement Fund
- Insurance Claims Proceeds Fund
- Abuse Victims Fund
- Inmate Security Fund
- Drug Abuse Resistance Education (D.A.R.E) Fund
- Reserve Fund
- Law Enforcement Civil Fees Fund
- Prosecuting Attorney Bad Check Fund

Cause: Oversight

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis.

Management's Response: The County Clerk will perform a detailed review of budgetary statutes and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2023. The phone number for the County Clerk is (417) 357-6127.

Section 3 - Federal Award Findings

None noted.

**The County of Stone
Galena, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2022**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Stone County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2021.

Prior Year Financial Statement Findings

2021-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

The following funds had actual expenditures that exceeded the budget expenditures:

- Flood Control Fund
- Law Enforcement Grant Fund
- Children's Trust Fund
- Abuse Victims Fund
- Sheriff Revolving Fund
- Law Enforcement Civil Fees Fund
- Collector's Tax Maintenance Fund
- Coronavirus Relief Fund

Cause: Oversight

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis.

Management's Response: The County Clerk will perform a detailed review of budgetary statutes and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2022. The phone number for the County Clerk is (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2022-001 in the current year.

Prior Year Federal Award Findings and Questioned Costs

None noted.

Denise Dickens

Stone County Clerk

CORRECTIVE ACTION PLAN

Audit Finding Reference: 2022-001

Planned Corrective Action: The County Clerk will perform a detailed review of budgetary statutes and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary.

Name of Contact Person: Denise Dickens, Stone County Clerk (417) 357-6127

Anticipated completion date: The expected completion date is December 31, 2023.

**P.O. Box 45 • 108 East 4th Street • Galena, MO 65656
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