



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Chariton County, Missouri

The Office of the State Auditor contracted for an audit of Chariton 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 the first letters of the first and last names being capitalized and prominent.

Scott Fitzpatrick
State Auditor

October 2024
Report No. 2024-088



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Chariton County

Absence of Adequate Investment Policy	The county update the investment policy to meet the requirements of the State Treasurer's Model Investment Policy and review compliance with the policy at least annually as required by state statute.
Sheriff's Inmate Commissary Fund	The Sheriff's office work to identify the source of the funds on deposit in the Commissary bank account. This would involve identifying the source, use and final disposition of funds on hand prior to the switch to TurnKey Corrections. If the balance of funds represents checks not cashed by prisoners, these unclaimed funds should be remitted to the State Treasurer Unclaimed Property Division.

ANNUAL FINANCIAL REPORT

CHARITON COUNTY, MISSOURI

For the Year Ended
December 31, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

CHARITON COUNTY, MISSOURI
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INTRODUCTORY SECTION

CHARITON COUNTY, MISSOURI
List of Elected Officials 2023

County Commission

Presiding Commissioner – Evan Emmerich

Commissioner, Eastern District – Jared Meyer

Commissioner, Western District – Terry Milford

Other Elected Officials

Assessor – Darrin E. Gladbach

Circuit Clerk/ex-officio Recorder of Deeds – Eric Stallo

Collector/Treasurer – Darlene Shipp

Coroner – Nyle Bowyer

County Clerk – Mitzi Schuchmann

Prosecuting Attorney – Cliff Thornburg

Public Administrator – Regina Emmerich

Sheriff – Erick Billups

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Chariton County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chariton 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 Chariton 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 Chariton 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 Chariton 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 Chariton 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 Chariton 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 Chariton 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 Chariton 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 September 27, 2024, on our consideration of Chariton 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 Chariton 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 Chariton County, Missouri's internal control over financial reporting and compliance.

McBride, Lock & Associates, LLC

McBride, Lock & Associates, LLC
Kansas City, Missouri
September 27, 2024

CHARITON 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	\$ 7,959,526	\$ 2,137,555	\$ 2,329,920	\$ 7,767,161
Special Road and Bridge	14,110	3,033,422	2,938,151	109,381
Assessment	862,117	370,781	257,303	975,595
Law Enforcement Sales Tax	-	585,568	585,568	-
Election Services	59,898	7,430	14,854	52,474
Tax Maintenance	12,830	11,875	9,586	15,119
Deputy Sheriff Salary Supplementation	3	19,017	13,876	5,144
American Rescue Plan Act	981,701	6,536	691,773	296,464
Law Enforcement Training	869	1,043	1,609	303
Prosecuting Attorney Training	3,048	721	244	3,525
Prosecuting Attorney Tax Fee	173	2	-	175
County Law Enforcement Restitution	6,920	2,344	4,230	5,034
Victims of Domestic Violence	185	209	380	14
Administrative Handling Cost	313	352	20	645
Recorder	28,940	8,438	833	36,545
Sheriff	7,734	4,852	5,515	7,071
Local Emergency Planning Committee	2,065	6,677	1,200	7,542
County Sheriff's Revolving	5,110	514	-	5,624
Inmate Prisoner Detainee Security	15,578	958	3,377	13,159
Special	1	-	-	1
Drainage District No. 3	7,598	751	185	8,164
Drainage District No. 4	160,061	18,185	10,706	167,540
Drainage District No. 6	5,394	189	185	5,398
Drainage District No. 7	8,785	770	185	9,370
Drainage District No. 8	99	1	-	100
Drainage District No. 17	145	3	-	148
Drainage District No. 18	21,937	869	185	22,621
Drainage District No. 19	7,123	32	-	7,155
Drainage District No. 20	18,355	2,087	185	20,257
Senior Citizens Service Board	29,947	131,762	144,188	17,521
Senate Bill 40 Board	295,863	221,375	249,991	267,247
Total	<u>\$ 10,516,428</u>	<u>\$ 6,574,318</u>	<u>\$ 7,264,249</u>	<u>\$ 9,826,497</u>

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

CHARITON 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	\$	668,000	\$ 521,324
Sales taxes		710,000	852,601
Intergovernmental		98,550	81,160
Charges for services		605,650	585,608
Interest		32,000	33,585
Other		94,630	60,852
Transfers in		1,950	2,425
Total Receipts	\$	2,210,780	\$ 2,137,555
DISBURSEMENTS			
County Commission	\$	117,249	\$ 111,898
County Clerk		183,231	165,264
Elections		43,700	25,676
Buildings and grounds		528,526	117,466
Employee fringe benefits		226,900	181,434
Collector		133,296	125,686
Circuit Court		58,555	47,608
Court Administration		68,790	16,857
Public Administrator		38,171	34,366
Sheriff		281,000	176,231
Jail		124,000	74,306
Prosecuting Attorney		116,660	100,523
Juvenile Officer		38,207	30,278
Coroner		50,868	35,741
Other County government		419,700	245,194
Transfers out		968,180	841,392
Emergency fund		66,500	-
Total Disbursements	\$	3,463,533	\$ 2,329,920
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	\$	(1,252,753)	\$ (192,365)
CASH AND INVESTMENTS, JANUARY 1		7,959,526	7,959,526
CASH AND INVESTMENTS, DECEMBER 31	\$	6,706,773	\$ 7,767,161

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

CHARITON 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 SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	154,440	-	-	-	400,000	414,634
Intergovernmental	2,845,330	2,181,085	70,000	77,768	20,000	12,215
Charges for services	74,580	-	283,000	281,190	-	-
Interest	1,100	4,255	4,000	5,382	130	224
Other	119,800	158,082	1,500	6,441	45,500	8,592
Transfers in	667,460	690,000	-	-	299,270	149,903
Total Receipts	<u>\$ 3,862,710</u>	<u>\$ 3,033,422</u>	<u>\$ 358,500</u>	<u>\$ 370,781</u>	<u>\$ 764,900</u>	<u>\$ 585,568</u>
DISBURSEMENTS						
Salaries	\$ 159,952	\$ 156,421	\$ 160,249	\$ 160,249	\$ 496,600	\$ 444,270
Employee fringe benefits	76,210	69,631	59,475	56,474	268,300	140,823
Materials and supplies	44,350	24,750	10,000	1,914	-	-
Services and other	2,132,300	1,795,869	69,000	33,742	-	-
Capital outlay	494,000	61,292	35,000	4,924	-	-
Construction	970,000	830,188	-	-	-	-
Transfers out	-	-	-	-	-	475
Total Disbursements	<u>\$ 3,876,812</u>	<u>\$ 2,938,151</u>	<u>\$ 333,724</u>	<u>\$ 257,303</u>	<u>\$ 764,900</u>	<u>\$ 585,568</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,102)	\$ 95,271	\$ 24,776	\$ 113,478	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>14,110</u>	<u>14,110</u>	<u>862,117</u>	<u>862,117</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 8</u>	<u>\$ 109,381</u>	<u>\$ 886,893</u>	<u>\$ 975,595</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	ELECTION SERVICES FUND		TAX MAINTENANCE FUND		DEPUTY SHERIFF SALARY SUPPLEMENTATION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	4,000	2,988	-	-	16,500	14,598
Charges for services	4,500	3,943	9,500	11,745	2,500	2,410
Interest	250	499	100	130	15	57
Other	-	-	-	-	-	2
Transfers in	-	-	-	-	1,950	1,950
Total Receipts	<u>\$ 8,750</u>	<u>\$ 7,430</u>	<u>\$ 9,600</u>	<u>\$ 11,875</u>	<u>\$ 20,965</u>	<u>\$ 19,017</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 8,900	\$ 7,765
Employee fringe benefits	-	-	-	-	1,650	1,154
Materials and supplies	2,000	59	7,000	3,975	-	-
Services and other	16,800	14,795	5,200	3,642	2,500	2,546
Capital outlay	10,000	-	3,500	1,969	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	2,450	2,411
Total Disbursements	<u>\$ 28,800</u>	<u>\$ 14,854</u>	<u>\$ 15,700</u>	<u>\$ 9,586</u>	<u>\$ 15,500</u>	<u>\$ 13,876</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20,050)	\$ (7,424)	\$ (6,100)	\$ 2,289	\$ 5,465	\$ 5,141
CASH AND INVESTMENTS, JANUARY 1	<u>59,898</u>	<u>59,898</u>	<u>12,830</u>	<u>12,830</u>	<u>3</u>	<u>3</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 39,848</u></u>	<u><u>\$ 52,474</u></u>	<u><u>\$ 6,730</u></u>	<u><u>\$ 15,119</u></u>	<u><u>\$ 5,468</u></u>	<u><u>\$ 5,144</u></u>

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

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

	AMERICAN RESCUE PLAN ACT FUND		LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	1,200	1,026	300	673
Interest	2,800	6,536	10	17	-	48
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,800</u>	<u>\$ 6,536</u>	<u>\$ 1,210</u>	<u>\$ 1,043</u>	<u>\$ 300</u>	<u>\$ 721</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	982,000	691,773	1,750	1,609	450	244
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 982,000</u>	<u>\$ 691,773</u>	<u>\$ 1,750</u>	<u>\$ 1,609</u>	<u>\$ 450</u>	<u>\$ 244</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (979,200)	\$ (685,237)	\$ (540)	\$ (566)	\$ (150)	\$ 477
CASH AND INVESTMENTS, JANUARY 1	<u>981,701</u>	<u>981,701</u>	<u>869</u>	<u>869</u>	<u>3,048</u>	<u>3,048</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,501</u>	<u>\$ 296,464</u>	<u>\$ 329</u>	<u>\$ 303</u>	<u>\$ 2,898</u>	<u>\$ 3,525</u>

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

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

	PROSECUTING ATTORNEY TAX FEE FUND		COUNTY LAW ENFORCEMENT RESTITUTION FUND		VICTIMS OF DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	1,500	2,300	200	206
Interest	-	2	25	44	-	3
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,525</u>	<u>\$ 2,344</u>	<u>\$ 200</u>	<u>\$ 209</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	-	-	380	380
Capital outlay	-	-	4,230	4,230	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 380</u>	<u>\$ 380</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 2	\$ (2,705)	\$ (1,886)	\$ (180)	\$ (171)
CASH AND INVESTMENTS, JANUARY 1	<u>173</u>	<u>173</u>	<u>6,920</u>	<u>6,920</u>	<u>185</u>	<u>185</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 173</u></u>	<u><u>\$ 175</u></u>	<u><u>\$ 4,215</u></u>	<u><u>\$ 5,034</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 14</u></u>

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

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

	ADMINISTRATIVE HANDLING COST FUND		RECORDER FUND		SHERIFF FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	100	345	11,500	8,127	5,000	4,800
Interest	-	7	150	311	80	52
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 100</u>	<u>\$ 352</u>	<u>\$ 11,650</u>	<u>\$ 8,438</u>	<u>\$ 5,080</u>	<u>\$ 4,852</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	1,000	833	4,250	1,769
Services and other	120	20	2,000	-	5,750	3,269
Capital outlay	-	-	2,750	-	2,400	477
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 120</u>	<u>\$ 20</u>	<u>\$ 5,750</u>	<u>\$ 833</u>	<u>\$ 12,400</u>	<u>\$ 5,515</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20)	\$ 332	\$ 5,900	\$ 7,605	\$ (7,320)	\$ (663)
CASH AND INVESTMENTS, JANUARY 1	<u>313</u>	<u>313</u>	<u>28,940</u>	<u>28,940</u>	<u>7,734</u>	<u>7,734</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 293</u>	<u>\$ 645</u>	<u>\$ 34,840</u>	<u>\$ 36,545</u>	<u>\$ 414</u>	<u>\$ 7,071</u>

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

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

	LOCAL EMERGENCY PLANNING COMMITTEE FUND		COUNTY SHERIFF'S REVOLVING FUND		INMATE PRISONER DETAINEE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	6,000	6,587	-	-	-	-
Charges for services	-	-	1,000	471	1,400	881
Interest	15	90	40	43	50	77
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 6,015</u>	<u>\$ 6,677</u>	<u>\$ 1,040</u>	<u>\$ 514</u>	<u>\$ 1,450</u>	<u>\$ 958</u>
DISBURSEMENTS						
Salaries	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	1,000	-	-	-
Services and other	-	-	-	-	-	-
Capital outlay	6,880	-	-	-	17,000	3,377
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,080</u>	<u>\$ 1,200</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 3,377</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,065)	\$ 5,477	\$ 40	\$ 514	\$ (15,550)	\$ (2,419)
CASH AND INVESTMENTS, JANUARY 1	<u>2,065</u>	<u>2,065</u>	<u>5,110</u>	<u>5,110</u>	<u>15,578</u>	<u>15,578</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 7,542</u>	<u>\$ 5,150</u>	<u>\$ 5,624</u>	<u>\$ 28</u>	<u>\$ 13,159</u>

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

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

	SPECIAL FUND		DRAINAGE DISTRICT NO. 3 FUND		DRAINAGE DISTRICT NO. 4 FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ 605	\$ 696	\$ 19,750	\$ 17,023
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	-	-	34	55	690	1,162
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 639</u>	<u>\$ 751</u>	<u>\$ 20,440</u>	<u>\$ 18,185</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	180	185	700	706
Services and other	-	-	-	-	100,000	10,000
Capital outlay	-	-	5,000	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,180</u>	<u>\$ 185</u>	<u>\$ 100,700</u>	<u>\$ 10,706</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ (4,541)	\$ 566	\$ (80,260)	\$ 7,479
CASH AND INVESTMENTS, JANUARY 1	<u>1</u>	<u>1</u>	<u>7,598</u>	<u>7,598</u>	<u>160,061</u>	<u>160,061</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3,057</u>	<u>\$ 8,164</u>	<u>\$ 79,801</u>	<u>\$ 167,540</u>

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

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

	DRAINAGE DISTRICT NO. 6 FUND		DRAINAGE DISTRICT NO. 7 FUND		DRAINAGE DISTRICT NO. 8 FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 260	\$ 159	\$ 810	\$ 732	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	23	30	35	38	1	1
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 283</u>	<u>\$ 189</u>	<u>\$ 845</u>	<u>\$ 770</u>	<u>\$ 1</u>	<u>\$ 1</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	180	185	180	185	-	-
Services and other	-	-	-	-	-	-
Capital outlay	4,000	-	7,000	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,180</u>	<u>\$ 185</u>	<u>\$ 7,180</u>	<u>\$ 185</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,897)	\$ 4	\$ (6,335)	\$ 585	\$ 1	\$ 1
CASH AND INVESTMENTS, JANUARY 1	<u>5,394</u>	<u>5,394</u>	<u>8,785</u>	<u>8,785</u>	<u>99</u>	<u>99</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 1,497</u></u>	<u><u>\$ 5,398</u></u>	<u><u>\$ 2,450</u></u>	<u><u>\$ 9,370</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 100</u></u>

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

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

	DRAINAGE DISTRICT NO. 17 FUND		DRAINAGE DISTRICT NO. 18 FUND		DRAINAGE DISTRICT NO. 19 FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ 650	\$ 781	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	1	3	95	88	30	32
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 745</u>	<u>\$ 869</u>	<u>\$ 30</u>	<u>\$ 32</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	180	185	50	-
Services and other	-	-	-	-	-	-
Capital outlay	-	-	10,000	-	5,000	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,180</u>	<u>\$ 185</u>	<u>\$ 5,050</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1	\$ 3	\$ (9,435)	\$ 684	\$ (5,020)	\$ 32
CASH AND INVESTMENTS, JANUARY 1	<u>145</u>	<u>145</u>	<u>21,937</u>	<u>21,937</u>	<u>7,123</u>	<u>7,123</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 146</u>	<u>\$ 148</u>	<u>\$ 12,502</u>	<u>\$ 22,621</u>	<u>\$ 2,103</u>	<u>\$ 7,155</u>

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

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

	DRAINAGE DISTRICT NO. 20 FUND		SENIOR CITIZENS SERVICE BOARD FUND		SENATE BILL 40 BOARD FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 2,620	\$ 1,977	\$ 130,234	\$ 131,762	\$ 219,315	\$ 214,324
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	75	110	-	-	5,000	7,051
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,695</u>	<u>\$ 2,087</u>	<u>\$ 130,234</u>	<u>\$ 131,762</u>	<u>\$ 224,315</u>	<u>\$ 221,375</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	180	185	-	-	300	-
Services and other	-	-	158,625	144,188	290,821	249,991
Capital outlay	10,000	-	-	-	60,000	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,180</u>	<u>\$ 185</u>	<u>\$ 158,625</u>	<u>\$ 144,188</u>	<u>\$ 351,121</u>	<u>\$ 249,991</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,485)	\$ 1,902	\$ (28,391)	\$ (12,426)	\$ (126,806)	\$ (28,616)
CASH AND INVESTMENTS, JANUARY 1	<u>18,355</u>	<u>18,355</u>	<u>29,948</u>	<u>29,948</u>	<u>295,863</u>	<u>295,863</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 10,870</u>	<u>\$ 20,257</u>	<u>\$ 1,557</u>	<u>\$ 17,522</u>	<u>\$ 169,057</u>	<u>\$ 267,247</u>

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

CHARITON 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	\$ 3,044	\$ 106,538	\$ 107,088	\$ 2,494
Treasurer County School Interest	16,405	30,273	33,759	12,919
Treasurer Land Sales Surplus	10,083	3,122	4,840	8,365
Treasurer Unclaimed Fees	1,459	251	1,108	602
Collector	10,656,258	19,014,518	17,974,013	11,696,763
Collector Protest	6,258	14,330	8,102	12,486
Prosecuting Attorney Trust	30	31,350	31,350	30
Sheriff	4,444	318,757	321,711	1,490
Sheriff Inmate Commissary Fund	6,757	1,089	917	6,929
Former Sheriff	150	-	-	150
Recorder	-	56,440	56,440	-
Public Administrator	76,131	229,025	250,923	54,233
Total	<u>\$ 10,781,019</u>	<u>\$ 19,805,693</u>	<u>\$ 18,790,251</u>	<u>\$ 11,796,461</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chariton County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, Circuit Clerk/ex-officio Recorder of Deeds, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, 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 Chariton 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	\$ 86,557,188
Personal Property	55,899,331
Railroad and Utilities	<u>148,510,403</u>
Total	<u><u>\$ 290,966,922</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	\$ 0.1718
Senior Citizens Service Board	0.0496
Senate Bill 40 Board	0.0794

In addition to the tax levies reported above, the County receives property tax revenue from parcels within the County's drainage districts.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest-bearing obligations guaranteed as to both principal and interest by the United States, or any instrumentality thereof, certain municipal bonds authorized by Missouri statute, or time certificates of deposit. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. 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:

	Carrying Value	Bank Balance	FDIC Coverage
Cash and Cash Equivalents	\$ 1,603,622	\$ 2,060,842	\$ 300,804
Investments	8,222,875	8,222,875	246,875
Total Governmental Funds	<u>\$ 9,826,497</u>	<u>\$ 10,283,717</u>	<u>\$ 547,679</u>
Cash and Cash Equivalents - Fiduciary Funds	<u>\$ 11,796,461</u>	<u>\$ 11,323,702</u>	<u>\$ 426,108</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. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Chariton 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, Sections 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 Chariton County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 4.7% (General), and 0.9% (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, the County collected and remitted to LAGERS employee withholdings of \$44,890. For the year ended December 31, 2023, the County contributed \$86,800 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 to make the required 4% contribution on behalf of employees. During 2023, the County collected and remitted to CERF employee withholdings and fees collected of \$97,165 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 \$3,366 for the year ended December 31, 2023.

D. Other Retirement Plan

Chariton 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 \$519, and 457(b) contributions of \$36,316, 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 who have completed twelve consecutive calendar months of service are eligible to receive sick leave and vacation time. The County provides full-time employees with eight hours of sick leave for each completed calendar month of employment, up to a maximum of 30 days. Upon termination, employees will not be compensated for any unused sick time.

Full-time employees may earn up to 15 days of vacation time depending on their length of continuous employment. Employees may accumulate and carry forward earned and unused vacation time up to a maximum of 30 days depending on their length of continuous employment. Upon termination, employees will receive equivalent cash reimbursement for all unused vacation leave.

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 Trust. The County purchases workers' compensation insurance through this fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri

counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. 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 September 27, 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 Chariton 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 Chariton 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 Chariton County, Missouri's basic financial statements and have issued our report thereon dated September 27, 2024.

Report on Internal Control Over Financial Reporting

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
September 27, 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 Chariton County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

McBride, Lock & Associates, LLC

McBride, Lock & Associates, LLC
Kansas City, Missouri
September 27, 2024

CHARITON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

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 THE INTERIOR				
Direct Program -				
15.659	National Wildlife Refuge Fund		\$ 26,691	\$ 26,018
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through Missouri Department of Transportation -				
20.205	Highway Planning and Construction	BRO-B021(37)	1,500,150	-
		BRO-B021(38)	46,847	-
		BRO-B021(39)	35,359	-
		BRO-B021(40)	38,017	-
		RRP-000S(652)	156,837	-
	Total 20.205		<u>\$ 1,777,210</u>	<u>\$ -</u>
U. S. DEPARTMENT OF THE TREASURY				
Direct Program -				
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		691,773	-
21.032	COVID-19 - Local Assistance and Tribal Consistency Fund		50,000	-
ELECTION ASSISTANCE COMMISSION				
Passed through Missouri Secretary of State -				
90.404	HAVA Election Security Grant		11,088	-
	Total Expenditures of Federal Awards		<u><u>\$ 2,556,762</u></u>	<u><u>\$ 26,018</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

CHARITON 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 Chariton 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.

CHARITON 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>
20.205	Highway Planning and Construction

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

CHARITON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Chariton County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2019 and 2018.

2019-001: 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:

2019: County Sheriff's Revolving
2018: Drainage District No. 20

Additionally, in 2018 the Deputy Sheriff Salary Supplementation Fund expended more funds than available, resulting in a deficit fund balance.

Status: Resolved.

2019-002: Documentation of the County's internal controls has not been prepared.

Status: Considered resolved.

2019-003: It was noted there was no formal fraud risk assessment in place.

Status: Considered 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

September 27, 2024

To the County Commission
Chariton County, Missouri

We have audited the regulatory basis financial statements of Chariton 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 June 24, 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 Chariton 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 September 27, 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 Chariton 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 September 27, 2024. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Absence of Adequate Investment Policy

Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. The County's current investment policy was last updated on July 6, 2010 and does not properly address the risk mitigation elements associated with various investment activities as contained within the State Treasurer's Model Investment policy. The County expressed concern about their current investment policy needing updating but had not formally updated their written investment policy.

Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. We recommend the County update the investment policy to meet the requirements of the State Treasurer's Model Investment Policy and review compliance with the policy at least annually as required by state statute.

Sheriff's Inmate Commissary Fund

The Sheriff's Inmate Commissary bank account had a book balance of \$6,929 as of December 31, 2023, but no listing of liabilities indicating the source or distribution of the funds could be provided. Further, the December 2023 bank reconciliation indicated an error of \$33 resulting from a combination of an incorrect bank balance and book balance used to prepare the reconciliation.

Tracking Commissary purchases in the account was outsourced to two separate companies, the latest of which was TurnKey Corrections. To date, reports were either not generated by personnel or said provider(s) failed to produce detailed prisoner reports to substantiate deposits, purchases and fees charged by prisoner. As of December 31, 2023, \$258 is supported by the TurnKey Corrections outstanding check report, which includes 24 checks dating back to May 2021. No checks cleared the bank account from March 31, 2023 through December 31, 2023. All checks issued to prisoners which have not been cashed represent unclaimed funds after unsuccessful attempts to locate the owner. Adequate documentation should be maintained to support the source of funds held in the bank account and to ensure that prisoner funds were properly handled and unclaimed funds are properly identified.

We recommend that the Sheriff's Office work to identify the source of the funds on deposit in the Commissary bank account. This would involve identifying the source, use and final disposition of funds on hand prior to the switch to TurnKey Corrections. If the balance of funds represents checks not cashed by prisoners, these unclaimed funds should be remitted to the State Treasurer Unclaimed Property Division.

Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is 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 Chariton 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