



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Ray County, Missouri

The Office of the State Auditor contracted for an audit of Ray County's financial statements for the year ended December 31, 2022, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

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

Scott Fitzpatrick
State Auditor

November 2023
Report No. 2023-081



Recommendations in the contracted audit of Ray County

2022-001	The County amend their 2023 budget, and adjust their budget format to include a cash reconciliation page to identify and discrepancies for each fund and ensure that every fund is included.
2022-002	The Sheriff's office implement procedures to ensure monthly bank reconciliations are maintained and performed in a timely manner. Also the Sheriff's office implement procedures to deposits funds received in the office into the bank as frequently as possible, at least on a weekly basis.
2022-003	The Recorder ensure an account reconciliation is performed for their bank account each month.
2022-004	The County implement procedures to ensure credit cards are secured and limited to authorized users. Further, the County implement procedures to ensure purchases are authorized, and supporting documentation is provided to the County Clerk in a timely manner. Additionally, the County implement procedures to ensure credit card statements are paid in a timely manner to avoid any late fees and interest charges.
2022-005	The Senior Services' Board implement procedures to ensure that all transactions are recorded timely.
2023-006	The County implement internal controls to ensure that the Schedule of Expenditures of Federal Awards (SEFA) completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records.

ANNUAL FINANCIAL REPORT

RAY COUNTY, MISSOURI

For the Year Ended
December 31, 2022

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

RAY COUNTY, MISSOURI
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INTRODUCTORY SECTION

RAY COUNTY, MISSOURI
List of Elected Officials 2022

County Commission

Presiding Commissioner – Bob King

Commissioner, Western District – Gary Wilhite

Commissioner, Eastern District – David Powell

Other Elected Officials

Assessor – Kent Wollard

Circuit Clerk – Kim Oyler-Hook

Collector – Julie Chowning

Treasurer – Melissa Holloway

County Clerk – Glenda Powell

Coroner – Bartley Willim

Prosecuting Attorney – Camille Johnston

Public Administrator – Shannon Wollard

Recorder – Shirley O'Dell

Sheriff – Scott Childers

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Ray County, Missouri

Opinion

We have audited the accompanying financial statements of Ray County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Ray County, Missouri, as of December 31, 2022, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ray 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 Ray 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 Ray 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 Ray 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 28, 2023, on our consideration of Ray 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 Ray 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 28, 2023

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

Fund	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
General Revenue	\$ 894,017	\$ 4,780,314	\$ 4,688,021	\$ 986,310
Special Road & Bridge	381,241	3,666,519	2,915,006	1,132,754
Assessment	403,572	390,588	402,608	391,552
Collector Tax Maintenance	47,676	57,230	45,736	59,170
Sheriff Training	1,673	1,931	2,829	775
Prosecuting Attorney Training	397	2,431	2,341	487
Domestic Violence	2,353	3,634	3,820	2,167
Prosecuting Attorney Delinquent Tax	1,562	2,721	3,067	1,216
Recorder	26,321	14,722	2,451	38,592
Noxious Weeds	149,499	106,445	156,005	99,939
Sheriff Account	6,818	10,620	14,089	3,349
Administrative Handling Cost	321	4,441	4,586	176
Law Enforcement Restitution	73,790	26,211	42,122	57,879
Sheriff's Extradition	9,570	-	156	9,414
Sheriff's Revolving	27,702	11,635	39,250	87
Inmate Prisoner Detainee	32,380	86,441	31,307	87,514
Emergency Planning	-	9,589	9,589	-
Disaster Aid	-	839,138	268,111	571,027
Election 5%	13,868	5,115	1,094	17,889
Sheriff's POST Certification	-	757	757	-
Building & Grounds Capital Improvements	360,108	303,120	134,793	528,435
2021 American Rescue Plan Act	2,236,196	2,238,608	553,172	3,921,632
Senior Services Board	440,422	186,599	131,733	495,288
Total	<u>\$ 5,109,486</u>	<u>\$ 12,748,809</u>	<u>\$ 9,452,643</u>	<u>\$ 8,405,652</u>

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

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

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ -	\$ -
Sales taxes	3,000,300	3,157,563
Intergovernmental	728,068	554,870
Charges for services	839,953	800,323
Interest	2,500	1,319
Other	-	47,331
Transfers in	186,158	218,908
Total Receipts	<u>\$ 4,756,979</u>	<u>\$ 4,780,314</u>
DISBURSEMENTS		
County Commission	\$ 162,535	\$ 153,031
County Clerk	144,068	131,405
Elections	168,004	116,093
Building and Grounds	343,928	283,981
Employee Fringe Benefits	454,461	474,045
Treasurer	69,851	65,271
Collector	153,581	143,882
Recorder of Deeds	121,706	119,288
Circuit Court	62,127	57,829
Court Administration	66,660	117,431
Public Administrator	114,141	105,651
Sheriff	887,671	836,526
Jail	793,040	905,355
Prosecuting Attorney	476,972	476,712
Juvenile Officer	62,850	58,873
Coroner	53,565	58,747
Other County Government	530,230	364,993
Transfers out	218,909	218,908
Emergency Fund	-	-
Total Disbursements	<u>\$ 4,884,299</u>	<u>\$ 4,688,021</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (127,320)	\$ 92,293
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>894,017</u>	<u>894,017</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 766,697</u>	<u>\$ 986,310</u>

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

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

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		COLLECTOR TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 872,000	\$ 914,691	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,000,100	1,061,862	-	-	-	-
Intergovernmental	2,148,468	1,078,854	397,430	377,707	-	-
Charges for services	95,660	97,962	90,220	12,287	-	57,156
Interest	1,850	1,131	2,100	594	-	73
Other	200	25,000	-	-	-	-
Transfers in	218,909	487,019	-	-	-	-
Total Receipts	<u>\$ 4,337,187</u>	<u>\$ 3,666,519</u>	<u>\$ 489,750</u>	<u>\$ 390,588</u>	<u>\$ -</u>	<u>\$ 57,229</u>
DISBURSEMENTS						
Salaries	\$ 614,600	\$ 460,401	\$ 204,528	\$ 194,369	\$ 15,000	\$ 10,000
Employee fringe benefits	98,028	67,970	84,324	60,752	-	-
Materials and supplies	215,000	210,079	15,430	13,525	9,000	7,446
Services and other	732,505	787,055	162,218	104,391	11,500	13,406
Capital outlay	300,500	275,494	13,250	29,571	14,600	14,884
Construction	2,253,550	895,099	-	-	-	-
Transfers out	218,909	218,908	-	-	-	-
Total Disbursements	<u>\$ 4,433,092</u>	<u>\$ 2,915,006</u>	<u>\$ 479,750</u>	<u>\$ 402,608</u>	<u>\$ 50,100</u>	<u>\$ 45,736</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (95,905)	\$ 751,513	\$ 10,000	\$ (12,020)	\$ (50,100)	\$ 11,493
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>381,241</u>	<u>381,241</u>	<u>403,572</u>	<u>403,572</u>	<u>47,676</u>	<u>47,676</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 285,336</u>	<u>\$ 1,132,754</u>	<u>\$ 413,572</u>	<u>\$ 391,552</u>	<u>\$ (2,424)</u>	<u>\$ 59,169</u>

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

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

	SHERIFF TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND		DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	2,550	1,929	2,775	2,430	3,970	3,632
Interest	7	2	6	1	8	2
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,557</u>	<u>\$ 1,931</u>	<u>\$ 2,781</u>	<u>\$ 2,431</u>	<u>\$ 3,978</u>	<u>\$ 3,634</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	130	309	-	-
Services and other	4,230	2,829	2,651	2,032	3,947	3,820
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,230</u>	<u>\$ 2,829</u>	<u>\$ 2,781</u>	<u>\$ 2,341</u>	<u>\$ 3,947</u>	<u>\$ 3,820</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,673)	\$ (898)	\$ -	\$ 90	\$ 31	\$ (186)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,673</u>	<u>1,673</u>	<u>397</u>	<u>397</u>	<u>2,353</u>	<u>2,353</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 775</u></u>	<u><u>\$ 397</u></u>	<u><u>\$ 487</u></u>	<u><u>\$ 2,384</u></u>	<u><u>\$ 2,167</u></u>

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

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

	PROSECUTING ATTORNEY DELINQUENT TAX FUND		RECORDER FUND		NOXIOUS WEEDS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 93,020	\$ 106,141
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	110	122
Charges for services	4,266	2,720	14,000	14,683	-	-
Interest	5	1	50	39	800	182
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 4,271</u>	<u>\$ 2,721</u>	<u>\$ 14,050</u>	<u>\$ 14,722</u>	<u>\$ 93,930</u>	<u>\$ 106,445</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 75,542	\$ 73,926
Employee fringe benefits	-	-	-	-	9,673	15,409
Materials and supplies	-	175	1,500	1,281	5,000	19,474
Services and other	4,271	2,892	1,000	802	39,500	40,425
Capital outlay	-	-	5,000	368	2,000	6,771
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,271</u>	<u>\$ 3,067</u>	<u>\$ 7,500</u>	<u>\$ 2,451</u>	<u>\$ 131,715</u>	<u>\$ 156,005</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (346)	\$ 6,550	\$ 12,271	\$ (37,785)	\$ (49,560)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,562</u>	<u>1,562</u>	<u>26,321</u>	<u>26,321</u>	<u>149,499</u>	<u>149,499</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,562</u></u>	<u><u>\$ 1,216</u></u>	<u><u>\$ 32,871</u></u>	<u><u>\$ 38,592</u></u>	<u><u>\$ 111,714</u></u>	<u><u>\$ 99,939</u></u>

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

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

	SHERIFF ACCOUNT FUND		ADMINISTRATIVE HANDLING COST FUND		LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,260	-	-	-	500	13,500
Charges for services	11,300	10,615	4,200	4,440	16,625	12,625
Interest	17	5	-	1	345	86
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 12,577</u>	<u>\$ 10,620</u>	<u>\$ 4,200</u>	<u>\$ 4,441</u>	<u>\$ 17,470</u>	<u>\$ 26,211</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	2,000	1,047	100	330	-	-
Services and other	8,718	6,315	4,100	2,258	-	-
Capital outlay	5,433	6,727	-	1,998	91,244	42,122
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,151</u>	<u>\$ 14,089</u>	<u>\$ 4,200</u>	<u>\$ 4,586</u>	<u>\$ 91,244</u>	<u>\$ 42,122</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (3,574)	\$ (3,469)	\$ -	\$ (145)	\$ (73,774)	\$ (15,911)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>6,818</u>	<u>6,818</u>	<u>321</u>	<u>321</u>	<u>73,790</u>	<u>73,790</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 3,244</u></u>	<u><u>\$ 3,349</u></u>	<u><u>\$ 321</u></u>	<u><u>\$ 176</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ 57,879</u></u>

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

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

	SHERIFF'S EXTRADITION FUND		SHERIFF'S REVOLVING FUND		INMATE PRISONER DETAINEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	9,000	-	23,500	7,925	33,350	86,377
Interest	15	-	900	23	47	64
Other	-	-	-	3,687	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 9,015</u>	<u>\$ -</u>	<u>\$ 24,400</u>	<u>\$ 11,635</u>	<u>\$ 33,397</u>	<u>\$ 86,441</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	20,600	313	-	-
Services and other	-	156	17,800	38,937	52,500	31,307
Capital outlay	-	-	8,000	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 46,400</u>	<u>\$ 39,250</u>	<u>\$ 52,500</u>	<u>\$ 31,307</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 9,015	\$ (156)	\$ (22,000)	\$ (27,615)	\$ (19,103)	\$ 55,134
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>9,570</u>	<u>9,570</u>	<u>27,702</u>	<u>27,702</u>	<u>32,380</u>	<u>32,380</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 18,585</u>	<u>\$ 9,414</u>	<u>\$ 5,702</u>	<u>\$ 87</u>	<u>\$ 13,277</u>	<u>\$ 87,514</u>

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

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

	EMERGENCY PLANNING FUND		DISASTER AID FUND		ELECTION 5% FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	9,589	-	839,138	-	-
Charges for services	-	-	-	-	7,000	5,100
Interest	-	-	-	-	33	15
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 9,589</u>	<u>\$ -</u>	<u>\$ 839,138</u>	<u>\$ 7,033</u>	<u>\$ 5,115</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	9,589	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	-	-	3,900	1,094
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	268,111	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 9,589</u>	<u>\$ -</u>	<u>\$ 268,111</u>	<u>\$ 3,900</u>	<u>\$ 1,094</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 571,027	\$ 3,133	\$ 4,021
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	13,868	13,868
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,027</u>	<u>\$ 17,001</u>	<u>\$ 17,889</u>

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

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

	SHERIFF'S POST CERTIFICATION FUND		BUILDINGS & GROUNDS CAPITAL IMPROVEMENTS FUND		2021 AMERICAN RESCUE PLAN ACT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ 290,510	\$ 302,182	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	320	443	2,235,489	2,235,489
Charges for services	900	757	-	-	-	-
Interest	-	-	300	495	2,000	3,119
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 757</u>	<u>\$ 291,130</u>	<u>\$ 303,120</u>	<u>\$ 2,237,489</u>	<u>\$ 2,238,608</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 40,000	\$ 43,722	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	900	757	268,000	91,071	4,473,685	553,172
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 900</u>	<u>\$ 757</u>	<u>\$ 308,000</u>	<u>\$ 134,793</u>	<u>\$ 4,473,685</u>	<u>\$ 553,172</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ (16,870)	\$ 168,327	\$ (2,236,196)	\$ 1,685,436
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	360,108	360,108	2,236,196	2,236,196
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,238</u>	<u>\$ 528,435</u>	<u>\$ -</u>	<u>\$ 3,921,632</u>

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

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

	SENIOR SERVICES BOARD FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 174,866	\$ 185,157
Sales taxes	-	-
Intergovernmental	-	-
Charges for services	-	-
Interest	2,000	1,436
Other	-	-
Transfers in	-	-
Total Receipts	<u>\$ 176,866</u>	<u>\$ 186,593</u>
DISBURSEMENTS		
Salaries	\$ -	\$ -
Employee fringe benefits	-	-
Materials and supplies	-	-
Services and other	176,866	131,727
Capital outlay	-	-
Construction	-	-
Transfers out	-	-
Total Disbursements	<u>\$ 176,866</u>	<u>\$ 131,727</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 54,866
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>440,422</u>	<u>440,422</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 440,422</u></u>	<u><u>\$ 495,288</u></u>

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

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

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer's Unclaimed Property	\$ 163	\$ -	\$ -	\$ 163
Treasurer's County School Interest	63,366	124,887	126,431	61,822
Treasurer's Time Payment	2,367	474	-	2,841
Treasurer's Law Library	43,906	11,483	9,166	46,223
Treasurer's Tax Sale Surplus	130,214	158,757	250,586	38,385
Treasurer's State Retirement	-	325,765	325,765	-
Treasurer's Drug Court	30,495	11,042	15,039	26,498
Treasurer's Deputy Sheriff Salary	-	5,100	5,100	-
Treasurer's School Revolving	3,143	3,812	4,990	1,965
Treasurer's Account	-	24,639,696	24,639,696	-
Collector	18,739,817	33,485,772	31,605,949	20,619,640
Sheriff	76,651	565,255	544,782	97,124
Prosecuting Attorney	26,626	49,374	44,362	31,638
Recorder	20,858	199,892	206,654	14,096
Public Administrator	7,505,291	1,874,886	2,859,752	6,520,425
County Clerk's Election Funds	20,451	163,792	164,045	20,198
County Clerk's Cemetery Maintenance	1,535	1	-	1,536
County Clerk's School and Cemetery	15,380	15	-	15,395
Total	<u>\$ 26,680,263</u>	<u>\$ 61,620,003</u>	<u>\$ 60,802,317</u>	<u>\$ 27,497,949</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Ray 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. However, the County budgeted a negative ending fund balance for the Collector Tax Maintenance Fund.
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. Actual expenditures exceeded budgeted amounts for the following funds: Noxious Weeds, Administrative Handling Cost, Sheriff's Extradition, Emergency Planning, and Disaster Aid.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

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

	<u>2022</u>
Real Estate	\$ 232,875,350
Personal Property	105,706,625
Railroad and Utilities	<u>81,575,752</u>
Total	<u><u>\$ 420,157,727</u></u>

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

	<u>2022</u>
Capital Improvements	\$ 0.0756
Developmental Dis. Board	0.1712
Noxious Weed	0.0400
Senior Services	0.0461

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	\$ 8,124,626	\$ 8,698,532	\$ 464,729
Investments - Governmental Funds	281,026	281,026	250,000
Total Governmental Funds	<u>\$ 8,405,652</u>	<u>\$ 8,979,558</u>	<u>\$ 714,729</u>
Cash and Cash Equivalents - Fiduciary Funds	\$ 27,496,925	\$ 26,394,174	\$ 692,181
Investments - Fiduciary Funds	1,024	1,024	1,024
Total Fiduciary Funds	<u>\$ 27,497,949</u>	<u>\$ 26,395,198</u>	<u>\$ 693,205</u>

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

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

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

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

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

3) Funding Policy

Full-time employees of Ray County do not contribute to the pension plan. The January 1st statutorily required contribution rates were 5.1% (General), and 10.8% (Police) of annual covered payroll for 2022 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2022, the County contributed \$91,685 to LAGERS.

B. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior

plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2022, the County collected and remitted to CERF employee withholdings of \$96,048 for the year then ended.

C. Prosecuting Attorney Retirement Fund

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

D. Other Retirement Plan

Ray County has a voluntary 457(b) plan which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2022 were \$54,008.

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 168 hours. Upon either retirement or other separation, employees will be compensated at the final rate of pay for any unused sick time.

Vacation time is accrued for every full-time employee beginning with the second year of employment at a rate of two weeks per year. Employees with eight or more years of employment earn three weeks per year of vacation leave. Any days not used by the end of the year will be lost. Upon voluntary separation, an employee may receive compensation for unused accrued vacation leave.

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 and 80 hours in a two-week pay period. 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 involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

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

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

7. LONG-TERM DEBT

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

- A. In January 2016, the County entered into a \$180,000 cancellable lease agreement for a 2016 Caterpillar Motor Grader, under which the County could purchase the motor grader at the end of the lease for \$82,960 in 2023. The agreement calls for seven annual payments of \$17,478 ending in 2022.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 82,646	\$ 314	\$ 82,960

- B. In January 2016, the County entered into a \$171,663 cancellable lease agreement for a 2016 Caterpillar Motor Grader, under which the County could purchase the motor grader at the end of the lease for \$75,680 in 2023. The agreement calls for seven annual payments of \$17,105 ending in 2022.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 75,393	\$ 287	\$ 75,680

- C. In January 2020, the County entered into a \$165,000 cancellable lease agreement for a 2014 John Deere Motor Grader. The agreement called for an initial \$50,000 payment and three subsequent annual payments of \$41,384 ending in 2023.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 39,883	\$ 1,501	\$ 41,384

- D. In May 2020, The County entered into a \$71,023 cancellable lease agreement for a John Deere Loader. The agreement called for four annual payments of \$19,696 ending in 2024.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 18,112	\$ 1,584	\$ 19,696
2024	18,888	808	19,696
Total	<u>\$ 37,000</u>	<u>\$ 2,392</u>	<u>\$ 39,392</u>

- E. In December 2020, the County entered into a \$212,862 cancellable lease agreement for a 2016 John Deere Motor Grader. The agreement called for an initial \$25,000 payment and four subsequent annual payments of \$49,230 ending in 2024.

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 46,413	\$ 2,817	\$ 49,230
2024	47,801	1,429	49,230
Total	<u>\$ 94,214</u>	<u>\$ 4,246</u>	<u>\$ 98,460</u>

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

Description	Balance 12/31/2021	Additions	Payments	Balance 12/31/2022	Interest Paid
Caterpillar Motor Grader	\$ 97,690	\$ -	\$ (17,478)	\$ 80,212	\$ 2,865
Caterpillar Motor Grader	90,273	-	(17,105)	73,168	2,652
2014 JD Motor Grader	78,319	-	(41,384)	36,935	2,948
2020 JD Loader	54,368	-	(19,696)	34,672	2,328
2016 JD Motor Grader	139,279	-	(49,230)	90,049	4,165

8. OPERATING LEASES

At December 31, 2022, the Prosecuting Attorney has a non-cancellable 39-month lease for a copier through April 2023, with a monthly payment of \$227. The following schedule represents future payments under operating leases:

Fiscal Year Ending December 31,	Amount
2023	\$ 907

9. LINES OF CREDIT

The County has an annual revolving line of credit with Community Bank of Missouri for the General Revenue and Special Road and Bridge Funds for \$100,000 and \$150,000, respectively. The County did not draw down any funds during 2022, and the County terminated their line of credit as of the date of the audit report.

10. RESTATEMENT

The balance of the Sheriff's Fiduciary Fund at January 1, 2021 has been restated to revise the balance of the Sheriff at December 31, 2021. The restatement increased the beginning balance by \$26,030.

11. 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 28, 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 Ray 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 Ray County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2022, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Ray County, Missouri's basic financial statements and have issued our report thereon dated August 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ray 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 Ray County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Ray 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 any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005 and 2022-006 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ray 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 is required to be reported under *Government Auditing Standards*.

Ray County, Missouri's Response to Findings

Ray County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Ray County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 28, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Ray County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ray 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 Ray County, Missouri's major federal programs for the year ended December 31, 2022. Ray 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, Ray County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Ray 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 Ray 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 Ray 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 Ray 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 Ray 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 Ray 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 Ray 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 Ray 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, we did identify significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-06 that we consider to be a significant deficiency.

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. *Government Auditing Standards* requires the auditor to perform limited procedures on Ray County, Missouri's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Ray County, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 28, 2023

RAY 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
	U. S. DEPARTMENT OF JUSTICE		
16.575	Passed through Missouri Department of Public Safety - Crime Victim Assistance	n/a	\$ 33,802
	U. S. DEPARTMENT OF TRANSPORTATION		
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction	BRO-B089(28)	2,990
		BRO-B089(30)	63,714
		BRO-B089(31)	40,441
		BRO-B089(32)	15,769
			<u>\$ 122,914</u>
	U. S. DEPARTMENT OF THE TREASURY		
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	n/a	553,172
39.011	U. S. GENERAL SERVICES ADMINISTRATION		
	Election Reform Payments	n/a	9,315
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.563	Passed through Missouri Department of Social Services - Child Support Enforcement	n/a	42,134
	U. S. DEPARTMENT OF HOMELAND SECURITY		
97.067	Homeland Security Grant Program	n/a	<u>6,874</u>
	Total Expenditures of Federal Awards		<u><u>\$ 768,211</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Ray County, Missouri for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – SUBRECIPIENTS

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

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

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes 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? X Yes None Reported

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

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

Identification of Major Programs:

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

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

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2022-001: Reconciliation Between The Budget and Treasurer’s Settlement

Criteria: In accordance with RSMo 54.290, the County Treasurer must present a full and complete annual settlement of their accounts. Additionally, RSMo 50.540 and 50.550 requires the County to prepare and submit a complete financial plan for the ensuing fiscal year compared with the corresponding figures for the last completed fiscal year. Further, a proper system of internal controls is required in the financial reporting system and for the fair presentation of the financial statements.

Condition: The Treasurer’s Settlement and the County’s Budget did not reconcile to each other, and noted discrepancies between the ending balances of the General Revenue, Special Road & Bridge, Assessment, Collector Tax Maintenance, Prosecuting Attorney Training, Recorder, Noxious Weed, Sheriff’s Account, Sheriff’s Extradition, Sheriff’s Revolving Funds, and Disaster Aid funds as follows:

	<u>Revenue Adjustment</u>	<u>Expense Adjustment</u>
General Revenue	\$ -	\$ 79,544
Special Road & Bridge	-	21,512
Assessment	-	18,411
Collector Tax		
Maintenance	-	11,673
Prosecuting Attorney	-	75
Recorder	-	494
Noxious Weeds	-	5,920
Sheriff Account	-	606
Sheriff's Extradition	-	157
Sheriff's Revolving Fund	-	4,811
Disaster Aid	839,138	268,111

Cause: The County presented the 2023 budget in a new format that was exported from their accounting system, InCode. Before exporting the budget from InCode, the Treasurer and County Clerk had inactivated several line items for service-related expenses in order to combine them into one account for the upcoming fiscal year. Additionally, the new budget format did not include a cash reconciliation page to identify the discrepancies, and it did not include the fund activity for the Disaster Aid fund.

Effect: Adequate financial reporting ensures that the County’s financial statements are fairly presented.

Recommendation: We recommend the County amend their 2023 budget, and adjust their budget format to include a cash reconciliation page to identify any discrepancies for each fund and ensure that every fund is included.

County's Response: March of 2023 the County Clerk and County Treasurer began consolidating some account headings, and deactivating the ones that would not be used moving forward. Unbeknownst to them, deactivating said account numbers that would no longer be utilized in 2023, the software system, InCode also deactivated those account numbers from prior years as well. This issue was brought to our attention during the audit in July 2023 when a budget report was run for the auditor. Once the deactivated account numbers were reactivated, the prior year's account numbers re-appeared on the budget report and then balanced with the Treasurer's Settlement as they did in January 2023. We will amend our 2023 budget in October 2023.

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

2022-002: Sheriff's Internal Control Over Cash

Criteria: A proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed within a timely manner and that cash receipts be deposited as frequently as possible to reduce the opportunity for misappropriation.

Condition: Our review of the Sheriff's bank reconciliations noted instances in which the bank reconciliations were not performed timely. The bank reconciliations for December 2022 for the Sheriff's Commissary, Bond, Inmate, Explorers, Community Fund, Inmate Security Fund, and Monetary Evidence bank accounts were not performed until April 25, 2023, and bank reconciliation for December 2022 for the Civil bank account was not reconciled until March 3, 2023. Total funds on hand in these accounts was \$86,879 as of December 31, 2022.

During our audit, we noted that the Sheriff's office is not depositing receipts for Report, Trailer Inspection, and Sex Offender fees into their bank accounts. Instead, the receipts are held in a safe and turned over to the Treasurer for deposit at least once a month. The average amount turned over at one time was \$375. Additionally, the Clerk, Office Manager, Lieutenant, Undersheriff, and Sheriff have access to the safe.

Cause: The Sheriff's office did not have procedures in place to ensure timely reconciliations were performed. Additionally, the Sheriff's office did not implement procedures to timely deposit receipts received for certain fees collected for the County, and did not consider restricting access to the safe to reduce the risk of misappropriation.

Effect: Performing timely bank reconciliations ensures that any misstatements are detected and corrected in a timely manner. Depositing cash and checks received into the bank as frequently as possible increases the safety of the assets and reduces the risk of misappropriation.

Recommendation: We recommend that the Sheriff's office implement procedures to ensure monthly bank reconciliations are maintained and performed in a timely manner. We also recommend that the Sheriff's office implement procedures to deposit funds received in the office into the bank as frequently as possible, at least on a weekly basis.

County's Response: Beginning in April 2023, our office clerk has been performing bank reconciliations monthly. Those reconciliations are signed off on by the Sheriff.

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

2022-003: Recorder's Bank Reconciliations

Criteria: A proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed within a timely manner.

Condition: The Recorder's office did not perform the December 2022 reconciliation for the Recorder bank account. Total funds on hand in the account was \$14,097 as of December 31, 2022.

Cause: Formal bank reconciliation of the Recorder bank account for December 2022 was not performed.

Effect: Performing timely bank reconciliations ensures that any misstatements are detected and corrected in a timely manner. Depositing cash and checks received into the bank as frequently as possible increases the safety of the assets and reduces the risk of misappropriation.

Recommendation: We recommend the Recorder ensure an account reconciliation is performed for their bank account each month.

County's Response: We do have a bank reconciliation procedure in effect. Said procedure is to reconcile the bank statement the same day it is received in the mail. The December 2022 bank statement was available for your review, unfortunately my bank reconciliation sheet for December 2022 was not attached. I will continue to reconcile the bank statements monthly the day they are received and ensure that the reconciliation sheet is attached prior to filing away.

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

2022-004: Internal Control Over Credit Cards

Criteria: A proper system of internal controls requires adequate custodial control over credit cards, appropriate approval and documentation of purchases, and timely payment to avoid interest and late charges.

Condition: Our review of the credit card statements during the audit period noted that \$51 in fees were paid by the County. After inquiry, we noted that multiple credit cards are provided to Elected Officials and Department Heads, who are required to submit supporting documentation to the County Clerk's office before their credit card statement can be paid. The County Clerk's office experienced issues in which the credit card holder did not provide the supporting documentation in a timely manner, which resulted in late fees and interest charges.

Cause: The County provided multiple credit cards to Elected Officials and Department Heads, and have not implemented proper procedures to ensure supporting documentation are submitted timely, and ensure credit card statements are paid timely.

Effect: Lack of oversight of credit cards purchases increases the likelihood that cards could be used for inappropriate or personal charges. Additionally, untimely payment of credit card statements could result in late fees and interest charges.

Recommendation: We recommend the County implement procedures to ensure credit cards are secured and limited to authorized users. Further, we recommend the County implement procedures to

ensure purchases are authorized, and supporting documentation is provided to the County Clerk in a timely manner. Additionally, we recommend the County implement procedures to ensure credit card statements are paid in a timely manner to avoid any late fees and interest charges.

County's Response: The County Commissioners have implemented procedures to ensure credit card statements will no longer incur late fees due to supporting documentation not being submitted to the County Clerk's office in a timely manner.

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

2022-005: Senior Services' Internal Control Over Financial Reporting

Criteria: A proper system of internal controls is required in the financial reporting system and for the fair presentation of the financial statements. In accordance with the cash basis of accounting used to prepare the County budgets and financial statements, transactions are recognized when amounts are received or disbursed in cash.

Condition: Our review of the Senior Services' Board bank reconciliation for December 31, 2022 noted an instance in which check number 3113, in the amount of \$229,000, was reported as outstanding. After reviewing the general ledger for the year ended December 31, 2022, we noted that the check was not included in their financials. Further, we noted that the last check number included in the general ledger was 3107. After inquiry, we noted that the check was written out of sequence, and noted that the check was written on December 29th, 2022 and cleared on January 3, 2023.

Cause: The checks are not generated from QuickBooks and requires the checks to be manually posted in the accounting system, which resulted in a timing difference between the checkbook balance and the cash balance in the financial statements.

Effect: Due to the error, the balances for cash and disbursements have been misstated, and required adjustments to fairly present the County's financial statements.

Recommendation: We recommend the Senior Services' Board implement procedures to ensure that all transactions are recorded timely.

County's Response: On December 29, 2022, the RCSSB chairman and the RCSSB financial secretary met with the RCSSB bookkeeper and signed the checks for the services rendered to clients in the month of December. They were checks numbered 3108-3112. They were pre-dated 01-01-2023. Later that day, the RCSSB chairman and the RCSSB financial secretary met with the RCSSB bookkeeper at the Edward Jones investment office. Check #3113 was written and dated 12-29-2022 for \$229,000.00 to Edward Jones. It was signed by the RCSSB chairman and the RCSSB financial secretary. None of these checks cleared the Community Bank of Missouri until 2023. Any checks written and mailed/presented to the payee will be included in the financial statements in the year in which they were mailed/presented.

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

ITEM OF NONCOMPLIANCE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-006: Internal Control Over Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Justice, U.S. General Services Administration, U.S. of Health and Human Services, and U.S. Department of Homeland Security

Pass-Through Grantor: Missouri Department of Social Services, Missouri Department of Transportation, Missouri Department of Public Safety, Missouri State Treasurer's Office

Federal ALN Number: 16.575, 39.011, 95.563, 97.036, and 97.067

Program Title: Crime Victim Assistance; Election Reform Payments; Child Support Enforcement; Disaster Grants – Public Assistance (Presidentially Declared Disasters); Homeland Security Grant.

Pass-through Entity Identifying Number: FEMA (4451, 4612)

Award Year: 2022

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2023 annual budget document contained errors in amounts of federal expenditures reported.

Discrepancies in amounts reported on the 2022 SEFA and amount supported by underlying accounting records are summarized as follows:

Assistance					
Federal Agency	Listing Number	Program	Original SEFA	Supported	Difference
DOJ	16.575	Crime Victim Assistance	\$ 22,090	\$ 33,802	\$ (11,712)
GSA	39.011	Election Reform Payments	36,341	9,315	27,026
HHS	95.563	Child Support Enforcement	40,996	42,134	(1,138)
DHS	97.036	Disaster Grants - Public Assistance	839,138	-	839,138
DHS	97.067	Homeland Security Grant Program	2,465	6,874	(4,409)

Cause: The County Clerk did not prepare an accurate SEFA for the year ending December 31, 2022. This was caused by the reporting of the receipt of federal funds rather than the amount expended.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for the year ended December 31, 2022.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records.

County's Response: Moving forward, the County Clerk will ensure that the SEFA accurately states the expenditures of federal awards each year by performing a reconciliation between the SEFA and accounting records.

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

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

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



Ray County Clerk
Heather Maulsby
RAY COUNTY COURTHOUSE
100 W. MAIN ST.
RICHMOND, MISSOURI 64085
(816) 776-4503
FAX: (816) 776-4512

11/2/2023

RAY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2021-001: The Sheriff's office did not perform reconciliations of monthly bank statements for the Commissary account, Bond account, Inmate account, and Explorers account during 2021.

Status: Not resolved, see finding 2022-001

2021-002: Management has not implemented internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The SEFA contained errors.

Status: Not resolved, see finding 2022-006



Ray County Clerk
Heather Maulsby
RAY COUNTY COURTHOUSE
100 W. MAIN ST.
RICHMOND, MISSOURI 64085
(816) 776-4503
FAX: (816) 776-4512

11/2/2023

**RAY COUNTY, MISSOURI
CORRECTIVE ACTION PLAN**

Finding Reference Number: 2022-001

Federal Agency: N/A

Program Name: N/A

ALN Number: N/A

Responsible Official: Heather Maulsby, County Clerk and Melissa Holloway, Treasurer.

Views of Responsible Individuals: We have reactivated account numbers that were needed for the 2023 budget and are amending the 2023 budget to be complete and agree with the Treasurer's Settlement. This will correct this issue.

Finding Reference Number: 2022-002

Federal Agency: N/A

Program Name: N/A

ALN Number: N/A

Responsible Official: Scott Childers, Sheriff

Views of Responsible Individuals: Beginning in April 2023, our office clerk has been performing bank reconciliations monthly. Those reconciliations are signed off on by the Sheriff.

Finding Reference Number: 2022-03

Federal Agency: N/A

Program Name: N/A

ALN Number: N/A

Responsible Official: Rhona Kinnison, Recorder

Views of Responsible Individuals: We do have a bank reconciliation procedure in effect. Said procedure is to reconcile the bank statement the same day it is received in the mail. The December 2022 bank statement was available for your review, unfortunately my bank reconciliation sheet for December 2022 was not attached. I will continue to reconcile the bank statements monthly the day they are received and ensure that the reconciliation sheet is attached prior to filing away.

Finding Reference Number: 2022-04

Federal Agency: N/A

Program Name: N/A

ALN Number: N/A

Responsible Official: County Commission

Views of Responsible Individuals: The County Commission has implemented procedures to ensure credit card statements will no longer incur late fees due to supporting documentation not being submitted to the County Clerk's office in a timely manner.

Finding Reference Number: 2022-05

Federal Agency: N/A

Program Name: N/A

ALN Number: N/A

Responsible Official: Senior Service's Board Treasurer

Views of Responsible Individuals: On December 29, 2022, the RCSSB chairman and the RCSSB financial secretary met with the RCSSB bookkeeper and signed the checks for the services rendered to clients in the month of December. They were checks numbered 3108-3112. They were pre-dated 01-01-2023. Later that day, the RCSSB chairman and the RCSSB financial

secretary met with the RCSSB bookkeeper at the Edward Jones investment office. Check #3113 was written and dated 12-29-2022 for \$229,000.00 to Edward Jones. It was signed by the RCSSB chairman and the RCSSB financial secretary. None of these checks cleared the Community Bank of Missouri until 2023. Any checks written and mailed/presented to the payee will be included in the financial statements in the year in which they were mailed/presented.

Finding Reference Number: 2022-006

Federal Agency: U.S. Department of Justice, U.S. Department of Transportation, U.S. General Services Administration, U.S. of Health and Human Services, and U.S. Department of Homeland Security

Program Name: Crime Victim Assistance; Highway Planning and Construction; Election Reform Payments; Child Support Enforcement; Disaster Grants – Public Assistance (Presidentially Declared Disasters); Homeland Security Grant.

ALN Number: 16.575, 20.205, 39.011, 95.563, 97.036, and 97.067

Responsible Official: Heather Maulsby, County Clerk

Views of Responsible Individuals: Moving forward, the County Clerk will ensure that the SEFA accurately states the expenditures of federal awards each year by performing a reconciliation between the SEFA and accounting records.

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

August 28, 2023

To the County Commission
Ray County, Missouri

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

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ray 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. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. 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 28, 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 Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2022, we considered Ray 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 28, 2023.

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 Ray 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