



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Putnam County, Missouri

The Office of the State Auditor contracted for an audit of Putnam County's financial statements for the year ended December 31, 2023, 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

September 2024
Report No. 2024-061



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Putnam County

Absence of Proper Investment Policy	The county adopt an investment policy that meets the requirements of state statutes.
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ANNUAL FINANCIAL REPORT

PUTNAM COUNTY, MISSOURI

For the Year Ended
December 31, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

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INTRODUCTORY SECTION

PUTNAM COUNTY, MISSOURI
List of Elected Officials 2023

County Commission

Presiding Commissioner – Robert Munden

Commissioner, Eastern District – Shane Bradshaw

Commissioner, Western District – Gerald Owings

Other Elected Officials

Assessor – Chrissy Gillis

Circuit Clerk – Leslie Ream

Collector/Treasurer – Jennifer Heidenwith

County Clerk – Christy Brooks

Coroner – Anna Fleshman

Prosecuting Attorney – Brian Keedy

Public Administrator – Ami Hartwig

Recorder – Dottsie Wood

Sheriff – Jason Knight

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Putnam County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Putnam 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, 2023, 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 Putnam County, Missouri, as of December 31, 2023, 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 Putnam County, Missouri, as of December 31, 2023, 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 Putnam 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 Putnam 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Putnam 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, on our consideration of Putnam 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 Putnam 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 Putnam County, Missouri's internal control over financial reporting and compliance.

McBride, Lock & Associates, LLC

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 12, 2024

PUTNAM COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	\$ 1,493,157	\$ 1,360,836	\$ 1,391,815	\$ 1,462,178
Special Road and Bridge	480,100	1,153,152	1,181,831	451,421
Assessment	103,221	206,130	153,205	156,146
Law Enforcement	119,715	471,572	452,884	138,403
K-9	1,016	52	-	1,068
Local Law Enforcement Block Grant	46	2	-	48
Juvenile Restitution	2,797	143	25	2,915
Local Emergency Planning Commission	5,771	297	-	6,068
Election Services	538	874	-	1,412
Tax Maintenance	24,704	12,273	926	36,051
Senior Citizens Service Board	22,685	51,765	45,001	29,449
Sheriff Revolving	14,232	2,383	6,307	10,308
Law Enforcement Restitution	24,422	3,165	2,400	25,187
Police Training	3,013	858	1,000	2,871
Prosecuting Attorney Training	6,847	1,260	-	8,107
Victims of Domestic Violence	141	315	283	173
Record Preservation	13,225	3,448	2,007	14,666
Technology	19,379	2,484	1,454	20,409
Prosecuting Attorney Bad Check	28,296	2,263	394	30,165
Sheriff Civil Fees	14,662	941	-	15,603
Inmate Security	27,212	10,912	13,200	24,924
Emergency Management Director	36	2	-	38
Hospital Lease	7,231	-	-	7,231
COVID-19 ARPA Grant	772,285	37,678	279,564	530,399
Total	<u>\$ 3,184,731</u>	<u>\$ 3,322,805</u>	<u>\$ 3,532,296</u>	<u>\$ 2,975,240</u>

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

PUTNAM COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

		GENERAL REVENUE FUND	
		Budget	Actual
RECEIPTS			
Property taxes	\$	395,000	\$ 416,116
Sales taxes		470,000	502,763
Intergovernmental		116,650	46,204
Charges for services		290,400	280,528
Interest		14,000	71,282
Other		79,334	43,943
Transfers in		-	-
Total Receipts	\$	1,365,384	\$ 1,360,836
DISBURSEMENTS			
County Commission	\$	95,414	\$ 93,737
County Clerk		133,912	122,970
Elections		35,700	27,317
Buildings and grounds		697,655	348,230
Employee fringe benefits		40,328	37,170
Collector-Treasurer		127,953	122,199
Recorder of Deeds		82,717	76,239
Circuit Clerk		24,118	13,851
Court Administration		17,921	13,813
Public Administrator		35,216	33,311
Prosecuting Attorney		118,156	103,320
Juvenile Officer		24,061	6,370
Coroner		15,821	15,071
Other Disbursements		498,732	314,962
Transfers Out		50,000	63,255
Emergency Fund		40,962	-
Total Disbursements	\$	2,038,666	\$ 1,391,815
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	\$	(673,282)	\$ (30,979)
CASH AND INVESTMENTS, JANUARY 1		1,493,157	1,493,157
CASH AND INVESTMENTS, DECEMBER 31	\$	819,875	\$ 1,462,178

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

PUTNAM COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		LAW ENFORCEMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 60,000	\$ 65,978	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	255,000	252,460
Intergovernmental	1,318,650	984,802	146,625	34,646	99,000	133,453
Charges for services	-	-	17,040	151,571	38,000	79,227
Interest	7,700	28,192	650	6,508	200	6,432
Other	103,370	24,180	2,800	150	-	-
Transfers in	50,000	50,000	13,255	13,255	-	-
Total Receipts	<u>\$ 1,539,720</u>	<u>\$ 1,153,152</u>	<u>\$ 180,370</u>	<u>\$ 206,130</u>	<u>\$ 392,200</u>	<u>\$ 471,572</u>
DISBURSEMENTS						
Salaries	\$ 160,400	\$ 132,069	\$ 92,980	\$ 70,454	\$ 218,477	\$ 230,041
Employee fringe benefits	12,271	10,103	7,113	5,390	16,715	17,598
Materials and supplies	873,425	762,660	33,350	29,393	38,375	38,583
Services and other	765,000	150,805	28,360	20,374	133,669	109,601
Capital outlay	105,000	122,663	31,116	27,594	46,000	57,061
Construction	2,500	3,531	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,918,596</u>	<u>\$ 1,181,831</u>	<u>\$ 192,919</u>	<u>\$ 153,205</u>	<u>\$ 453,236</u>	<u>\$ 452,884</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (378,876)	\$ (28,679)	\$ (12,549)	\$ 52,925	\$ (61,036)	\$ 18,688
CASH AND INVESTMENTS, JANUARY 1	<u>480,100</u>	<u>480,100</u>	<u>103,221</u>	<u>103,221</u>	<u>119,715</u>	<u>119,715</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 101,224</u>	<u>\$ 451,421</u>	<u>\$ 90,672</u>	<u>\$ 156,146</u>	<u>\$ 58,679</u>	<u>\$ 138,403</u>

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

PUTNAM COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	K-9 FUND		LOCAL LAW ENFORCEMENT BLOCK GRANT FUND		JUVENILE RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	2,788	-
Interest	-	52	-	2	-	143
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2,788</u>	<u>\$ 143</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	600	-	-	-	-	-
Services and other	-	-	-	-	2,788	25
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,788</u>	<u>\$ 25</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (600)	\$ 52	\$ -	\$ 2	\$ -	\$ 118
CASH AND INVESTMENTS, JANUARY 1	<u>1,016</u>	<u>1,016</u>	<u>46</u>	<u>46</u>	<u>2,797</u>	<u>2,797</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 416</u>	<u>\$ 1,068</u>	<u>\$ 46</u>	<u>\$ 48</u>	<u>\$ 2,797</u>	<u>\$ 2,915</u>

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

PUTNAM COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	LOCAL EMERGENCY PLANNING COMMISSION FUND		ELECTION SERVICES FUND		TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	814	10,000	10,675
Interest	-	297	-	59	-	1,598
Other	-	-	-	1	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ -</u>	<u>\$ 874</u>	<u>\$ 10,000</u>	<u>\$ 12,273</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	100	-	10,000	926
Capital outlay	-	-	150	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 926</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 297	\$ (250)	\$ 874	\$ -	\$ 11,347
CASH AND INVESTMENTS, JANUARY 1	<u>5,771</u>	<u>5,771</u>	<u>538</u>	<u>538</u>	<u>24,704</u>	<u>24,704</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 5,771</u></u>	<u><u>\$ 6,068</u></u>	<u><u>\$ 288</u></u>	<u><u>\$ 1,412</u></u>	<u><u>\$ 24,704</u></u>	<u><u>\$ 36,051</u></u>

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

PUTNAM COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	SENIOR CITIZENS SERVICE BOARD FUND		SHERIFF REVOLVING FUND		LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 43,000	\$ 50,500	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	3,000	1,750	4,000	1,885
Interest	-	1,265	-	633	-	1,280
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 43,000</u>	<u>\$ 51,765</u>	<u>\$ 3,000</u>	<u>\$ 2,383</u>	<u>\$ 4,000</u>	<u>\$ 3,165</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	7,000	4,322	8,000	-
Services and other	43,000	45,001	1,500	1,985	10,800	2,400
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 43,000</u>	<u>\$ 45,001</u>	<u>\$ 8,500</u>	<u>\$ 6,307</u>	<u>\$ 18,800</u>	<u>\$ 2,400</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 6,764	\$ (5,500)	\$ (3,924)	\$ (14,800)	\$ 765
CASH AND INVESTMENTS, JANUARY 1	<u>22,685</u>	<u>22,685</u>	<u>14,232</u>	<u>14,232</u>	<u>24,422</u>	<u>24,422</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 22,685</u>	<u>\$ 29,449</u>	<u>\$ 8,732</u>	<u>\$ 10,308</u>	<u>\$ 9,622</u>	<u>\$ 25,187</u>

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

PUTNAM COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	POLICE TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND		VICTIMS OF DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	500	708	250	888	250	310
Interest	-	150	-	372	-	5
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 500</u>	<u>\$ 858</u>	<u>\$ 250</u>	<u>\$ 1,260</u>	<u>\$ 250</u>	<u>\$ 315</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	2,000	1,000	1,200	-	240	283
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,000</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ 283</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,500)	\$ (142)	\$ (950)	\$ 1,260	\$ 10	\$ 32
CASH AND INVESTMENTS, JANUARY 1	<u>3,013</u>	<u>3,013</u>	<u>6,847</u>	<u>6,847</u>	<u>141</u>	<u>141</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 1,513</u></u>	<u><u>\$ 2,871</u></u>	<u><u>\$ 5,897</u></u>	<u><u>\$ 8,107</u></u>	<u><u>\$ 151</u></u>	<u><u>\$ 173</u></u>

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

PUTNAM COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	RECORD PRESERVATION FUND		TECHNOLOGY FUND		PROSECUTING ATTORNEY BAD CHECK FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,000	2,757	1,750	1,521	3,500	805
Interest	-	691	100	963	-	1,458
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,448</u>	<u>\$ 1,850</u>	<u>\$ 2,484</u>	<u>\$ 3,500</u>	<u>\$ 2,263</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	8,000	2,007	-	-	600	334
Services and other	-	-	-	-	1,050	60
Capital outlay	-	-	10,000	1,454	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 2,007</u>	<u>\$ 10,000</u>	<u>\$ 1,454</u>	<u>\$ 1,650</u>	<u>\$ 394</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,000)	\$ 1,441	\$ (8,150)	\$ 1,030	\$ 1,850	\$ 1,869
CASH AND INVESTMENTS, JANUARY 1	<u>13,225</u>	<u>13,225</u>	<u>19,379</u>	<u>19,379</u>	<u>28,296</u>	<u>28,296</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 8,225</u>	<u>\$ 14,666</u>	<u>\$ 11,229</u>	<u>\$ 20,409</u>	<u>\$ 30,146</u>	<u>\$ 30,165</u>

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

PUTNAM COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	SHERIFF CIVIL FEES FUND		INMATE SECURITY FUND		EMERGENCY MANAGEMENT DIRECTOR FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,000	247	7,000	10,912	-	-
Interest	-	694	-	-	-	2
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ 941</u>	<u>\$ 7,000</u>	<u>\$ 10,912</u>	<u>\$ -</u>	<u>\$ 2</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	4,000	-	-	-	-	-
Services and other	2,000	-	20,000	13,200	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 13,200</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,000)	\$ 941	\$ (13,000)	\$ (2,288)	\$ -	\$ 2
CASH AND INVESTMENTS, JANUARY 1	<u>14,662</u>	<u>14,662</u>	<u>27,212</u>	<u>27,212</u>	<u>36</u>	<u>36</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,662</u>	<u>\$ 15,603</u>	<u>\$ 14,212</u>	<u>\$ 24,924</u>	<u>\$ 36</u>	<u>\$ 38</u>

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

PUTNAM COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	HOSPITAL LEASE FUND		COVID-19 ARPA GRANT FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	37,678
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,678</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	-	460,000	279,564
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 279,564</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ (460,000)	\$ (241,886)
CASH AND INVESTMENTS, JANUARY 1	<u>7,231</u>	<u>7,231</u>	<u>772,285</u>	<u>772,285</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 7,231</u></u>	<u><u>\$ 7,231</u></u>	<u><u>\$ 312,285</u></u>	<u><u>\$ 530,399</u></u>

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

PUTNAM COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer CERF	\$ -	\$ 52,262	\$ 52,262	\$ -
Treasurer PC W'Holding	-	180,717	180,717	-
Treasurer Hospital	-	252,460	252,460	-
Treasurer Capital Fines	-	31,521	27,859	3,662
Treasurer Surplus Tax	349	11	360	-
Treasurer Deputy Sheriff Salary	101	2,015	1,882	234
Treasurer Surtax Account	27,323	143,107	148,865	21,565
Collector Account	4,735,897	8,399,187	8,178,322	4,956,762
Collector Protested Tax Account	1,638	1	1,639	-
Recorder Account	4,632	48,503	49,092	4,043
Assessor Account	50	38,493	38,493	50
Prosecuting Attorney Bad Check Account	-	2,571	2,571	-
Prosecuting Attorney Restitution Account	-	5,399	5,399	-
Sheriff Account	-	45,234	44,725	509
Public Administrator Accounts	62,525	176,395	181,087	57,833
Total	<u>\$ 4,832,515</u>	<u>\$ 9,377,876</u>	<u>\$ 9,165,733</u>	<u>\$ 5,044,658</u>

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

PUTNAM COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Governmental 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 Putnam County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk (other than the portion that is funded by the General Revenue Fund) and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, 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 the second Monday in January, 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. Actual expenditures exceed budgeted amounts for the Senior Citizens Service Board Fund and the Victims of Domestic Violence Fund.

- 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 2023 for purposes of taxation were:

Real Estate	\$ 77,723,572
Personal Property	27,840,490
Railroad and Utilities	<u>6,122,684</u>
Total	<u>\$ 111,686,746</u>

For calendar year 2023 the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	0.4572
Senior Citizens Service Board	0.0457

The Special Road and Bridge Fund receives 1/5 of the special road district levy collections and 1/7 of the township levy 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 investments 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. Cash includes deposits and short-term investments with maturities that are less than ninety days. 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, 2023, the County had the following cash and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents	\$ 2,530,973	\$ 2,709,205	\$ 250,000
Investments	444,267	444,267	250,000
Total Governmental Funds	<u>\$ 2,975,240</u>	<u>\$ 3,153,472</u>	<u>\$ 500,000</u>
 Cash and Cash Equivalents - Fiduciary Funds	 <u>\$ 5,044,658</u>	 <u>\$ 4,030,949</u>	 <u>\$ 314,233</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2023 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2023 the County collected and remitted to CERF employee withholdings of \$52,262 for the year then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 for the year ended December 31, 2023.

C. Other Retirement Plans

Putnam County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 457 plan were \$23,619, and employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 401(a) plan were \$4,790.

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 up to 20 days of sick time to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked. Upon termination of employment, the employee will be compensated at \$10 per day of accrued sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. After one year of employment, one week may be taken. After two years, and each year thereafter, two weeks of eligibility is earned. Upon termination, the employee is compensated for accrued vacation time at the employee's final rate of pay, up to a maximum of four weeks.

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

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

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2023:

- A. In 2012, the county issued \$7,630,000 in general obligation bonds for the purpose of (1) refinancing the County's Hospital Revenue Bonds, series 2006; (2) renovating, constructing, furnishing, and equipping a portion of the Putnam County Memorial Hospital for use as a specialized geriatric care ward; (3) funding a debt service reserve account; (4) paying the costs of complying with certain tax and securities law requirements; and (5) paying the cost of issuing the Bonds. Funds from a dedicated property tax and hospital improvement sales tax collected by the County and remitted to the paying agent are used to make principal and interest payments.

In 2021, the County refunded the original general obligation bonds and issued \$4,115,000 in General Obligation Hospital Refunding Bonds. Funds from a dedicated property tax and hospital improvement sales tax collected by the County and remitted to the paying agent are used to make principal and interest payments. The general obligation bonds bear interest at 3.00% and mature in September 2029. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 505,000	\$ 94,500	\$ 599,500
2025	520,000	79,350	599,350
2026	535,000	63,750	598,750
2027	555,000	47,700	602,700
2028	570,000	31,050	601,050
2029	465,000	13,950	478,950
Totals	<u>\$ 3,150,000</u>	<u>\$ 330,300</u>	<u>\$ 3,480,300</u>

- B. In December 2019, the County entered into a lease purchase agreement to finance the purchase of a 2019 Ram 1500 Classic Crew Cab at a cost of \$29,222. The agreement requires five annual payments of \$6,185, which include interest payable at 4.15% until 2023. The final payment was paid on March 29, 2023.
- C. In April 2020, the County entered into a lease purchase agreement to finance the purchase of a 2020 Dodge Durango Pursuit AWD at a cost of \$32,065. The agreement required five annual payments of \$6,945, which include interest payable at 4.15% until 2024. The final payment is due on April 13, 2024.

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 6,669	\$ 276	\$ 6,945

- D. In April 2021, the County entered into a lease purchase agreement to finance the purchase of a 2021 Caterpillar Excavator at a cost of \$186,087. The agreement requires four annual payments of \$48,983, which includes interest payable at 3.550% until 2024. The final payment is due April 26, 2024.

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 47,305	\$ 1,678	\$ 48,983

- E. In July 2022, the County entered into a lease purchase agreement to finance the purchase of a 2022 Ford Bronco Sport 4x4 at a cost of \$27,417. The agreement requires four annual payments of \$7,233, which includes interest payable at 4.850% until 2025. The final payment is due on January 31, 2025. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 6,580	\$ 653	\$ 7,233
2025	6,899	334	7,233
Totals	<u>\$ 13,479</u>	<u>\$ 987</u>	<u>\$ 14,466</u>

- F. In October 2022, the County entered into a lease purchase agreement to finance the purchase of a 2022 Dodge Durango Pursuit AWD at a cost of \$35,883. The agreement requires four annual payments of \$9,501, which includes interest payable at 5.450% until 2025. The final payment is due on April 15, 2025. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 8,545	\$ 956	\$ 9,501
2025	9,010	491	9,501
Totals	<u>\$ 17,555</u>	<u>\$ 1,447</u>	<u>\$ 19,002</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2023:

Description	Balance 12/31/2022	Additions	Payments	Balance 12/31/2023	Interest Paid
Hospital GO Bonds	\$ 3,640,000	\$ -	\$ (490,000)	\$ 3,150,000	\$ 109,200
2019 Ram 1500 Crew Cab	5,938	-	(5,938)	-	247
2020 Dodge Durango	13,071	-	(6,402)	6,669	543
2021 Caterpillar Excavator	92,987	-	(45,682)	47,305	3,301
2022 Ford Bronco	20,184	-	(6,705)	13,479	528
2022 Dodge Durango	26,382	-	(8,827)	17,555	674

8. OPERATING LEASES

At December 31, 2023, the County has three non-cancellable leases for copiers. The County Clerk's Office has one non-cancellable 60-month lease for a copier through February 2028 with a monthly payment of \$131. The Recorder's Office has one non-cancellable 60-month lease for a copier through December 2025 with a monthly payment of \$137. The Assessor's Office has one non-cancellable 60-month lease for a copier through January 2028 with a monthly payment of \$210.

Fiscal Year Ending December 31,	Amount
2024	\$ 5,750
2025	5,750
2026	4,100
2027	4,100
2028	472

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 12, 2024, 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 Putnam 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 Putnam 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, 2023, and the related 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 Putnam County, Missouri's basic financial statements and have issued our report thereon dated August 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Putnam 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 Putnam County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Putnam County, Missouri's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 12, 2024

FINDINGS AND RECOMMENDATIONS

PUTNAM COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None noted

ITEMS OF NONCOMPLIANCE

None

PUTNAM COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Putnam County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2022.

2022-001: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following funds had actual expenditures which exceeded the budgeted expenditures in 2022: Law Enforcement Fund and Senior Citizens Service Board Fund.

Status: Considered resolved. Similar conditions were noted in the current audit (see Note 1.D.10) but were not considered to be instances of material noncompliance.

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

August 12, 2024

To the County Commission
Putnam County, Missouri

We have audited the regulatory basis financial statements of Putnam County, Missouri for the years ended December 31, 2023. 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 May 28, 2024. 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 Putnam 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 2023. 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. In addition, none of the misstatements detected as a result of audit procedures and corrected

by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 12, 2024.

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, 2023, we considered Putnam 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 12, 2024. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Absence of Proper Investment Policy

The County has not adopted a formal investment policy as required by state statute. Section 30.950, RSMo requires political subdivisions that manage public funds to adopt an investment policy that prioritizes safety, liquidity and yield; prohibits derivatives, leveraging, and speculation with public funds; and requires collateralization of deposits. We recommend the County adopt an investment policy that meets the requirements of state statutes.

Restriction on Use

This information is intended solely for the information and use of the County Commission and management of Putnam 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