



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Lawrence County, Missouri

The Office of the State Auditor contracted for an audit of Lawrence 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 "S. Fitzpatrick". The signature is stylized with a large, flowing "S" and a clear, legible "Fitzpatrick".

Scott Fitzpatrick
State Auditor

October 2024
Report No. 2024-080

ANNUAL FINANCIAL REPORT

LAWRENCE COUNTY, MISSOURI

For the Year Ended
December 31, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

LAWRENCE COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2023	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis	13
Notes to the Financial Statements	14
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	22
Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	24
Schedule of Expenditures of Federal Awards	27
Notes to the Schedule of Expenditures of Federal Awards	28
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings	31

INTRODUCTORY SECTION

LAWRENCE COUNTY, MISSOURI
List of Elected Officials 2023

County Commission

Presiding Commissioner – Bob Senninger

Commissioner, Western District – David Botts

Commissioner, Eastern District – Tim Selvey

Other Elected Officials

Assessor – Doug Bowerman

Circuit Clerk – Pamela Fobair

Collector – Kelli McVey

County Clerk – Tammy Riebe

Coroner – Scott Lakin

Prosecuting Attorney – Darlene Parrigon

Public Administrator – Teresa Pace

Recorder – Denise Massie

Sheriff – Brad DeLay

Surveyor – Aaron Austin

Treasurer – Kathy S. Fairchild

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Lawrence County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lawrence 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 Lawrence 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 Lawrence 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 Lawrence 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 Lawrence 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 Lawrence 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 Lawrence 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lawrence County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 have also issued our report dated August 14, 2024, on our consideration of Lawrence 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 Lawrence 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 Lawrence County, Missouri's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 14, 2024

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

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1			December 31
General Revenue	\$ 1,814,144	\$ 12,343,768	\$ 11,446,591	\$ 2,711,321
Special Road & Bridge	1,305,988	4,219,852	4,319,344	1,206,496
Assessment	812,271	511,037	441,379	881,929
Judicial Sales Tax	1,031,107	618,841	514,757	1,135,191
Capital Improvements	2,533,024	6,341,225	794,583	8,079,666
Common I	413,849	648,110	663,603	398,356
Common II	257,617	426,763	476,404	207,976
Prosecuting Attorney Admin Cost Handling	1,447	4,384	4,102	1,729
Sheriff Special	172,871	105,035	85,578	192,328
Law Enforcement Restitution	16,058	20,422	18,859	17,621
Prosecuting Attorney Training	960	2,947	1,831	2,076
Law Enforcement Training	6,916	3,456	250	10,122
Inmate Security	119,756	77,750	55,770	141,736
Election Services	44,505	19,226	14,019	49,712
Collector's Tax Maintenance	60,011	75,244	68,023	67,232
Recorder Special	223,148	71,657	29,819	264,986
Sheriff Revolving	151,842	15,570	23,669	143,743
Local Emergency Planning Committee	19,434	4,231	23,664	1
Domestic Violence	-	6,082	5,952	130
Drug Enforcement	70,979	1,524,513	1,122,209	473,283
Law Enforcement Sales Tax	1,347,088	3,190,792	3,416,640	1,121,240
General Revenue Reserve	2,532,752	338,361	-	2,871,113
Senior Citizens Service Board	149,772	276,005	303,942	121,835
Developmentally Disabled Board	457,098	1,067,187	1,112,069	412,216
Equipment Replacement	71,182	773,169	332,085	512,266
Coronavirus Relief	6,952,878	283,847	6,787,057	449,668
Public Service	656,873	401,430	558,819	499,484
Public Safety Sales Tax	1,600,501	2,136,880	1,285,073	2,452,308
Opioid Settlement	-	154,259	-	154,259
Safety and Security	-	200,809	41,624	159,185
Total	<u>\$ 22,824,071</u>	<u>\$ 35,862,852</u>	<u>\$ 33,947,715</u>	<u>\$ 24,739,208</u>

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

LAWRENCE 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	\$	567,000	\$ 599,508
Sales taxes		2,518,750	3,011,247
Intergovernmental		1,538,611	1,154,504
Charges for services		709,247	866,998
Interest		26,901	92,147
Other		53,580	74,564
Transfers in		6,801,800	6,544,800
Total Receipts	\$	12,215,889	\$ 12,343,768
DISBURSEMENTS			
County Commission	\$	313,095	\$ 277,171
County Clerk		155,901	151,182
Elections		145,536	119,619
Buildings and grounds		166,698	148,889
Employee fringe benefits		31,300	29,110
Treasurer		85,563	78,369
Collector		195,591	170,410
Recorder of Deeds		148,413	131,951
Circuit Court		30,800	24,390
Court Administration		363,063	242,125
Public Administrator		187,541	168,114
Prosecuting Attorney		796,960	628,758
Juvenile Officer		176,666	171,919
Coroner		73,013	63,051
Other County government		1,726,267	1,363,623
Transfers out		6,947,500	7,677,910
Emergency fund		-	-
Total Disbursements	\$	11,543,907	\$ 11,446,591
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	\$	671,982	\$ 897,177
CASH AND INVESTMENTS, JANUARY 1		1,814,144	1,814,144
CASH AND INVESTMENTS, DECEMBER 31	\$	2,486,126	\$ 2,711,321

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

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

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		JUDICIAL SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 114,215	\$ 125,630	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,115,000	2,110,941	-	-	475,000	527,943
Intergovernmental	1,783,000	1,702,975	66,915	71,422	-	34,321
Charges for services	-	-	318,000	412,044	-	-
Interest	3,000	30,306	4,850	27,571	4,000	26,167
Other	-	-	-	-	-	-
Transfers in	250,000	250,000	-	-	-	30,410
Total Receipts	<u>\$ 4,265,215</u>	<u>\$ 4,219,852</u>	<u>\$ 389,765</u>	<u>\$ 511,037</u>	<u>\$ 479,000</u>	<u>\$ 618,841</u>
DISBURSEMENTS						
Salaries	\$ 20,658	\$ 20,622	\$ 259,789	\$ 257,092	\$ 333,821	\$ 314,803
Employee fringe benefits	10,299	9,106	114,700	80,357	113,451	92,776
Materials and supplies	25,000	14,386	40,000	20,549	24,000	13,551
Services and other	1,668,776	1,662,298	22,700	22,370	65,850	85,078
Capital outlay	-	-	100,000	61,011	100,000	8,549
Construction	1,865,321	1,664,594	-	-	-	-
Transfers out	955,209	948,338	-	-	-	-
Total Disbursements	<u>\$ 4,545,263</u>	<u>\$ 4,319,344</u>	<u>\$ 537,189</u>	<u>\$ 441,379</u>	<u>\$ 637,122</u>	<u>\$ 514,757</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (280,048)</u>	<u>\$ (99,492)</u>	<u>\$ (147,424)</u>	<u>\$ 69,658</u>	<u>\$ (158,122)</u>	<u>\$ 104,084</u>
CASH AND INVESTMENTS, JANUARY 1	<u>1,305,988</u>	<u>1,305,988</u>	<u>812,271</u>	<u>812,271</u>	<u>1,031,107</u>	<u>1,031,107</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,025,940</u>	<u>\$ 1,206,496</u>	<u>\$ 664,847</u>	<u>\$ 881,929</u>	<u>\$ 872,985</u>	<u>\$ 1,135,191</u>

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

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

	CAPITAL IMPROVEMENTS FUND		COMMON I FUND		COMMON II FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ 82,000	\$ 96,732	\$ 33,000	\$ 39,288
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	7,000	140,809	1,300	13,180	750	7,335
Other	1,200	416	-	-	-	-
Transfers in	4,000,000	6,200,000	513,746	538,198	362,606	380,140
Total Receipts	<u>\$ 4,008,200</u>	<u>\$ 6,341,225</u>	<u>\$ 597,046</u>	<u>\$ 648,110</u>	<u>\$ 396,356</u>	<u>\$ 426,763</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 122,200	\$ 103,838	\$ 94,000	\$ 87,607
Employee fringe benefits	-	-	45,582	39,021	37,150	26,696
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	71,300	65,831	27,400	10,808
Capital outlay	627,500	84,021	10,000	11,780	140,000	107,287
Construction	4,740,000	710,562	498,000	443,133	250,000	244,006
Transfers out	40,000	-	-	-	-	-
Total Disbursements	<u>\$ 5,407,500</u>	<u>\$ 794,583</u>	<u>\$ 747,082</u>	<u>\$ 663,603</u>	<u>\$ 548,550</u>	<u>\$ 476,404</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,399,300)	\$ 5,546,642	\$ (150,036)	\$ (15,493)	\$ (152,194)	\$ (49,641)
CASH AND INVESTMENTS, JANUARY 1	<u>2,533,024</u>	<u>2,533,024</u>	<u>413,849</u>	<u>413,849</u>	<u>257,617</u>	<u>257,617</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,133,724</u>	<u>\$ 8,079,666</u>	<u>\$ 263,813</u>	<u>\$ 398,356</u>	<u>\$ 105,423</u>	<u>\$ 207,976</u>

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

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

	PROSECUTING ATTORNEY ADMIN COST HANDLING FUND		SHERIFF SPECIAL FUND		LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	59,234	-	-
Charges for services	7,000	3,657	50,000	27,819	14,000	20,089
Interest	-	52	-	4,685	36	333
Other	-	675	500	9,297	-	-
Transfers in	-	-	100,000	4,000	-	-
Total Receipts	<u>\$ 7,000</u>	<u>\$ 4,384</u>	<u>\$ 150,500</u>	<u>\$ 105,035</u>	<u>\$ 14,036</u>	<u>\$ 20,422</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	5,700	4,102	180,000	85,578	-	-
Services and other	800	-	-	-	21,000	18,859
Capital outlay	1,500	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 4,102</u>	<u>\$ 180,000</u>	<u>\$ 85,578</u>	<u>\$ 21,000</u>	<u>\$ 18,859</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	\$ 282	\$ (29,500)	\$ 19,457	\$ (6,964)	\$ 1,563
CASH AND INVESTMENTS, JANUARY 1	<u>1,447</u>	<u>1,447</u>	<u>172,871</u>	<u>172,871</u>	<u>16,058</u>	<u>16,058</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 447</u></u>	<u><u>\$ 1,729</u></u>	<u><u>\$ 143,371</u></u>	<u><u>\$ 192,328</u></u>	<u><u>\$ 9,094</u></u>	<u><u>\$ 17,621</u></u>

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

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

	PROSECUTING ATTORNEY TRAINING FUND		LAW ENFORCEMENT TRAINING FUND		INMATE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	2,304
Charges for services	3,000	2,908	3,000	3,236	68,500	72,075
Interest	-	39	25	220	350	3,371
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 2,947</u>	<u>\$ 3,025</u>	<u>\$ 3,456</u>	<u>\$ 70,350</u>	<u>\$ 77,750</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	1,000	-	-	-
Services and other	3,000	1,831	5,500	250	155,000	55,770
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 1,831</u>	<u>\$ 6,500</u>	<u>\$ 250</u>	<u>\$ 155,000</u>	<u>\$ 55,770</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 1,116	\$ (3,475)	\$ 3,206	\$ (84,650)	\$ 21,980
CASH AND INVESTMENTS, JANUARY 1	<u>960</u>	<u>960</u>	<u>6,916</u>	<u>6,916</u>	<u>119,756</u>	<u>119,756</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 960</u>	<u>\$ 2,076</u>	<u>\$ 3,441</u>	<u>\$ 10,122</u>	<u>\$ 35,106</u>	<u>\$ 141,736</u>

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

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

	ELECTION SERVICES FUND		COLLECTOR'S TAX MAINTENANCE FUND		RECORDER SPECIAL FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	13,134	14,775	-	-	-	-
Charges for services	4,000	3,200	50,500	73,493	50,000	65,470
Interest	150	1,251	250	1,751	650	6,187
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 17,284</u>	<u>\$ 19,226</u>	<u>\$ 50,750</u>	<u>\$ 75,244</u>	<u>\$ 50,650</u>	<u>\$ 71,657</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	62,750	14,539	7,000	3,242
Services and other	18,134	13,558	41,500	40,684	114,080	26,181
Capital outlay	21,000	461	-	-	10,000	396
Construction	-	-	-	-	-	-
Transfers out	-	-	-	12,800	-	-
Total Disbursements	<u>\$ 39,134</u>	<u>\$ 14,019</u>	<u>\$ 104,250</u>	<u>\$ 68,023</u>	<u>\$ 131,080</u>	<u>\$ 29,819</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (21,850)	\$ 5,207	\$ (53,500)	\$ 7,221	\$ (80,430)	\$ 41,838
CASH AND INVESTMENTS, JANUARY 1	<u>44,505</u>	<u>44,505</u>	<u>60,011</u>	<u>60,011</u>	<u>223,148</u>	<u>223,148</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 22,655</u></u>	<u><u>\$ 49,712</u></u>	<u><u>\$ 6,511</u></u>	<u><u>\$ 67,232</u></u>	<u><u>\$ 142,718</u></u>	<u><u>\$ 264,986</u></u>

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

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

	SHERIFF REVOLVING FUND		LOCAL EMERGENCY PLANNING COMMITTEE FUND		DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	20,000	11,884	4,500	4,124	6,000	6,082
Interest	500	3,686	45	106	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 20,500</u>	<u>\$ 15,570</u>	<u>\$ 4,545</u>	<u>\$ 4,230</u>	<u>\$ 6,000</u>	<u>\$ 6,082</u>
DISBURSEMENTS						
Salaries	\$ 7,900	\$ 7,827	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	1,470	1,340	-	-	-	-
Materials and supplies	-	-	5,000	5,000	-	-
Services and other	105,000	14,502	18,664	18,664	6,000	5,952
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 114,370</u>	<u>\$ 23,669</u>	<u>\$ 23,664</u>	<u>\$ 23,664</u>	<u>\$ 6,000</u>	<u>\$ 5,952</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (93,870)	\$ (8,099)	\$ (19,119)	\$ (19,434)	\$ -	\$ 130
CASH AND INVESTMENTS, JANUARY 1	<u>151,842</u>	<u>151,842</u>	<u>19,434</u>	<u>19,434</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 57,972</u>	<u>\$ 143,743</u>	<u>\$ 315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>

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

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

	DRUG ENFORCEMENT FUND		LAW ENFORCEMENT SALES TAX FUND		GENERAL REVENUE RESERVE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	2,175,000	2,498,218	100,000	-
Intergovernmental	1,181,233	1,174,513	650,517	569,625	-	-
Charges for services	-	-	24,000	15,479	-	-
Interest	-	-	8,000	52,757	6,000	75,861
Other	-	-	12,000	42,837	-	-
Transfers in	350,000	350,000	-	11,876	157,000	262,500
Total Receipts	<u>\$ 1,531,233</u>	<u>\$ 1,524,513</u>	<u>\$ 2,869,517</u>	<u>\$ 3,190,792</u>	<u>\$ 263,000</u>	<u>\$ 338,361</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 1,807,576	\$ 1,618,095	\$ -	\$ -
Employee fringe benefits	-	-	697,942	563,247	-	-
Materials and supplies	-	-	35,500	24,246	-	-
Services and other	1,185,000	1,104,333	1,076,696	816,621	-	-
Capital outlay	-	-	107,000	44,431	-	-
Construction	-	-	-	-	-	-
Transfers out	354,000	17,876	-	350,000	100,000	-
Total Disbursements	<u>\$ 1,539,000</u>	<u>\$ 1,122,209</u>	<u>\$ 3,724,714</u>	<u>\$ 3,416,640</u>	<u>\$ 100,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,767)	\$ 402,304	\$ (855,197)	\$ (225,848)	\$ 163,000	\$ 338,361
CASH AND INVESTMENTS, JANUARY 1	<u>70,979</u>	<u>70,979</u>	<u>1,347,088</u>	<u>1,347,088</u>	<u>2,532,752</u>	<u>2,532,752</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 63,212</u>	<u>\$ 473,283</u>	<u>\$ 491,891</u>	<u>\$ 1,121,240</u>	<u>\$ 2,695,752</u>	<u>\$ 2,871,113</u>

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

LAWRENCE 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		DEVELOPMENTALLY DISABLED BOARD FUND		EQUIPMENT REPLACEMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 250,000	\$ 275,646	\$ 485,000	\$ 515,495	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	492,000	548,787	-	-
Interest	200	359	3,000	2,905	1,000	3,075
Other	-	-	-	-	-	35,094
Transfers in	-	-	-	-	335,000	735,000
Total Receipts	<u>\$ 250,200</u>	<u>\$ 276,005</u>	<u>\$ 980,000</u>	<u>\$ 1,067,187</u>	<u>\$ 336,000</u>	<u>\$ 773,169</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 508,000	\$ 468,636	\$ -	\$ -
Employee fringe benefits	-	-	101,500	88,241	-	-
Materials and supplies	-	-	45,000	22,183	-	-
Services and other	329,466	303,942	724,500	523,220	9,000	-
Capital outlay	-	-	20,000	9,789	393,499	332,085
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 329,466</u>	<u>\$ 303,942</u>	<u>\$ 1,399,000</u>	<u>\$ 1,112,069</u>	<u>\$ 402,499</u>	<u>\$ 332,085</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (79,266)	\$ (27,937)	\$ (419,000)	\$ (44,882)	\$ (66,499)	\$ 441,084
CASH AND INVESTMENTS, JANUARY 1	<u>149,772</u>	<u>149,772</u>	<u>457,098</u>	<u>457,098</u>	<u>71,182</u>	<u>71,182</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 70,506</u>	<u>\$ 121,835</u>	<u>\$ 38,098</u>	<u>\$ 412,216</u>	<u>\$ 4,683</u>	<u>\$ 512,266</u>

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

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

	CORONAVIRUS RELIEF FUND		PUBLIC SERVICE FUND		PUBLIC SAFETY SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	358,819	398,058	1,631,250	1,848,659
Intergovernmental	50,000	50,000	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	187,774	233,847	2,000	3,372	5,000	56,440
Other	-	-	-	-	-	231,781
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 237,774</u>	<u>\$ 283,847</u>	<u>\$ 360,819</u>	<u>\$ 401,430</u>	<u>\$ 1,636,250</u>	<u>\$ 2,136,880</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	246,348	287,057	559,819	558,819	1,301,500	1,285,073
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	6,942,000	6,500,000	-	-	-	-
Total Disbursements	<u>\$ 7,188,348</u>	<u>\$ 6,787,057</u>	<u>\$ 559,819</u>	<u>\$ 558,819</u>	<u>\$ 1,301,500</u>	<u>\$ 1,285,073</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,950,574)	\$ (6,503,210)	\$ (199,000)	\$ (157,389)	\$ 334,750	\$ 851,807
CASH AND INVESTMENTS, JANUARY 1	<u>6,952,878</u>	<u>6,952,878</u>	<u>656,873</u>	<u>656,873</u>	<u>1,600,501</u>	<u>1,600,501</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,304</u>	<u>\$ 449,668</u>	<u>\$ 457,873</u>	<u>\$ 499,484</u>	<u>\$ 1,935,251</u>	<u>\$ 2,452,308</u>

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

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

	OPIOID SETTLEMENT FUND		SAFETY AND SECURITY FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	109,256	154,259	-	-
Charges for services	-	-	-	-
Interest	-	-	-	809
Other	-	-	-	-
Transfers in	-	-	100,000	200,000
Total Receipts	<u>\$ 109,256</u>	<u>\$ 154,259</u>	<u>\$ 100,000</u>	<u>\$ 200,809</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	107,388	-	82,100	41,624
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 107,388</u>	<u>\$ -</u>	<u>\$ 82,100</u>	<u>\$ 41,624</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,868	\$ 154,259	\$ 17,900	\$ 159,185
CASH AND INVESTMENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 1,868</u></u>	<u><u>\$ 154,259</u></u>	<u><u>\$ 17,900</u></u>	<u><u>\$ 159,185</u></u>

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

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

Fund/Account	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
Treasurer CERF	\$ -	\$ 366,395	\$ 366,395	\$ -
Treasurer School Fines	9,715	208,656	202,104	16,267
Treasurer Other Tax Entities	-	1,743,944	1,743,944	-
Treasurer Roads	-	1,100,904	1,100,904	-
Treasurer Schools	-	22,452,559	22,452,559	-
Treasurer Special Road District	-	628,149	628,149	-
Treasurer Tax Sale Surplus	174,487	48,383	5,467	217,403
Treasurer Unclaimed Fees	542	4	279	267
Treasurer Courthouse Employees	3,901	533	114	4,320
Treasurer Woodsland Cemetery	20,013	2,659	20,340	2,332
Collector	14,424,029	31,849,070	31,676,275	14,596,824
Prosecuting Attorney	-	10,572	9,469	1,103
Recorder of Deeds	29,746	267,434	269,021	28,159
Sheriff	16,254	221,773	227,002	11,025
Public Administrator	722,387	1,400,038	1,804,756	317,669
Total	<u>\$ 15,401,074</u>	<u>\$ 60,301,073</u>	<u>\$ 60,506,778</u>	<u>\$ 15,195,369</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lawrence County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, Surveyor 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 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 Lawrence County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

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

B. Basis of Presentation

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

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

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes

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

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2023, for purposes of taxation were:

Real Estate	\$ 392,989,940
Personal Property	152,709,831
Railroad and Utilities	<u>72,760,110</u>
Total	<u><u>\$ 618,459,881</u></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	\$ 0.1022
Special Road & Bridge	0.0982
Common I	0.1967
Common II	0.2072
Senior Citizens Service Board	0.0468
Developmentally Disabled Board	0.0851

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 securities 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	\$ 18,739,208	\$ 19,250,730	\$ 785,495
Investments	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
Total Governmental Funds	<u>\$ 24,739,208</u>	<u>\$ 25,250,730</u>	<u>\$ 785,495</u>
Cash and Cash Equivalents	\$ 15,149,730	\$ 15,163,185	\$ 569,023
Investments	<u>45,639</u>	<u>45,639</u>	<u>45,639</u>
Total Fiduciary Funds	<u>\$ 15,195,369</u>	<u>\$ 15,208,824</u>	<u>\$ 614,662</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, except for \$6,000,000 held in account with the Missouri Securities Investment Program (MOSIP) through an intergovernmental cooperation agreement. Under state statutes, the County is authorized to invest in the portfolios offered by MOSIP which are comprised of investments described in Article IV, Section 15 of the Constitution of Missouri.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Lawrence 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 Lawrence County contribute 4% to the pension plan. The June 30th statutorily required contribution rates were 5.9% (General), and 4.8% (Police) of annual covered payroll for 2023. 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, 2023, full time employees of the County contributed \$152,872 and the County contributed \$209,821 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 2023, the County collected and remitted to CERF employee withholdings and fees collected of \$366,395 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, 2023.

D. Other Retirement Plan

Lawrence County has 401(a) and 457(b) plans administered by Empower Retirement. The 401(a) plan consists of a mandatory 0.7% deduction from non-LAGERS employee's salaries, and employees may elect to make voluntary contributions under the 457(b) plan. These contributions qualify under the Internal Revenue Code and are tax exempt. During 2023, the County collected and remitted 401(a) contributions of \$538 and 457(b) contributions of \$94,153 for the year then ended.

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

Regular, full-time employees accrue one week of paid vacation leave after one year of service, two weeks' vacation leave per year after two years of service, and three weeks' vacation leave per year after 10 years of service. Compensatory time accrued for overtime hours worked must be depleted before vacation time is used. Vacation leave for part-time employees is credited at the same rate as full-time employees based on percentage of days worked. Vacation leave is not accrued from year-to-year unless carryover of unused vacation time is approved by the commission. Unused vacation time accrued is paid out upon termination.

Sick leave is accrued on the anniversary of each employee's date of hire using the same rates noted above for vacation leave. Sick leave is accrued from year to year, subject to a 630-hour maximum accrual. Employees are compensated \$25 for each day of unused sick leave at termination.

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

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

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 has purchased a Workers Compensation and Employers Liability insurance policy with Missouri Employers Mutual Insurance Company. The policy is insured up to \$1,000,000 per occurrence.

7. LONG-TERM DEBT

In August 2022, the County entered into a \$22,141,000 non-cancelable lease purchase agreement for the construction of a new law enforcement facility. The County established a Public Safety Sales Tax Fund in which the activity for this project is recorded. Principal payments are due on October 1 each year through 2042. Interest is due on April 1 and October 1 each year with a rate of 3.550%. The schedule of future principal payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 528,000	\$ 771,735	\$ 1,299,735
2025	547,000	752,991	1,299,991
2026	566,000	733,572	1,299,572
2027	586,000	713,479	1,299,479
2028	827,000	692,676	1,519,676
2029 - 2033	4,894,000	3,001,632	7,895,632
2034 - 2038	7,125,000	1,959,671	9,084,671
2039 - 2042	6,666,000	601,974	7,267,974
Totals	<u>\$ 21,739,000</u>	<u>\$ 9,227,730</u>	<u>\$ 30,966,730</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
Lease Purchase Agreement	\$ 22,141,000	\$ -	\$ 402,000	\$ 21,739,000	\$ 882,073

8. OPERATING LEASES

At December 31, 2023, the Developmentally Disabled Board has one non-cancelable 60-month lease for a copier. The Board entered into a five-year non-cancelable lease agreement through Canon Financial Services to lease a copy machine on January 22, 2020, with monthly payments of \$221.

Future minimum payments under this lease are as follows:

Fiscal Year Ending December 31,	Amount
2024	\$ 2,652
2025	221

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 14, 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 Lawrence 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 Lawrence 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, which collectively comprise Lawrence County, Missouri's basic financial statements and have issued our report thereon dated August 14, 2024.

Report on Internal Control Over Financial Reporting

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

Purpose of this Report

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 14, 2024

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 Lawrence County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lawrence 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 Lawrence County, Missouri's major federal programs for the year ended December 31, 2023. Lawrence 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, Lawrence 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, 2023.

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 Lawrence 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 Lawrence 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 Lawrence County, Missouri's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lawrence 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 Lawrence 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 Lawrence 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 Lawrence 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 Lawrence County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 14, 2024

LAWRENCE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	Awards Passed-Through to Subrecipients
U. S. DEPARTMENT OF AGRICULTURE				
10.557	Passed through Missouri Department of Health and Senior Services - Special Supplemental Nutrition Program for Women, Infants, and Children	3M0700804-2021	\$ 211,160	\$ -
10.559	Summer Food Service Program for Children (Child Nutrition Cluster)	N/A	1,035	-
U. S. DEPARTMENT OF THE INTERIOR				
15.659	Direct program - National Wildlife Refuge Fund	N/A	114	-
U. S. DEPARTMENT OF JUSTICE				
16.922	Direct program - Equitable Sharing Program	N/A	51,250	51,250
16.U01	Passed through Missouri Sheriff's Association - Domestic Cannabis Eradication/Suppression Program	2021-76	65,366	-
16.575	Passed through Missouri Association of Prosecuting Attorneys - Crime Victim Assistance	N/A	44,103	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2021-JAG-012	989,717	989,717
U. S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction	BRO-B055(28)	497,203	-
20.600	State and Community Highway Safety	N/A	13,510	-
20.616	National Priority Safety Programs	N/A	8,713	-
	Total Highway Safety Cluster		<u>\$ 22,223</u>	<u>\$ -</u>
20.607	Alcohol Open Container Requirements	N/A	77,189	-
U. S. DEPARTMENT OF TREASURY				
21.027	Direct program - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	6,637,745	-
21.032	COVID-19 - Local Assistance and Tribal Consistency Fund	N/A	149,312	-
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.069	Passed through Missouri Department of Health and Senior Services - Public Health Emergency Preparedness	6NU90TP922019-02	29,609	-
93.268	Immunization Cooperative Agreements	6NH23IP922606-02	79,311	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases	6NU50CK000546-01	49,875	-
93.354	Public Health Emergency Response	6NU90TP922111-01	127,765	-
93.563	Child Support Enforcement	N/A	258,869	-
93.575	Child Care and Development Block Grant	N/A	1,365	-
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	N/A	7,072	-
	Total CCDF Cluster		<u>\$ 8,437</u>	<u>\$ -</u>
93.767	Children's Health Insurance Program	N/A	17,500	-
93.778	Medical Assistance Program (Medicaid Cluster)	N/A	757	-
93.919	Breast and Cervical Cancer Early Detection Program	N/A	5,815	-
93.994	Maternal and Child Health Services Block Grant	N/A	35,057	-
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.042	Passed through Missouri Department of Public Safety - Emergency Management Performance Grants	N/A	60,489	-
Total Expenditures of Federal Awards			<u>\$ 9,419,901</u>	<u>\$ 1,040,967</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

LAWRENCE COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Lawrence County, Missouri for the year ended December 31, 2023. 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 minimis indirect cost rate as allowed under the Uniform Guidance.

LAWRENCE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued on whether the financial statements
audited were prepared in accordance with GAAP: Adverse

Type of auditor’s report issued on whether the financial statements
were prepared in accordance with the regulatory basis: Unmodified

The special purpose framework used as a basis of accounting was not required by state law.

Internal Control Over Financial Reporting:

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

Federal Awards:

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.738	Edward Bryne Memorial Justice Assistance Grant Program
21.027	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

None reported

ITEMS OF NONCOMPLIANCE

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

LAWRENCE COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Lawrence County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2022 and 2021.

2022-001: The Public Administrator did not maintain an accurate accounting record of ward account balances at year-end and was unable to provide a complete accounting record of all monies received and disbursed from ward accounts during the two calendar years ended December 31, 2022 and 2021.

Status: Resolved.

2022-002: Review of the Senior Citizens Service Board bank reconciliation noted instances in which outstanding items were not included on the reconciliations resulting in an inaccurate reconciled balance. Additionally, testing of cash disbursements noted three instances in which supporting documentation was not maintained and one instance in which the cash disbursement was not recorded in the general ledger in a timely manner.

Status: Resolved.

2022-003: Review of the Prosecuting Attorney's bank reconciliations noted reconciliations were no longer being performed after November 2021.

Status: Resolved.

2022-004: The schedules of expenditures of federal awards reported by the County in the 2021 and 2022 annual budget documents contained errors in amounts of federal expenditures reported.

Status: Resolved.

2022-005: Review of BRO program related reimbursement requests and disbursements noted an instance in which the County requested and received the funds, however, the payment was not remitted to the construction company in a timely manner.

Status: Resolved.

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

August 14, 2024

To the County Commission
Lawrence County, Missouri

We have audited the regulatory basis financial statements of Lawrence County, Missouri for the year 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 22, 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 Lawrence 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. 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 14, 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.

Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies 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 Lawrence 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