



**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

To the County Commission  
and  
Officeholders of Henry County, Missouri

The Office of the State Auditor contracted for an audit of Henry County's financial statements for the 2 years 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, Certified Public Accountants, is attached.

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

Scott Fitzpatrick  
State Auditor

October 2023  
Report No. 2023-074



**Scott Fitzpatrick**  
Missouri State Auditor

## RECOMMENDATION SUMMARY

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### Recommendations in the contracted audit of Henry County

2022-001

The county improve the documentation internal controls for each office other than the County Clerk. Additionally, the County should perform a risk assessment and document the results of such assessment. This assessment should be updated or reperformed at least annually.

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Use of State Fund to Pay Sales  
Tax

As an exempt entity which is not required to pay Missouri sales taxes, using public funds to pay for sales tax should be avoided.

ANNUAL FINANCIAL REPORT

**HENRY COUNTY, MISSOURI**

For the Years Ended  
December 31, 2022 and 2021

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**McBRIDE, LOCK & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

# HENRY COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

HENRY COUNTY, MISSOURI  
List of Elected Officials 2021-2022

*County Commission*

Presiding Commissioner – Jim Stone

Commissioner, North District – Rick Fosnow

Commissioner, South District – Dale Lawler

*Other Elected Officials*

Assessor – Scott Largent

Circuit Clerk – Patricia Doll

Collector/Treasurer – Ann Julian

County Clerk – Rick Watson

Coroner – Dain Sisk

Prosecuting Attorney – LaChrisha Gray

Public Administrator – Allen Huff

Recorder of Deeds – Gail Perryman

Sheriff – Kent Oberkrom

## **FINANCIAL SECTION**

## **McBRIDE, LOCK & ASSOCIATES, LLC**

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**CERTIFIED PUBLIC ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

To the County Commission and  
Officeholders of Henry County, Missouri

#### **Opinion**

We have audited the accompanying financial statements of Henry 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 2021, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years 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 Henry County, Missouri, as of December 31, 2022 and 2021, and their respective cash receipts and disbursements, and budgetary results for the years 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 Henry County, Missouri, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years 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 Henry 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 Henry 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 Henry 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 Henry 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 30, 2023, on our consideration of Henry 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 Henry 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 30, 2023

HENRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2022

Fund	Cash and Investments	Receipts	Disbursements	Cash and Cash Investments	Receipts	Disbursements	Cash and Cash Investments
	January 1, 2021			December 31, 2021			December 31, 2022
General Revenue	\$ 3,028,752	\$ 4,772,161	\$ 3,570,753	\$ 4,230,160	\$ 5,015,663	\$ 2,970,284	\$ 6,275,539
Special Road & Bridge	1,222,393	1,783,885	2,281,791	724,487	1,696,511	1,124,610	1,296,388
Assessment	32,894	418,811	384,316	67,389	428,416	425,509	70,296
Law Enforcement Training	1,897	5,373	6,974	296	4,303	3,473	1,126
Prosecuting Attorney Training	6,883	4,810	992	10,701	5,246	5,117	10,830
Administrative Handling Cost	3,412	27,266	24,854	5,824	12,236	12,263	5,797
Victims of Domestic Violence	-	1,107	1,107	-	938	938	-
CARES	241,008	238	241,246	-	-	-	-
Inmate Security	3,605	296,979	263,321	37,263	293,340	262,358	68,245
Local Emergency Planning	20,037	2,478	1,655	20,860	6,291	6,810	20,341
Sheriff Civil	10,781	10,540	15,678	5,643	12,304	12,733	5,214
Henry County Law	594,368	2,762,269	2,606,784	749,853	2,934,878	3,055,381	629,350
Sheriff Revolving	10,291	15,785	17,000	9,076	3,910	9,285	3,701
Records Storage	72,979	17,958	27,097	63,840	16,576	6,235	74,181
Election Services	48,169	11,456	-	59,625	9,418	49,225	19,818
Senior Citizens' Service	197,815	179,268	108,105	268,978	185,317	180,570	273,725
Tax Maintenance	36,388	34,388	32,992	37,784	32,709	24,321	46,172
ARPA	-	2,122,599	31,448	2,091,151	2,161,539	1,939,120	2,313,570
Industrial Development Authority	-	-	-	-	8,806	21	8,785
Total	<u>\$ 5,531,672</u>	<u>\$ 12,467,371</u>	<u>\$ 9,616,113</u>	<u>\$ 8,382,930</u>	<u>\$ 12,828,401</u>	<u>\$ 10,088,253</u>	<u>\$ 11,123,078</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2021		2022	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 210,000	\$ 168,640	\$ 3,500	\$ 62,663
Sales taxes	2,265,000	3,139,861	2,750,000	3,378,886
Intergovernmental	696,456	720,001	801,801	709,369
Charges for services	687,000	727,610	634,700	760,456
Interest	25,000	12,888	12,000	95,922
Other	6,000	3,161	82,062	8,367
Transfers in	-	-	-	-
Total Receipts	<u>\$ 3,889,456</u>	<u>\$ 4,772,161</u>	<u>\$ 4,284,063</u>	<u>\$ 5,015,663</u>
DISBURSEMENTS				
County Commission	\$ 131,175	\$ 129,940	\$ 39,063	\$ 138,376
County Clerk	113,934	109,444	122,067	114,904
Elections	127,000	59,633	168,500	94,249
Buildings and grounds	1,578,582	1,272,617	1,137,920	705,114
Employee fringe benefits	251,500	241,690	268,000	234,848
Treasurer	119,344	119,344	124,610	124,610
Collector	27,100	27,095	27,100	22,376
Recorder of Deeds	121,533	121,208	128,090	127,896
Circuit Clerk	25,500	23,554	26,000	21,141
Court administration	164,980	60,655	133,390	43,221
Public Administrator	52,500	38,581	53,500	31,200
Other County government	856,279	761,676	966,354	821,971
Health and welfare	4,000	4,000	6,000	-
Transfers out	-	-	-	-
Emergency Fund	130,000	-	135,000	-
Other	1,413,906	601,316	553,991	490,378
Total Disbursements	<u>\$ 5,117,333</u>	<u>\$ 3,570,753</u>	<u>\$ 3,889,585</u>	<u>\$ 2,970,284</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (1,227,877)	\$ 1,201,408	\$ 394,478	\$ 2,045,379
CASH AND INVESTMENTS, JANUARY 1	<u>3,028,752</u>	<u>3,028,752</u>	<u>4,230,160</u>	<u>4,230,160</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,800,875</u>	<u>\$ 4,230,160</u>	<u>\$ 4,624,638</u>	<u>\$ 6,275,539</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 128,000	\$ 132,495	\$ 135,000	\$ 159,766	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,508,000	1,441,543	934,118	1,051,043	365,300	384,424	388,000	392,352
Charges for services	101,000	201,728	-	462,397	-	-	-	-
Interest	11,000	4,503	2,500	19,235	1,000	386	400	1,953
Other	5,000	3,616	173,000	4,070	34,403	34,001	19,000	34,111
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,753,000</u>	<u>\$ 1,783,885</u>	<u>\$ 1,244,618</u>	<u>\$ 1,696,511</u>	<u>\$ 400,703</u>	<u>\$ 418,811</u>	<u>\$ 407,400</u>	<u>\$ 428,416</u>
DISBURSEMENTS								
Salaries	\$ 300,000	\$ 261,337	\$ 280,000	\$ 248,045	\$ 257,906	\$ 229,141	\$ 266,700	\$ 233,604
Employee fringe benefits	84,360	68,711	80,900	73,232	58,720	55,493	69,000	54,099
Materials and supplies	105,925	91,692	124,325	98,411	13,000	20,898	25,000	16,142
Services and other	62,547	29,060	69,547	49,025	47,000	40,998	54,500	42,898
Capital outlay	517,500	707,165	417,500	48,813	35,000	37,786	56,562	78,766
Construction	1,411,151	1,123,826	696,151	607,084	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,481,483</u>	<u>\$ 2,281,791</u>	<u>\$ 1,668,423</u>	<u>\$ 1,124,610</u>	<u>\$ 411,626</u>	<u>\$ 384,316</u>	<u>\$ 471,762</u>	<u>\$ 425,509</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (728,483)	\$ (497,906)	\$ (423,805)	\$ 571,901	\$ (10,923)	\$ 34,495	\$ (64,362)	\$ 2,907
CASH AND INVESTMENTS, JANUARY 1	<u>1,222,393</u>	<u>1,222,393</u>	<u>724,487</u>	<u>724,487</u>	<u>32,894</u>	<u>32,894</u>	<u>67,389</u>	<u>67,389</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 493,910</u>	<u>\$ 724,487</u>	<u>\$ 300,682</u>	<u>\$ 1,296,388</u>	<u>\$ 21,971</u>	<u>\$ 67,389</u>	<u>\$ 3,027</u>	<u>\$ 70,296</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	7,000	5,373	5,000	4,303	2,500	4,810	5,000	5,246
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,000</u>	<u>\$ 5,373</u>	<u>\$ 5,000</u>	<u>\$ 4,303</u>	<u>\$ 2,500</u>	<u>\$ 4,810</u>	<u>\$ 5,000</u>	<u>\$ 5,246</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,000	6,974	5,000	3,473	9,075	992	15,701	5,117
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,000</u>	<u>\$ 6,974</u>	<u>\$ 5,000</u>	<u>\$ 3,473</u>	<u>\$ 9,075</u>	<u>\$ 992</u>	<u>\$ 15,701</u>	<u>\$ 5,117</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (1,601)	\$ -	\$ 830	\$ (6,575)	\$ 3,818	\$ (10,701)	\$ 129
CASH AND INVESTMENTS, JANUARY 1	<u>1,897</u>	<u>1,897</u>	<u>296</u>	<u>296</u>	<u>6,883</u>	<u>6,883</u>	<u>10,701</u>	<u>10,701</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,897</u>	<u>\$ 296</u>	<u>\$ 296</u>	<u>\$ 1,126</u>	<u>\$ 308</u>	<u>\$ 10,701</u>	<u>\$ -</u>	<u>\$ 10,830</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING COST FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,150	1,107	1,275	938
Charges for services	2,000	2,172	4,000	2,292	-	-	-	-
Interest	50	15	25	99	-	-	-	-
Other	26,200	25,079	26,500	9,845	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 28,250</u>	<u>\$ 27,266</u>	<u>\$ 30,525</u>	<u>\$ 12,236</u>	<u>\$ 1,150</u>	<u>\$ 1,107</u>	<u>\$ 1,275</u>	<u>\$ 938</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	31,311	24,854	36,269	12,263	1,150	1,107	1,275	938
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 31,311</u>	<u>\$ 24,854</u>	<u>\$ 36,269</u>	<u>\$ 12,263</u>	<u>\$ 1,150</u>	<u>\$ 1,107</u>	<u>\$ 1,275</u>	<u>\$ 938</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,061)	\$ 2,412	\$ (5,744)	\$ (27)	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS,	<u>3,412</u>	<u>3,412</u>	<u>5,824</u>	<u>5,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS,	<u>\$ 351</u>	<u>\$ 5,824</u>	<u>\$ 80</u>	<u>\$ 5,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CARES FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	295,000	296,937	281,000	292,707
Interest	1,000	238	-	-	-	-	-	-
Other	-	-	-	-	2,000	42	-	633
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,000	\$ 238	\$ -	\$ -	\$ 297,000	\$ 296,979	\$ 281,000	\$ 293,340
DISBURSEMENTS								
Salaries	\$ 220,211	\$ 220,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	19,200	16,705	-	-	-	-	-	-
Materials and supplies	-	-	-	-	105,000	132,523	120,000	123,859
Services and other	2,500	3,671	-	-	160,000	115,960	134,000	106,586
Capital outlay	-	-	-	-	15,000	14,838	30,000	31,913
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 241,911	\$ 241,246	\$ -	\$ -	\$ 280,000	\$ 263,321	\$ 284,000	\$ 262,358
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (240,911)	\$ (241,008)	\$ -	\$ -	\$ 17,000	\$ 33,658	\$ (3,000)	\$ 30,982
CASH AND INVESTMENTS, JANUARY 1	241,008	241,008	-	-	3,605	3,605	37,263	37,263
CASH AND INVESTMENTS, DECEMBER 31	\$ 97	\$ -	\$ -	\$ -	\$ 20,605	\$ 37,263	\$ 34,263	\$ 68,245

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



HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING FUND				SHERIFF CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	20,000	2,478	2,500	6,291	-	-	-	-
Charges for services	-	-	-	-	20,000	10,540	12,000	12,304
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 2,478</u>	<u>\$ 2,500</u>	<u>\$ 6,291</u>	<u>\$ 20,000</u>	<u>\$ 10,540</u>	<u>\$ 12,000</u>	<u>\$ 12,304</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,000	629	11,500	6,308	10,000	10,354	13,000	9,571
Services and other	6,000	336	6,000	502	1,000	3,684	1,000	1,112
Capital outlay	-	690	1,000	-	10,000	1,640	1,000	2,050
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 1,655</u>	<u>\$ 18,500</u>	<u>\$ 6,810</u>	<u>\$ 21,000</u>	<u>\$ 15,678</u>	<u>\$ 15,000</u>	<u>\$ 12,733</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 8,000	\$ 823	\$ (16,000)	\$ (519)	\$ (1,000)	\$ (5,138)	\$ (3,000)	\$ (429)
CASH AND INVESTMENTS, JANUARY 1	<u>20,037</u>	<u>20,037</u>	<u>20,860</u>	<u>20,860</u>	<u>10,781</u>	<u>10,781</u>	<u>5,643</u>	<u>5,643</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 28,037</u>	<u>\$ 20,860</u>	<u>\$ 4,860</u>	<u>\$ 20,341</u>	<u>\$ 9,781</u>	<u>\$ 5,643</u>	<u>\$ 2,643</u>	<u>\$ 5,214</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HENRY COUNTY LAW FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,500,000	1,699,030	1,600,000	1,769,550	-	-	-	-
Intergovernmental	-	-	-	-	17,500	15,785	7,500	3,910
Charges for services	960,183	1,060,070	1,009,105	1,149,228	-	-	-	-
Interest	1,000	2,164	1,500	14,024	-	-	-	-
Other	10,000	1,005	5,000	2,076	100	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,471,183</u>	<u>\$ 2,762,269</u>	<u>\$ 2,615,605</u>	<u>\$ 2,934,878</u>	<u>\$ 17,600</u>	<u>\$ 15,785</u>	<u>\$ 7,500</u>	<u>\$ 3,910</u>
DISBURSEMENTS								
Salaries	\$ 1,522,939	\$ 1,290,550	\$ 1,651,479	\$ 1,555,525	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	306,802	383,113	349,885	421,910	-	-	-	-
Materials and supplies	88,300	97,812	125,100	109,120	4,000	3,935	1,500	5,478
Services and other	488,600	362,779	467,500	431,445	5,000	5,687	3,000	713
Capital outlay	534,000	472,530	540,950	537,381	8,000	7,378	6,000	3,094
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,940,641</u>	<u>\$ 2,606,784</u>	<u>\$ 3,134,914</u>	<u>\$ 3,055,381</u>	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 10,500</u>	<u>\$ 9,285</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (469,458)	\$ 155,485	\$ (519,309)	\$ (120,503)	\$ 600	\$ (1,215)	\$ (3,000)	\$ (5,375)
CASH AND INVESTMENTS, JANUARY 1	<u>594,368</u>	<u>594,368</u>	<u>749,853</u>	<u>749,853</u>	<u>10,291</u>	<u>10,291</u>	<u>9,076</u>	<u>9,076</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 124,910</u>	<u>\$ 749,853</u>	<u>\$ 230,544</u>	<u>\$ 629,350</u>	<u>\$ 10,891</u>	<u>\$ 9,076</u>	<u>\$ 6,076</u>	<u>\$ 3,701</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDS STORAGE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	11,000	11,456	10,000	9,418
Charges for services	13,000	17,734	15,000	15,396	-	-	-	-
Interest	300	224	200	1,180	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 13,300</u>	<u>\$ 17,958</u>	<u>\$ 15,200</u>	<u>\$ 16,576</u>	<u>\$ 11,000</u>	<u>\$ 11,456</u>	<u>\$ 10,000</u>	<u>\$ 9,418</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	86,000	27,097	31,000	6,235	750	-	750	580
Capital outlay	-	-	-	-	58,419	-	54,890	48,645
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 86,000</u>	<u>\$ 27,097</u>	<u>\$ 31,000</u>	<u>\$ 6,235</u>	<u>\$ 59,169</u>	<u>\$ -</u>	<u>\$ 55,640</u>	<u>\$ 49,225</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (72,700)	\$ (9,139)	\$ (15,800)	\$ 10,341	\$ (48,169)	\$ 11,456	\$ (45,640)	\$ (39,807)
CASH AND INVESTMENTS,	<u>72,979</u>	<u>72,979</u>	<u>63,840</u>	<u>63,840</u>	<u>48,169</u>	<u>48,169</u>	<u>59,625</u>	<u>59,625</u>
CASH AND INVESTMENTS,	<u>\$ 279</u>	<u>\$ 63,840</u>	<u>\$ 48,040</u>	<u>\$ 74,181</u>	<u>\$ -</u>	<u>\$ 59,625</u>	<u>\$ 13,985</u>	<u>\$ 19,818</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS' SERVICE FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 167,111	\$ 178,420	\$ 175,000	\$ 180,425	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	35,000	34,388	35,000	32,629
Interest	1,500	848	500	4,892	-	-	-	-
Other	-	-	-	-	-	-	-	80
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 168,611</u>	<u>\$ 179,268</u>	<u>\$ 175,500</u>	<u>\$ 185,317</u>	<u>\$ 35,000</u>	<u>\$ 34,388</u>	<u>\$ 35,000</u>	<u>\$ 32,709</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 1,667	\$ 10,000	\$ -
Employee fringe benefits	-	-	-	-	700	127	700	-
Materials and supplies	700	-	500	141	5,000	9,155	7,000	2,259
Services and other	207,285	108,105	251,748	180,429	20,000	3,890	20,000	2,264
Capital outlay	-	-	-	-	20,000	18,153	18,000	19,798
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 207,985</u>	<u>\$ 108,105</u>	<u>\$ 252,248</u>	<u>\$ 180,570</u>	<u>\$ 55,700</u>	<u>\$ 32,992</u>	<u>\$ 55,700</u>	<u>\$ 24,321</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (39,374)	\$ 71,163	\$ (76,748)	\$ 4,747	\$ (20,700)	\$ 1,396	\$ (20,700)	\$ 8,388
CASH AND INVESTMENTS, JANUARY 1	<u>197,815</u>	<u>197,815</u>	<u>268,978</u>	<u>268,978</u>	<u>36,388</u>	<u>36,388</u>	<u>37,784</u>	<u>37,784</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 158,441</u>	<u>\$ 268,978</u>	<u>\$ 192,230</u>	<u>\$ 273,725</u>	<u>\$ 15,688</u>	<u>\$ 37,784</u>	<u>\$ 17,084</u>	<u>\$ 46,172</u>

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

HENRY COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ARPA FUND				INDUSTRIAL DEVELOPMENT AUTHORITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,119,528	2,119,528	2,119,528	2,119,528	-	-	8,806	8,806
Charges for services	-	-	-	-	-	-	-	-
Interest	3,900	3,071	6,000	42,011	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,123,428</u>	<u>\$ 2,122,599</u>	<u>\$ 2,125,528</u>	<u>\$ 2,161,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,806</u>	<u>\$ 8,806</u>
DISBURSEMENTS								
Salaries	\$ 25,000	\$ 15,070	\$ 310,000	\$ 225,205	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	5,500	3,054	24,000	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	8,806	-
Services and other	92,928	13,324	539,500	67,298	-	-	-	21
Capital outlay	-	-	46,046	46,045	-	-	-	-
Construction	2,000,000	-	2,300,000	1,600,572	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,123,428</u>	<u>\$ 31,448</u>	<u>\$ 3,219,546</u>	<u>\$ 1,939,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,806</u>	<u>\$ 21</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 2,091,151	\$ (1,094,018)	\$ 222,419	\$ -	\$ -	\$ -	\$ 8,785
CASH AND INVESTMENTS, JANUARY 1	-	-	2,091,151	2,091,151	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 2,091,151</u>	<u>\$ 997,133</u>	<u>\$ 2,313,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,785</u>

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

HENRY COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2022

Fund/Account	Cash and Investments January 1, 2021	Receipts 2021	Disbursements 2021	Cash and Investments December 31, 2021	Receipts 2022	Disbursements 2022	Cash and Investments December 31, 2022
Treasurer PADT	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer CAP Schools	-	259,930	259,930	-	235,502	235,502	-
Treasurer Tax Surplus	8,340	19	5,092	3,267	9,330	3,347	9,250
Treasurer Lieu/Tax	-	48,551	16,478	32,073	8,881	39,347	1,607
Treasurer Criminal Cost	440	4,370	4,810	-	4,380	4,380	-
Treasurer CERF	-	375,624	375,624	-	368,623	368,623	-
Treasurer Payroll	62,006	3,862,222	3,908,434	15,794	4,222,312	4,231,718	6,388
LATC	9,957	30	-	9,987	194,282	10,109	194,160
27th Tax Treatment Courts	64,144	12,957	9,793	67,308	6,794	15,873	58,229
Collector	12,350,555	23,102,820	22,392,559	13,060,816	23,713,706	22,715,242	14,059,280
Collector Protest	7,955	24	-	7,979	10,265	-	18,244
Recorder	19,264	224,205	243,465	4	193,510	193,510	4
Sheriff Fees	(248)	307,696	296,923	10,525	405,800	372,591	43,734
Sheriff Asset Forfeiture	2,273	-	33	2,240	-	36	2,204
Sheriff Inmate	17,170	471,117	460,930	27,357	352,825	361,283	18,899
Public Administrator	592,395	3,426,397	2,633,984	1,384,808	5,153,167	4,381,803	2,156,172
Total	<u>\$ 13,134,251</u>	<u>\$ 32,095,962</u>	<u>\$ 30,608,055</u>	<u>\$ 14,622,158</u>	<u>\$ 34,879,377</u>	<u>\$ 32,933,364</u>	<u>\$ 16,568,171</u>

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

HENRY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Henry County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there were nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds and Sheriff. Subsequent to 2022, the Circuit Clerk and Recorder of Deeds offices were combined.

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 Henry 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 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 and 2021, for purposes of taxation were:

	2022	2021
Real Estate	\$ 313,316,820	\$ 309,309,080
Personal Property	113,150,986	93,860,153
Railroad and Utilities	35,075,471	32,433,847
Total	<u>\$ 461,543,277</u>	<u>\$ 435,603,080</u>

For calendar years 2022 and 2021, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2022	2021
General Revenue	\$ 0.0549	\$ -
Senior Citizens' Service	0.0423	0.0423

Property tax receipts were recorded in the Special Road and Bridge Fund based on a percentage allocation of township tax collections.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from 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 investment 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 INVESTMENTS

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 Investments" caption. Investments consist of certificates of deposit with original maturities that are greater 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 investment balances:

	Carrying Value	Bank Balance	FDIC Coverage
Cash and Cash Equivalents - Governmental Funds	\$ 10,090,021	\$ 11,283,791	\$ 500,000
Investments - Governmental Funds	1,033,057	1,033,057	250,000
Total Governmental Funds	<u>\$ 11,123,078</u>	<u>\$ 12,316,848</u>	<u>\$ 750,000</u>
Cash and Cash Equivalents - Fiduciary Funds	<u>\$ 16,568,171</u>	<u>\$ 14,154,510</u>	<u>\$ 500,000</u>

At December 31, 2021, the County had the following cash and investment balances:

	Carrying Value	Bank Balance	FDIC Coverage
Cash and Cash Equivalents - Governmental Funds	\$ 7,362,906	\$ 7,794,264	\$ 500,000
Investments - Governmental Funds	1,020,024	1,020,024	250,000
Total Governmental Funds	<u>\$ 8,382,930</u>	<u>\$ 8,814,288</u>	<u>\$ 750,000</u>
Cash and Cash Equivalents - Fiduciary Funds	<u>\$ 14,622,158</u>	<u>\$ 14,648,465</u>	<u>\$ 334,832</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2022 and 2021 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](http://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 and 2021, the County collected and remitted to CERF employee withholdings of \$375,554 and \$368,623, respectively for the years then ended.

## B. 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 \$18,362 and \$15,518, respectively, for the years ended December 31, 2022 and 2021.

### C. Other Retirement Plan

Contributions to a voluntary retirement plan are paid by a deduction from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to PEBSCO who administers the 414 Plan. Employee contributions were \$910 and \$910, respectively, for the years ended December 31, 2022 and 2021.

## 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 full-time employees with eight hours of sick leave for each completed calendar month of employment, up to a maximum of 720 hours. Upon termination, employees will not be compensated for any unused sick time.

Vacation time is made available in whole on the employee's anniversary date. Vacation time is five days for employees with one year of service; ten days for employees with two to nine years of service; 15 days for employees with ten or more years of service. Employees are allowed to carry over five days of vacation into a new employment year, with approval from their department head. Upon termination, employees are compensated for any unused vacation time.

Full-time employees earn overtime or compensatory time credits based on department assignment. Overtime and Compensatory Time credits are earned at 1.5 times the regular hourly rate of the employee for work hours accumulated over 40 hours in a work week. Upon termination, employees are compensated for any compensatory time credits.

### 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.

### C. Litigation

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

## 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, 2021:

- A. On December 26, 2016, the County refinanced \$6,650,000 of 2009 Certificates of Participation with 2016 Certificates of Participation with First Bank of Missouri with an interest rate of 3%. The Certificates of Participation are solely payable from rents paid by the County to the trustee under the lease purchase agreement. The County's obligations under the lease purchase agreement do not extend beyond the amount budgeted for any respective fiscal year. The County has the option to purchase the trustee's interest in the leased property on any date at an amount necessary to provide for the rent payments on each rent payment date through the end of the leases. Certificates of participation payable at December 31, 2022 and 2021 are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 450,000	\$ 72,300	\$ 522,300
2024	460,000	58,800	518,800
2025	470,000	45,000	515,000
2026	500,000	30,900	530,900
2027	530,000	15,900	545,900
Totals	<u>\$ 2,410,000</u>	<u>\$ 222,900</u>	<u>\$ 2,632,900</u>

- B. On January 12, 2016, the County entered into a lease purchase agreement with US Bancorp for \$500,000 for the purchase of 911 equipment. The lease purchase agreement calls for twenty semi-annual payments of \$28,836 starting July 12, 2016, with an interest rate of 2.08% The County has the following payments remaining:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 12, 2023	\$ 26,162	\$ 2,674	\$ 28,836
July 12, 2023	26,529	2,307	28,836
January 12, 2024	26,900	1,936	28,836
July 12, 2024	27,277	1,559	28,836
January 12, 2025	27,659	1,177	28,836
July 12, 2025	28,046	790	28,836
January 12, 2026	28,438	398	28,836
Totals	<u>\$ 191,011</u>	<u>\$ 10,841</u>	<u>\$ 201,852</u>

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

<u>Description</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2022</u>	<u>Interest</u> <u>Paid</u>
2016 COPS	\$ 2,825,000	\$ -	\$ (415,000)	\$ 2,410,000	\$ 84,750
2016 911 Equipment	242,257	-	(51,246)	191,011	6,427

The following schedule shows changes in long-term debt during the year ended December 31, 2021:

<u>Description</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Interest</u> <u>Paid</u>
2016 COPS	\$ 3,225,000	\$ -	\$ (400,000)	\$ 2,825,000	\$ 96,750
2016 911 Equipment	292,098	-	(49,841)	242,257	7,832

## 8. OPERATING LEASES

At December 31, 2022, the County has a lease with Mobilis Technologies, LLC for software licenses and certain hardware leases requiring 60 monthly payments of \$1,000 to begin on May 1, 2018, and mature on April 1, 2023. The County made payments totaling \$12,000 in each year, 2022 and 2021. As of December 31, 2022, the lease had an outstanding balance of \$3,000.

## 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 30, 2023, the date the financial statements were available to be issued.

## **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 Henry 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 Henry 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 2021, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Henry County, Missouri's basic financial statements and have issued our report thereon dated August 30, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Henry 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 Henry County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Henry 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify with any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Henry 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*.

## **Henry County, Missouri's Response to Findings**

Henry County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Henry 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.

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 30, 2023

## **McBRIDE, LOCK & ASSOCIATES, LLC**

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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 Henry County, Missouri

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Henry 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 Henry County, Missouri's major federal programs for the years ended December 31, 2022 and 2021. Henry 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, Henry 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 years ended December 31, 2022 and 2021.

##### ***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 Henry 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 Henry 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 Henry 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 Henry 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 Henry 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 Henry 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 Henry 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 Henry 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 30, 2023

HENRY 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	
			Year Ended December 31,	
			2021	2022
15.226	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT US Department of the Interior	PILT	\$ 173,415	\$ 177,859
16.575	U.S. DEPARTMENT OF JUSTICE Passed through Missouri Department of Public Safety - Crime Victim Assistance	ER130180073	\$ 66,814	\$ -
		ER130220129-001	\$ -	\$ 73,237
16.738	Edward Byrne Memorial Justice Assistance Grant	15PBJA-21-GG-00	\$ -	\$ 8,452
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Missouri Department of Transportation -				
20.205	Highway Planning and Construction	BRO-B04029	\$ 547,007	\$ 3,139
20.600	State and Community Highway Safety	21-PT-02-026	\$ 18,000	\$ -
20.616	National Priority Safety Programs	22-PT-02-014	\$ -	\$ 24,958
U.S. DEPARTMENT OF TREASURY				
Passed through Missouri State Treasurer				
20.019	COVID-19 Coronavirus Relief Fund	N/A	\$ 241,008	\$ -
Direct Program				
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	\$ 31,448	\$ 1,939,120
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Missouri Department of Social Services				
93.563	Child Support Enforcement	ER10220C038	\$ 89,194	\$ 88,734
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Missouri Department of Public Safety				
97.042	Emergency Management Performance Grants	EMK-2020-EP-00	\$ 37,564	\$ -
		EMK-20210EP-00	-	10,245
		EMK-2022-00004	-	11,501
	Total 97.042		\$ 37,564	\$ 21,746
	Total Expenditures of Federal Awards		\$ 1,204,450	\$ 2,337,245

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**HENRY COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Henry County, Missouri for the years ended December 31, 2022 and 2021. 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.

**NOTE C – SUBRECIPIENTS**

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2022 and 2021.

HENRY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**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   X   No
- Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes      None Reported
- Noncompliance material to financial statements noted?      Yes   X   No

**Federal Awards:**

Internal Control Over Major Programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiencies identified that are 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 Uniform Guidance section 200.516?      Yes   X   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   X   No

## **SECTION II – FINANCIAL STATEMENTS FINDINGS**

### **MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

### **SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

#### **2022-001: Documentation of Internal Control Processes and Risk Assessment Procedures**

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statement on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of internal control to be at least a significant deficiency. A quality system of internal control must include assessing the risks involved which the system of internal control hopes to protect against.

Condition: The officeholders other than the County Clerk do not have a documented system of internal control. Additionally, during the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Cause: The officeholders have not been diligent in documenting the control processes which are followed in each office.

Effect: The lack of documented internal control processes could lead to a lack of continuity and effectiveness in the operation of the internal controls. Additionally, the lack of a documented risk assessment could lead to a risk not being properly addressed and the internal control processes may not be designed appropriately to protect against such a risk.

Recommendation: We recommend that the county improve the documentation internal controls for each office other than the County Clerk. Additionally, the County should perform a risk assessment and document the results of such assessment. This assessment should be updated or reperformed at least annually.

County's Response: The County has instructed the various officeholders to prepare the missing documentation. They have made the documentation of internal controls in the County Clerk's office available as a guide for developing the documentation in other offices.

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

### **ITEMS OF NONCOMPLIANCE**

None.

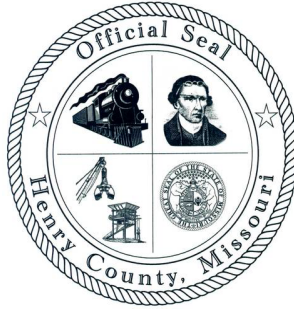
## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.



**MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:**

- **Summary Schedule of Prior Audit Findings**
  - **Corrective Action Plan**



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100 W. Franklin  
Clinton, Missouri 64735-2080

## HENRY COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Henry County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2020 and 2019.

**2020-001:** Documentation of the County's internal controls has not been prepared.

Status: Not resolved. See finding 2022-001.

**2020-002:** There is no formal fraud risk assessment in place.

Status: Not resolved, see finding 2022-001.

**2020-003:** We noted that the Sheriff's Fee bank account was reconciled to a negative balance.

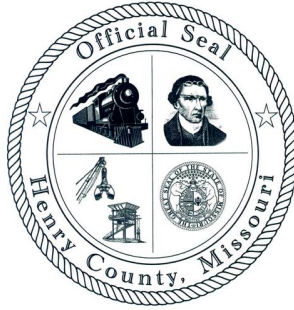
Status: Resolved.

**2020-004:** During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Status: Resolved.

**2020-005:** Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA was prepared with incorrect financial information.

Status: Resolved.



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100 W. Franklin  
Clinton, Missouri 64735-2080

## HENRY COUNTY, MISSOURI CORRECTIVE ACTION PLAN

**Finding Reference Number:** 2022-001

**Federal Agency:** N/A

**Program Name:** N/A

**CFDA Number:** N/A

**Responsible Official:** Officeholders other than the County Clerk

**Views of Responsible Individuals:** The County has instructed the various officeholders to prepare the missing documentation. They have made the documentation of internal controls in the County Clerk's office available as a guide for developing the documentation in other offices.

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## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

August 30, 2023

To the County Commission  
Henry County, Missouri

We have audited the regulatory basis financial statements of Henry County, Missouri for the years ended December 31, 2022 and 2021. 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 June 12, 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 Henry 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 2022 and 2021. We noted no transactions entered into by the County during the years 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. There were no misstatements detected during the audit.

### *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 30, 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 the County'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 the County'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 Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2022 and 2021, we considered Henry County'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 30, 2023.

Additionally, we noted the following items which were not considered material weaknesses or significant deficiencies:

### Use of State Fund to Pay Sales Tax

In performing tests of disbursements, it was noted the County is occasionally using public funds to pay for sales taxes. As an exempt entity which is not required to pay Missouri sales taxes, using public funds to pay for sales tax should be avoided.

### Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are 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 prescribed or permitted by Missouri law, 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 Henry 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