



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Montgomery County, Missouri

The Office of the State Auditor contracted for an audit of Montgomery 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

December 2024
Report No. 2024-102



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Montgomery County

2023-001	The county implement procedures to ensure compliance with state statutes by adopting a budget for each County fund and by refraining from approving expenditures in excess of budgeted amounts or follow the appropriate procedures to amend the budget. Additionally, we recommend the County implement procedures to ensure the accuracy of the required published financial statement.
2023-002	The County implement internal controls to ensure that the schedule of expenditures of federal awards (SEFA) completely and accurately states the expenditures of federal awards of the County each year.
2023-003	The County implement procedures to ensure that all required reports are properly submitted to Treasury to ensure compliance with reporting requirements of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program and that documentation of compliance is maintained.
Reconciliation Between the Budget and Treasurer's Settlement	The county implement procedures to ensure that actual financial activity presented in the County budget documents is accurately stated and agrees to the County's accounting records.

ANNUAL FINANCIAL REPORT

MONTGOMERY COUNTY, MISSOURI

For the Year Ended
December 31, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

MONTGOMERY 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
Management's Response to Auditor's Findings	34
• Summary Schedule of Prior Audit Findings	
• Corrective Action Plan	

INTRODUCTORY SECTION

MONTGOMERY COUNTY, MISSOURI
List of Elected Officials 2023

County Commission

Presiding Commissioner – Ryan D. Poston

Commissioner, First District – Dave Teeter

Commissioner, Second District – Doug Lensing

Other Elected Officials

Assessor – Jerome P. Overkamp

Circuit Clerk – Robyn Schmidt

Collector – Anita L. Sullivan

Coroner – David Colbert

County Clerk – Kathy Hancock

Prosecuting Attorney – Keith Freie

Public Administrator – Kaley Reagan

Recorder – Sheila See

Sheriff – Craig S. Allison

Surveyor – Larry P. Bade

Treasurer – Lori Stiers

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Montgomery County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 29, 2024, on our consideration of Montgomery 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 Montgomery 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 Montgomery 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 29, 2024

MONTGOMERY 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	\$ 923,507	\$ 6,070,035	\$ 6,216,193	\$ 777,349
Special Road and Bridge	1,300,711	2,561,927	2,632,556	1,230,082
Assessment	394,157	363,714	350,078	407,793
Emergency Management	43,334	72,986	85,301	31,019
Emergency 911	7,028	370,488	358,306	19,210
Law Enforcement Sales Tax	177	720,028	720,195	10
Capital Improvements	443,396	764,696	550,090	658,002
Johnson Grass	5,825	121	45	5,901
General Revenue Reserve	152,115	1,307,809	45	1,459,879
Prosecuting Attorney Training	4,346	2,090	2,879	3,557
Prosecuting Attorney Bad Check	21,376	2,521	2,150	21,747
Prosecuting Attorney Delinquent Tax	10,791	754	2,105	9,440
Inmate Security	270,281	76,778	49,357	297,702
School Resources/K9	9,597	1,138	45	10,690
Sheriff Operations	208,069	86,706	27,380	267,395
Sheriff Revolving	67,081	3,776	1,081	69,776
Law Enforcement Training	4,403	1,604	2,130	3,877
POST Commission	937	626	45	1,518
County Law Enforcement Restitution	47,773	13,363	2,398	58,738
Special Election	57,808	16,348	30,774	43,382
Election Services	2,448	18,033	1,975	18,506
Recorder User Fee	27,190	5,678	-	32,868
Recorder Technology	6,327	3,644	1,148	8,823
Local Emergency Planning Committee	19,131	582	4,139	15,574
Children's Trust	8,769	2,222	2,045	8,946
Debt Service Reserve	-	125,000	-	125,000
ARPA	1,121,839	942	1,122,781	-
Collector Tax Maintenance	69,575	27,346	28,083	68,838
LATC	-	100,046	12,000	88,046
Opioid Settlement	31,181	12,874	-	44,055
Total	<u>\$ 5,259,172</u>	<u>\$ 12,733,875</u>	<u>\$ 12,205,324</u>	<u>\$ 5,787,723</u>

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

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

	GENERAL REVENUE FUND	
	<u>Budget</u>	<u>Actual</u>
RECEIPTS		
Property taxes	\$ 713,000	\$ 714,915
Sales taxes	2,229,120	2,381,167
Intergovernmental	709,850	825,848
Charges for services	403,600	462,337
Interest	10,000	59,925
Other	37,500	20,578
Transfers in	887,150	1,605,265
Total Receipts	<u>\$ 4,990,220</u>	<u>\$ 6,070,035</u>
DISBURSEMENTS		
County Commission	\$ 136,895	\$ 134,058
County Clerk	157,155	159,579
Elections	6,750	6,564
Buildings and grounds	164,010	165,790
Employee fringe benefits	2,500	169
Treasurer	61,750	60,054
Collector	130,920	116,571
Recorder of Deeds	118,195	97,049
Circuit Court	43,100	18,023
Court Administration	60,345	59,287
Public Administrator	63,400	63,357
Sheriff	1,216,035	964,613
Jail	1,697,850	1,440,126
Prosecuting Attorney	403,433	363,430
Juvenile Officer	53,924	49,172
Coroner	40,505	30,841
Other County government	1,026,885	937,510
Transfers out	750,000	1,550,000
Emergency fund	156,418	-
Total Disbursements	<u>\$ 6,290,070</u>	<u>\$ 6,216,193</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (1,299,850)	\$ (146,158)
CASH AND INVESTMENTS, JANUARY 1	<u>923,507</u>	<u>923,507</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ (376,343)</u></u>	<u><u>\$ 777,349</u></u>

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

MONTGOMERY 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		EMERGENCY MANAGEMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 1,444,525	\$ 1,463,305	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	633,600	833,853	37,620	40,765	24,000	20,320
Charges for services	500	347	284,000	305,234	-	-
Interest	15,000	62,331	5,000	17,715	500	2,161
Other	30,500	202,091	3,165	-	50,700	50,505
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,124,125</u>	<u>\$ 2,561,927</u>	<u>\$ 329,785</u>	<u>\$ 363,714</u>	<u>\$ 75,200</u>	<u>\$ 72,986</u>
DISBURSEMENTS						
Salaries	\$ 719,000	\$ 599,201	\$ 280,810	\$ 244,138	\$ 52,120	42,600
Employee fringe benefits	174,035	159,660	55,952	55,765	4,717	4,889
Materials and supplies	916,150	828,438	33,500	775	3,350	1,114
Services and other	131,000	38,635	40,000	31,867	29,200	21,162
Capital outlay	850,000	913,435	19,750	17,533	17,900	10,536
Construction	24,800	17,312	-	-	-	-
Transfers out	73,650	75,875	-	-	5,000	5,000
Total Disbursements	<u>\$ 2,888,635</u>	<u>\$ 2,632,556</u>	<u>\$ 430,012</u>	<u>\$ 350,078</u>	<u>\$ 112,287</u>	<u>\$ 85,301</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (764,510)	\$ (70,629)	\$ (100,227)	\$ 13,636	\$ (37,087)	\$ (12,315)
CASH AND INVESTMENTS, JANUARY 1	<u>1,300,711</u>	<u>1,300,711</u>	<u>394,157</u>	<u>394,157</u>	<u>43,334</u>	<u>43,334</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 536,201</u>	<u>\$ 1,230,082</u>	<u>\$ 293,930</u>	<u>\$ 407,793</u>	<u>\$ 6,247</u>	<u>\$ 31,019</u>

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

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

	EMERGENCY 911 FUND		LAW ENFORCEMENT SALES TAX FUND		CAPITAL IMPROVEMENTS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	727,650	719,188	727,650	718,593
Intergovernmental	100	-	-	-	-	25,451
Charges for services	110,000	119,625	-	-	-	-
Interest	150	863	-	840	1,000	20,652
Other	-	-	-	-	-	-
Transfers in	64,945	250,000	-	-	-	-
Total Receipts	<u>\$ 175,195</u>	<u>\$ 370,488</u>	<u>\$ 727,650</u>	<u>\$ 720,028</u>	<u>\$ 728,650</u>	<u>\$ 764,696</u>
DISBURSEMENTS						
Salaries	\$ 110,000	109,213	\$ -	\$ -	\$ 45,760	46,626
Employee fringe benefits	16,035	19,615	-	-	13,990	15,193
Materials and supplies	100	-	-	-	5,000	7,239
Services and other	265,260	227,675	-	1,017	100	-
Capital outlay	3,000	1,803	-	-	361,200	356,032
Construction	-	-	-	-	-	-
Transfers out	-	-	727,650	719,178	-	125,000
Total Disbursements	<u>\$ 394,395</u>	<u>\$ 358,306</u>	<u>\$ 727,650</u>	<u>\$ 720,195</u>	<u>\$ 426,050</u>	<u>\$ 550,090</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (219,200)	\$ 12,182	\$ -	\$ (167)	\$ 302,600	\$ 214,606
CASH AND INVESTMENTS, JANUARY 1	<u>7,028</u>	<u>7,028</u>	<u>177</u>	<u>177</u>	<u>443,396</u>	<u>443,396</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ (212,172)</u></u>	<u><u>\$ 19,210</u></u>	<u><u>\$ 177</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 745,996</u></u>	<u><u>\$ 658,002</u></u>

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

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

	JOHNSON GRASS FUND		GENERAL REVENUE RESERVE FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	1,500	1,825
Interest	-	121	100	7,809	100	265
Other	-	-	-	-	-	-
Transfers in	-	-	150,000	1,300,000	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 150,100</u>	<u>\$ 1,307,809</u>	<u>\$ 1,600</u>	<u>\$ 2,090</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	1,050	45	50	45	4,550	2,879
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	15,050	-	-	-
Total Disbursements	<u>\$ 1,050</u>	<u>\$ 45</u>	<u>\$ 15,100</u>	<u>\$ 45</u>	<u>\$ 4,550</u>	<u>\$ 2,879</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,050)	\$ 76	\$ 135,000	\$ 1,307,764	\$ (2,950)	\$ (789)
CASH AND INVESTMENTS, JANUARY 1	<u>5,825</u>	<u>5,825</u>	<u>152,115</u>	<u>152,115</u>	<u>4,346</u>	<u>4,346</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,775</u>	<u>\$ 5,901</u>	<u>\$ 287,115</u>	<u>\$ 1,459,879</u>	<u>\$ 1,396</u>	<u>\$ 3,557</u>

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

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

	PROSECUTING ATTORNEY BAD CHECK FUND		PROSECUTING ATTORNEY DELINQUENT TAX FUND		INMATE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,500	1,725	100	359	63,600	66,339
Interest	150	796	100	395	3,000	10,439
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,650</u>	<u>\$ 2,521</u>	<u>\$ 200</u>	<u>\$ 754</u>	<u>\$ 66,600</u>	<u>\$ 76,778</u>
DISBURSEMENTS						
Salaries	\$ 2,500	\$ 1,950	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	260	155	-	-	-	-
Materials and supplies	-	-	3,580	2,060	15,000	511
Services and other	2,950	45	50	45	150,060	48,846
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,710</u>	<u>\$ 2,150</u>	<u>\$ 3,630</u>	<u>\$ 2,105</u>	<u>\$ 165,060</u>	<u>\$ 49,357</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,060)	\$ 371	\$ (3,430)	\$ (1,351)	\$ (98,460)	\$ 27,421
CASH AND INVESTMENTS, JANUARY 1	<u>21,376</u>	<u>21,376</u>	<u>10,791</u>	<u>10,791</u>	<u>270,281</u>	<u>270,281</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 17,316</u>	<u>\$ 21,747</u>	<u>\$ 7,361</u>	<u>\$ 9,440</u>	<u>\$ 171,821</u>	<u>\$ 297,702</u>

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

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

	SCHOOL RESOURCES/K9 FUND		SHERIFF OPERATIONS FUND		SHERIFF REVOLVING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	11,668	-	-
Charges for services	-	285	50,000	46,381	2,800	1,390
Interest	100	353	2,500	8,711	500	2,386
Other	1,500	500	11,000	19,946	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,600</u>	<u>\$ 1,138</u>	<u>\$ 63,500</u>	<u>\$ 86,706</u>	<u>\$ 3,300</u>	<u>\$ 3,776</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	40,000	2,180	25,000	1,036
Services and other	9,440	45	62,060	25,200	50	45
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,440</u>	<u>\$ 45</u>	<u>\$ 102,060</u>	<u>\$ 27,380</u>	<u>\$ 25,050</u>	<u>\$ 1,081</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,840)	\$ 1,093	\$ (38,560)	\$ 59,326	\$ (21,750)	\$ 2,695
CASH AND INVESTMENTS, JANUARY 1	<u>9,597</u>	<u>9,597</u>	<u>208,069</u>	<u>208,069</u>	<u>67,081</u>	<u>67,081</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,757</u>	<u>\$ 10,690</u>	<u>\$ 169,509</u>	<u>\$ 267,395</u>	<u>\$ 45,331</u>	<u>\$ 69,776</u>

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

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

	LAW ENFORCEMENT TRAINING FUND		POST COMMISSION FUND		COUNTY LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,500	1,427	-	-	12,000	11,523
Interest	100	177	-	-	900	1,840
Other	-	-	650	626	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,600</u>	<u>\$ 1,604</u>	<u>\$ 650</u>	<u>\$ 626</u>	<u>\$ 12,900</u>	<u>\$ 13,363</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	3,500	2,085	-	-	-	-
Services and other	50	45	1,040	45	40,050	2,398
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,550</u>	<u>\$ 2,130</u>	<u>\$ 1,040</u>	<u>\$ 45</u>	<u>\$ 40,050</u>	<u>\$ 2,398</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,950)	\$ (526)	\$ (390)	\$ 581	\$ (27,150)	\$ 10,965
CASH AND INVESTMENTS, JANUARY 1	<u>4,403</u>	<u>4,403</u>	<u>937</u>	<u>937</u>	<u>47,773</u>	<u>47,773</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 2,453</u></u>	<u><u>\$ 3,877</u></u>	<u><u>\$ 547</u></u>	<u><u>\$ 1,518</u></u>	<u><u>\$ 20,623</u></u>	<u><u>\$ 58,738</u></u>

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

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

	SPECIAL ELECTION FUND		ELECTION SERVICES FUND		RECORDER USER FEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	16,348	-	1,360	-	-
Charges for services	-	-	2,200	16,305	4,500	4,624
Interest	-	-	10	368	200	1,054
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 16,348</u>	<u>\$ 2,210</u>	<u>\$ 18,033</u>	<u>\$ 4,700</u>	<u>\$ 5,678</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	2,140	1,930	15,000	-
Services and other	31,000	30,774	50	45	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 31,000</u>	<u>\$ 30,774</u>	<u>\$ 2,190</u>	<u>\$ 1,975</u>	<u>\$ 15,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (31,000)	\$ (14,426)	\$ 20	\$ 16,058	\$ (10,300)	\$ 5,678
CASH AND INVESTMENTS, JANUARY 1	<u>57,808</u>	<u>57,808</u>	<u>2,448</u>	<u>2,448</u>	<u>27,190</u>	<u>27,190</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 26,808</u>	<u>\$ 43,382</u>	<u>\$ 2,468</u>	<u>\$ 18,506</u>	<u>\$ 16,890</u>	<u>\$ 32,868</u>

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

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

	RECORDER TECHNOLOGY FUND		LOCAL EMERGENCY PLANNING COMMITTEE FUND		CHILDREN'S TRUST FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,000	3,390	-	-	1,800	1,875
Interest	60	254	200	582	100	347
Other	-	-	3,500	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 3,060</u>	<u>\$ 3,644</u>	<u>\$ 3,700</u>	<u>\$ 582</u>	<u>\$ 1,900</u>	<u>\$ 2,222</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	5,000	1,148	-	-	-	-
Services and other	-	-	7,760	4,025	5,040	2,045
Capital outlay	-	-	20,000	114	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 1,148</u>	<u>\$ 27,760</u>	<u>\$ 4,139</u>	<u>\$ 5,040</u>	<u>\$ 2,045</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,940)	\$ 2,496	\$ (24,060)	\$ (3,557)	\$ (3,140)	\$ 177
CASH AND INVESTMENTS, JANUARY 1	<u>6,327</u>	<u>6,327</u>	<u>19,131</u>	<u>19,131</u>	<u>8,769</u>	<u>8,769</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,387</u>	<u>\$ 8,823</u>	<u>\$ (4,929)</u>	<u>\$ 15,574</u>	<u>\$ 5,629</u>	<u>\$ 8,946</u>

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

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

	DEBT SERVICE RESERVE FUND		ARPA FUND		COLLECTOR TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	20,000	27,307
Interest	-	-	-	942	40	39
Other	-	-	-	-	-	-
Transfers in	-	125,000	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 20,040</u>	<u>\$ 27,346</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	80,000	14,280
Services and other	-	-	-	317,569	30,540	13,803
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	805,212	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,122,781</u>	<u>\$ 110,540</u>	<u>\$ 28,083</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 125,000	\$ -	\$ (1,121,839)	\$ (90,500)	\$ (737)
CASH AND INVESTMENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>1,121,839</u>	<u>1,121,839</u>	<u>69,575</u>	<u>69,575</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 125,000</u></u>	<u><u>\$ 1,121,839</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (20,925)</u></u>	<u><u>\$ 68,838</u></u>

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

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

	LATC FUND		OPIOID SETTLEMENT FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	100,000	-	12,874
Charges for services	-	-	-	-
Interest	-	46	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 100,046</u>	<u>\$ -</u>	<u>\$ 12,874</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	12,000	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ 88,046	\$ -	\$ 12,874
CASH AND INVESTMENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>31,181</u>	<u>31,181</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 88,046</u>	<u>\$ 31,181</u>	<u>\$ 44,055</u>

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

MONTGOMERY 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 Sheriff Forfeiture	\$ 4,576	\$ 163	\$ 45	\$ 4,694
Treasurer Price's Branch Cemetery	4,342	139	23	4,458
Treasurer White Cemetery	2,840	-	683	2,157
Treasurer Unclaimed Fees	288	87	181	194
Treasurer ICE Prisoner Unclaimed Cash	10,690	-	-	10,690
Treasurer School Fines	45,517	105,741	101,073	50,185
Treasurer School Building Revolving	2	16,552	16,542	12
Treasurer Surplus Land Sales	8,103	95,453	8,719	94,837
Treasurer Road Districts	9,988	327,547	327,651	9,884
Treasurer Railroad/Utilities	-	2,249,464	2,249,464	-
Treasurer CERF	-	151,978	151,978	-
Treasurer Deputy Sheriff Supplement	-	3,131	3,131	-
Treasurer PA Services	-	75	75	-
Treasurer Ambulance	69	1,242,356	1,242,381	44
Treasurer Hermann Hospital	22	451,604	451,613	13
Treasurer Montgomery Co Health Dept	21	393,253	393,261	13
Treasurer Schools	606	9,443,885	9,444,107	384
Treasurer Cities	87	419,192	419,200	79
Treasurer Fire Districts	42	736,910	736,928	24
Treasurer Sur Tax/Temp	16,781	296,327	295,559	17,549
Collector General	14,557,225	16,110,305	17,625,584	13,041,946
Collector Credit Cards	9	798,919	798,909	19
Collector Partial Payment	13,641	100,394	90,010	24,025
Collector Protested Tax	528,668	30,246	29,772	529,142
Recorder	(13)	87,490	87,474	3
Prosecuting Attorney	-	18,400	18,400	-
Sheriff Office	5,139	171,427	174,637	1,929
Sheriff Inmate	19,796	265,119	151,713	133,202
Sheriff Commissary	15,145	55,429	64,574	6,000
Public Administrator	393,039	406,533	584,692	214,880
Total	<u>\$ 15,636,623</u>	<u>\$ 33,978,119</u>	<u>\$ 35,468,379</u>	<u>\$ 14,146,363</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Montgomery 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 Montgomery 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. The Developmental Disabilities Assistance Board of Montgomery County is separately audited by an independent certified public accountant and is therefore not included in this report in accordance with the regulatory basis of accounting.

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. However, the County budgeted a negative ending fund balance for the General Revenue, Emergency 911, Local Emergency Planning Committee, and Collector Tax Maintenance Funds.
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. The County did not adopt formal budgets for the ARPA, Debt Service Reserve, LATC, and Opioid Settlement Funds in 2023.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Capital Improvements Fund, and also the ARPA and LATC Funds to the extent that they did not have formal budgets adopted.

- 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	\$ 166,354,060
Personal Property	64,545,582
Railroad and Utilities	<u>56,429,897</u>
Total	<u>\$ 287,329,539</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	\$ 0.2521
Special Road and Bridge	0.5648

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	\$ 5,782,407	\$ 5,954,106	\$ 5,885,206
Investments	5,316	5,316	5,316
Total Governmental Funds	<u>\$ 5,787,723</u>	<u>\$ 5,959,422</u>	<u>\$ 5,890,522</u>
Cash and Cash Equivalents - Fiduciary Funds	\$ 14,146,363	\$ 12,614,921	\$ 1,063,402

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

Montgomery 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 Montgomery County contribute 4% to the pension plan. The June 30th statutorily required contribution rates were .3% (General), and .6% (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 \$122,435 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 \$151,978.

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.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees, who have completed six full months, with eight hours of sick leave for each completed calendar month of employment, up to a maximum of 480 hours. Upon termination, employees will not be compensated for any unused sick time.

Vacation time is made available in whole on the employee's anniversary date. Vacation time is five days for employees with one year of service; ten days for employees with two to nine years of service; 15 days for employees with 10 to 19 years of service; and 20 days for employees with 20 or more years of service. Employees are not allowed to carry over vacation into a new employment year, unless permitted by the department supervisor and County Commission. Upon termination, employees are compensated for any unused vacation time.

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

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

7. LONG-TERM DEBT

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

- A. In April 2021, the County entered into a lease-purchase agreement for a vehicle used by the Sheriff's office. The lease required three annual payments of \$11,898. The final payment was made in April 2023.
- B. In 2022, Certificates of Participation (COPS) in the amount of \$4,620,000 were issued by BOK Financial on behalf of the County for the Courthouse Improvement and Jail Upgrades Project with a 15-year maturity. The debt is repaid through annual principal payments and semi-annual interest payments. The interest rate varies between 2.25% and 4.00%. The first principal payment is scheduled for October 15, 2024, and then due annually on October 15 thereafter. Interest payments are due semi-annually on April 15 and October 15.

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 270,000	\$ 154,935	\$ 424,935
2025	280,000	148,860	428,860
2026	285,000	141,860	426,860
2027	290,000	134,308	424,308
2028	300,000	126,188	426,188
2029 - 2033	1,650,000	486,488	2,136,488
2034 - 2036	1,545,000	163,300	1,708,300
Totals	<u>\$ 4,620,000</u>	<u>\$ 1,355,938</u>	<u>\$ 5,975,938</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
Certificates of Participation	\$ 4,620,000	\$ -	\$ -	\$ 4,620,000	\$179,897
Sheriff Vehicle	11,651	-	11,651	-	247

8. OPERATING LEASES

At December 31, 2023, the County has one non-cancellable 60-month lease for two copiers. The lease requires monthly payments of \$205. Future minimum payments under this lease are as follows:

Fiscal Year Ending December 31,	Amount
2024	\$ 2,459
2025	2,459
2026	2,459
2027	2,459
2028	820

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 29, 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 Montgomery 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 Montgomery 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 Montgomery County, Missouri's basic financial statements and have issued our report thereon dated August 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery 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 Montgomery County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery 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 Montgomery 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

Montgomery County, Missouri's Response to Finding

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

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 29, 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 Montgomery County, Missouri

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Montgomery 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 Montgomery County, Missouri's major federal programs for the year ended December 31, 2023. Montgomery 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, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Montgomery 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 Qualified Opinion

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 Montgomery 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 Montgomery County, Missouri's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Major Program

As described in the accompanying schedule of findings and questioned costs, Montgomery County, Missouri did not comply with the requirements regarding the Coronavirus State and Local Fiscal Recovery Funds as described in finding 2023-003 for Reporting. Compliance with such requirements

is necessary, in our opinion, for Montgomery County, Missouri to comply with the requirements applicable to that program.

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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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 Montgomery 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.

Other Matters

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be material weaknesses.

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

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

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 29, 2024

MONTGOMERY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF JUSTICE			
16.575	Passed through Missouri Association of Prosecuting Attorneys - Crime Victim Assistance	N/A	\$ 47,147
16.738	Passed through Missouri Department of Public Safety - Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-22-GG-00640- MUMU-054	5,370
U. S. DEPARTMENT OF TRANSPORTATION			
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction	BRO-R070(18)	14,023
U.S. DEPARTMENT OF TREASURY			
21.027	Direct program - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		1,122,781
21.027	Passed through Missouri Department of Public Safety - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	SLFRP4542-POG086	6,298
	Total 21.027		<u>\$ 1,129,079</u>
21.032	Direct program - COVID-19 - Local Assistance and Tribal Consistency Fund		12,000
U.S. ELECTION ASSISTANCE COMMISSION			
90.404	Passed through Missouri Secretary of State - HAVA Election Security Grants	N/A	12,437
U.S. DEPARTMENT OF HOMELAND SECURITY			
97.036	Passed through Missouri Department of Public Safety - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR-4665-MO	72,210
97.042	Emergency Management Performance Grant	EMK-2022-EP-00004-073	9,876
		EMK-2023-EP-0004-063	3,762
	Total 97.042		<u>\$ 13,638</u>
	Total Expenditures of Federal Awards		<u><u>\$ 1,305,904</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

MONTGOMERY 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 Montgomery 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.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2023.

MONTGOMERY 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? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? X Yes 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: Qualified

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

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	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

2023-001: Budgetary Compliance

Criteria: Section 50.540, RSMo requires the preparation of a budget for all County funds. Section 50.740, RSMo prohibits expenditures in excess of the approved budget. The statutes also prohibit budgeting expenditures in excess of the beginning balance plus estimated revenues for any County fund. Additionally, in accordance with Section 50.815, RSMo the County shall prepare and publish a financial statement in a newspaper of general circulation. The financial statement should include a summary of receipt of each fund for the year, a summary of the disbursements and transfers for each fund, and the cash balance at the beginning and ending of the year.

Condition: The County did not adopt formal budgets for the ARPA, Debt Service Reserve, LATC and Opioid Settlement Funds for 2023. Actual expenditures exceeded budgeted expenditures for the Capital Improvements Fund, and for the ARPA and LATC Funds to the extent that no formal budgets were adopted. The County budgeted a deficit ending fund balance for the General Revenue, Emergency 911, Local Emergency Planning Committee, and Collector Tax Maintenance Funds. Furthermore, the County did not publish a full and complete financial statement for 2023. The County published the 2024 Summary of Budgets rather than the actual 2023 activity.

Cause: The County did not prepare formal budgets for all County funds and did not adequately review and amend budgeted expenditures of each fund to ensure actual expenditures did not exceed the budget amounts or result in a deficit fund balance. Additionally, failure to publish a proper financial statement was an oversight by the County.

Effect: Budgetary controls are significant to the proper management and custodianship of County funds. Compliance with statutory requirements related to budgets will improve controls over County funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County implement procedures to ensure compliance with state statutes by adopting a budget for each County fund and by refraining from approving expenditures in excess of budgeted amounts or follow the appropriate procedures to amend the budget. Additionally, we recommend the County implement procedures to ensure the accuracy of the required published financial statement.

County's Response: I was not the clerk in 2023, so I don't feel as I can respond, however, I will work to see this is resolved.

Auditor's Evaluation: The current County Clerk should implement procedures to ensure that the recommendation is addressed and the condition is resolved.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-002: Internal Control Over Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Justice (DOJ), U.S. Department of the Treasury (Treasury), and U.S. Department of Homeland Security (DHS)

Pass-Through Grantor: Missouri Department of Public Safety

Federal Assistance Listing Number: 16.738, 21.027, 21.032, 97.036, and 97.042

Program Title: Edward Byrne Memorial Justice Assistance Grant Program; Coronavirus State and Local Fiscal Recovery Funds; Local Assistance and Tribal Consistency Fund; Disaster Grants – Public Assistance (Presidentially Declared Disasters); Emergency Management Performance Grant

Pass-through Entity Identifying Number: 15PBJA-22-GG-00640-MUMU-054; DR-4665-MO; EMK-2022-EP-00004-073; EMK-2023-EP-0004-063

Award Year: 2023

Questioned Costs: None

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

Condition: The SEFA reported by the County in the 2024 annual budget documents contained errors in amounts of federal expenditures reported.

Discrepancies in amounts reported on the 2023 SEFA and amount supported by underlying accounting records are summarized as follows:

Federal Agency	ALN	Program	Original SEFA	Supported	Difference
DOJ	16.738	Edward Byrne Memorial Justice Assistance Grant Program	-	5,370	(5,370)
Treasury	21.027	Coronavirus State and Local Fiscal Recovery Funds	-	1,129,079	(1,129,079)
Treasury	21.032	Local Assistance and Tribal Consistency Fund	-	12,000	(12,000)
DHS	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	-	72,210	(72,210)
DHS	97.042	Emergency Management Performance Grant	-	13,638	(13,638)

Cause: The County has not implemented a proper system of internal control over SEFA preparation, such as a reconciliation to underlying accounting records and controls for identifying and tracking expenditures of federal awards.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for the year ended December 31, 2023.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year.

County's Response: I was not the clerk in 2023, so I don't feel as I can respond, however, I will work to see this is resolved. We are implementing new software to better track all financials.

Auditor's Evaluation: The current County Clerk should implement procedures to ensure that the recommendation is addressed and the condition is resolved.

2023-003: Internal Control Over Reporting Requirements

Federal Grantor: U.S. Department of the Treasury

Federal Assistance Listing Number: 21.027

Program Title: Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Award Year: 2023

Questioned Costs: None

Criteria: The SLFRF Compliance and Reporting Guidance requires recipients to submit annual Project and Expenditure Reports to the Department of the Treasury by April 30 of each year, reporting the amount of expenditures for the reporting period as well as cumulative expenditures.

Condition: During audit fieldwork, the County Commission could not provide documentation to support that the one-time interim report or annual Project and Expenditure Reports have been properly and timely submitted to Treasury in accordance with SLFRF reporting requirements. As part of the response process the County provided a copy of the Project and Expenditure Report for the period ended March 31, 2023, which reported \$0 of expenditures. The County indicated in the report that, "My jurisdiction does NOT have projects to report," and stated in the report that, "No funds have been allocated to Government Services yet. The County has been waiting for the Final Rule before obligating to any projects." However, the Treasurer's Settlements for 2022 reported \$1,122,531 of expenditures in the ARPA Fund in 2022 and the County had an Alternative Compliance Examination Engagement performed for the period.

Cause: It appears that there was confusion regarding the reporting requirements of the SLFRF and the need to maintain documentation of the reports submitted to the Treasury portal.

Effect: The County risks being out of compliance with SLFRF program reporting requirements if the proper reports are not timely and accurately submitted to Treasury.

Recommendation: We recommend the County implement procedures to ensure that all required reports are properly submitted to Treasury to ensure compliance with reporting requirements of the SLFRF program and that documentation of compliance is maintained.

County's Response: We have retrieved the 2023 report on the SLFRF Compliance Report -SLR-10450 P & E Report 2023 and have enclosed it and gave all copies of our Compliance Reports of ARPA funding that the County received to be put in the County's records. We thought since the Federal government received the compliance reports it wasn't necessary for us to duplicate that locally but will do it if this is something the County Commission receives in the future.

Auditor's Evaluation: We reviewed the 2023 Project and Expenditure Report that was provided as part of the response, as noted in the Condition above. The County has also recently filed a final report on the SLFRF funds showing that the County has fully spent the funding.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

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

Montgomery County Commission

Dave Teeter
1st District Commissioner

Ryan D. Poston
Presiding Commissioner

Doug Lensing
2nd District Commissioner

MONTGOMERY COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2019-001: Documentation of the County's internal controls has not been prepared.

Status: Considered resolved.

2019-002: A formal fraud risk assessment is not in place.

Status: Considered resolved.

Montgomery County Commission

Dave Teeter
1st District Commissioner

Ryan D. Poston
Presiding Commissioner

Doug Lensing
2nd District Commissioner

MONTGOMERY COUNTY, MISSOURI CORRECTIVE ACTION PLAN

Finding Reference Number: 2023-001

Federal Agency: N/A

Program Name: N/A

Assistance Listing Number: N/A

Responsible Official: County Commission; Carole Weeks, County Clerk

Views of Responsible Individuals: I was not the clerk in 2023, so I don't feel as I can respond, however, I will work to see this is resolved.

Finding Reference Number: 2023-002

Federal Agency: U.S. Department of Justice, U.S. Department of the Treasury, U.S. Department of Homeland Security

Program Name: Edward Byrne Memorial Justice Assistance Grant Program, Coronavirus State and Local Fiscal Recovery Funds, Local Assistance and Tribal Consistency Fund, Disaster Grants – Public Assistance (Presidentially Declared Disasters), Emergency Management Performance Grant

Assistance Listing Number: 16.738, 21.027, 21.032, 97.036, 97.042

Responsible Official: Carole Weeks, County Clerk

Views of Responsible Individuals: I was not the clerk in 2023, so I don't feel as I can respond, however, I will work to see this is resolved. We are implementing new software to better track all financials.

MONTGOMERY COUNTY, MISSOURI
CORRECTIVE ACTION PLAN

Finding Reference Number: 2019-003

Federal Agency: U.S. Department of the Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Responsible Official: County Commission

Views of Responsible Individuals: See following page.

DRAFT

County Response to 2023-003 on Financial Statement Audit in 2024

We have retrieved the 2023 report on the SLFRF Compliance Report -SLR-10450 P & E Report 2023 and have enclosed it and gave all copies of our Compliance reports of ARPA funding that the County received to be put in the County's records. We thought since the Federal government received the compliance reports it wasn't necessary for us to duplicate that locally but will do it if this is something the County Commission receives in the future.

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 29, 2024

To the County Commission
Montgomery County, Missouri

We have audited the regulatory basis financial statements of Montgomery 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 Montgomery County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 29, 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 Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2023, we considered Montgomery County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 29, 2024. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Reconciliation Between the Budget and Treasurer's Settlement

The 2023 actual financial activity reported on the Treasurer's Settlement and the amounts reported in the County's 2024 annual budget document did not reconcile to each other. Discrepancies between ending fund balances were noted as follows:

	Balance per County Budget	Balance per Treasurer
General Revenue	\$ 879,916	\$ 777,349
Special Road and Bridge	1,231,929	1,230,082
Capital Improvements	657,957	658,002
Sheriff Operations	268,991	267,395

A reconciliation of the County's budget to the Treasurer's Settlement and accounting system general ledger was not performed. Improper balances on the budget documents could lead to the County inappropriately budgeting expenditures in excess of actual funds available. We recommend the County implement procedures to ensure that actual financial activity presented in the County budget documents is accurately stated and agrees to the County's accounting records.

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 Montgomery 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