



**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

To the County Commission  
and  
Officeholders of Linn County, Missouri

The Office of the State Auditor contracted for an audit of Linn 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 "F" and a cursive "S".

Scott Fitzpatrick  
State Auditor

December 2024  
Report No. 2024-106



**Scott Fitzpatrick**  
Missouri State Auditor

## RECOMMENDATION SUMMARY

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### Recommendations in the contracted audit of Linn County

2023-001	The Public Administrator correct the financial data for 2023 in the accounting system, and implement procedures to ensure that ward financial data is accurately reported going forward.
Absence of Proper Investment Policy	The county adopt an investment policy that meets the requirements of state statutes.

ANNUAL FINANCIAL REPORT

**LINN COUNTY, MISSOURI**

For the Year Ended  
December 31, 2023

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**McBRIDE, LOCK & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

LINN COUNTY, MISSOURI  
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## **INTRODUCTORY SECTION**

LINN COUNTY, MISSOURI  
List of Elected Officials 2023

*County Commission*

Presiding Commissioner – Dick King  
Commissioner, District 1 – Glen Murrain  
Commissioner, District 2 – Josh Muck

*Other Elected Officials*

Assessor – Brittanie Palmer  
Circuit Clerk – Amber Boley  
Collector/Treasurer – Renee McKenzie  
County Clerk – Suzan Stephenson  
Coroner – Kjersten Parn  
Prosecuting Attorney – Tracy L. Carlson  
Public Administrator – Lana Kilmer  
Recorder – Jennifer Shoop-Baker  
Sheriff – Jeff Henke

## **FINANCIAL SECTION**

## **McBRIDE, LOCK & ASSOCIATES, LLC**

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**CERTIFIED PUBLIC ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

To the County Commission and  
Officeholders of Linn County, Missouri

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the accompanying financial statements of Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 November 4, 2024, on our consideration of Linn 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 Linn 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 Linn County, Missouri's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
November 4, 2024

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

Fund	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
General Revenue	\$ 461,387	\$ 2,752,883	\$ 1,955,039	\$ 1,259,231
Special Road and Bridge	2,937,922	2,154,682	1,580,954	3,511,650
Assessment	512,016	331,752	180,088	663,680
Special Election	79,282	8,922	9,244	78,960
Check Collection	5,239	190	1,520	3,909
Sheriff Training	1,918	6,420	12	8,326
Prosecuting Attorney Training	8,554	5,961	2,241	12,274
Recorder	47,324	10,892	1,400	56,816
Shelter of Victims	1,395	335	-	1,730
Juvenile Office Grant	2,185	74,948	85,584	(8,451)
Tax Maintenance	14,118	21,588	15,891	19,815
Drug Court	24,067	278,005	283,041	19,031
Miscellaneous Grant	2,133,141	106,256	509,378	1,730,019
Child Support	(10,123)	-	-	(10,123)
Sheriff Deputy Salary Supplement	(109)	12,531	11,628	794
Medical Insurance	30,903	271,446	296,478	5,871
County Law Enforcement Restitution	33,355	12,298	19,658	25,995
Sheriff's Revolving	1,747	1,801	1,349	2,199
Law Enforcement Sales Tax	27,254	395,751	332,917	90,088
Senior Citizens' Services Board	14,893	97,103	91,667	20,329
Total	<u>\$ 6,326,468</u>	<u>\$ 6,543,764</u>	<u>\$ 5,378,089</u>	<u>\$ 7,492,143</u>

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

LINN 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	\$	186,500	\$ 196,572
Sales taxes		1,165,000	1,352,751
Intergovernmental		251,550	378,712
Charges for services		476,750	544,030
Interest		10,000	69,194
Other		48,941	136,421
Transfers in		85,000	75,203
Total Receipts	\$	<u>2,223,741</u>	<u>\$ 2,752,883</u>
DISBURSEMENTS			
County Commission	\$	160,170	\$ 92,351
County Clerk		115,616	104,529
Elections		96,800	32,461
Buildings and grounds		134,430	96,765
Employee fringe benefits		104,000	59,996
Collector/Treasurer		76,650	71,978
Recorder of Deeds		88,700	86,345
Circuit Court		45,500	28,570
Court Administration		90,800	43,766
Public Administrator		32,300	44,618
Sheriff		301,962	321,003
Jail		200,000	185,636
Prosecuting Attorney		205,439	184,740
Juvenile Officer		130,400	103,892
Coroner		33,650	29,009
Other County government		319,424	341,122
Public health and welfare		4,000	-
Transfers out		227,000	128,258
Emergency fund		300,000	-
Total Disbursements	\$	<u>2,666,841</u>	<u>\$ 1,955,039</u>
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	\$	(443,100)	\$ 797,844
CASH AND CASH EQUIVALENTS, JANUARY 1		<u>461,387</u>	<u>461,387</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$	<u><u>18,287</u></u>	<u><u>\$ 1,259,231</u></u>

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

LINN 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		SPECIAL ELECTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 80,000	\$ 96,563	\$ -	\$ -	\$ -	\$ -
Sales taxes	800,000	865,248	-	-	-	-
Intergovernmental	648,072	1,013,074	36,500	36,848	4,500	3,814
Charges for services	-	-	200,000	254,579	7,000	1,332
Interest	20,000	168,636	2,700	31,680	500	3,776
Other	1,000	11,161	15,000	8,645	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,549,072</u>	<u>\$ 2,154,682</u>	<u>\$ 254,200</u>	<u>\$ 331,752</u>	<u>\$ 12,000</u>	<u>\$ 8,922</u>
DISBURSEMENTS						
Salaries	\$ 185,000	\$ 174,595	\$ 130,500	\$ 92,314	\$ -	\$ -
Employee fringe benefits	73,500	21,988	18,500	9,871	-	-
Materials and supplies	323,450	100,810	14,000	13,737	-	-
Services and other	1,111,482	797,868	21,000	24,823	10,000	-
Capital outlay	145,750	153,215	28,000	31,714	25,000	9,244
Construction	709,450	228,164	-	-	-	-
Transfers out	100,000	104,314	42,500	7,629	-	-
Total Disbursements	<u>\$ 2,648,632</u>	<u>\$ 1,580,954</u>	<u>\$ 254,500</u>	<u>\$ 180,088</u>	<u>\$ 35,000</u>	<u>\$ 9,244</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,099,560)	\$ 573,728	\$ (300)	\$ 151,664	\$ (23,000)	\$ (322)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,937,922</u>	<u>2,937,922</u>	<u>512,016</u>	<u>512,016</u>	<u>79,282</u>	<u>79,282</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,838,362</u>	<u>\$ 3,511,650</u>	<u>\$ 511,716</u>	<u>\$ 663,680</u>	<u>\$ 56,282</u>	<u>\$ 78,960</u>

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

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

	CHECK COLLECTION FUND		SHERIFF TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	2,000	190	8,000	6,420	4,000	5,961
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,000</u>	<u>\$ 190</u>	<u>\$ 8,000</u>	<u>\$ 6,420</u>	<u>\$ 4,000</u>	<u>\$ 5,961</u>
DISBURSEMENTS						
Salaries	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	300	-	-	-	-	-
Materials and supplies	2,000	1,500	-	-	-	-
Services and other	25	20	8,000	12	4,000	2,241
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,325</u>	<u>\$ 1,520</u>	<u>\$ 8,000</u>	<u>\$ 12</u>	<u>\$ 4,000</u>	<u>\$ 2,241</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,325)	\$ (1,330)	\$ -	\$ 6,408	\$ -	\$ 3,720
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>5,239</u>	<u>5,239</u>	<u>1,918</u>	<u>1,918</u>	<u>8,554</u>	<u>8,554</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,914</u>	<u>\$ 3,909</u>	<u>\$ 1,918</u>	<u>\$ 8,326</u>	<u>\$ 8,554</u>	<u>\$ 12,274</u>

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

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

	RECORDER FUND		SHELTER OF VICTIMS FUND		JUVENILE OFFICE GRANT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	94,000	74,948
Charges for services	7,000	7,117	300	335	-	-
Interest	200	3,775	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 7,200</u>	<u>\$ 10,892</u>	<u>\$ 300</u>	<u>\$ 335</u>	<u>\$ 94,000</u>	<u>\$ 74,948</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	5,000	-	-	-	-	-
Services and other	15,000	1,400	500	-	94,000	85,584
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 1,400</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 94,000</u>	<u>\$ 85,584</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (12,800)	\$ 9,492	\$ (200)	\$ 335	\$ -	\$ (10,636)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>47,324</u>	<u>47,324</u>	<u>1,395</u>	<u>1,395</u>	<u>2,185</u>	<u>2,185</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 34,524</u>	<u>\$ 56,816</u>	<u>\$ 1,195</u>	<u>\$ 1,730</u>	<u>\$ 2,185</u>	<u>\$ (8,451)</u>

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

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

	TAX MAINTENANCE FUND		DRUG COURT FUND		MISCELLANEOUS GRANT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	700,000	271,330	-	10,000
Charges for services	26,000	21,588	15,000	6,595	-	-
Interest	225	-	-	-	25,000	96,256
Other	-	-	13,800	80	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 26,225</u>	<u>\$ 21,588</u>	<u>\$ 728,800</u>	<u>\$ 278,005</u>	<u>\$ 25,000</u>	<u>\$ 106,256</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 100,000	\$ 66,176	\$ -	\$ -
Employee fringe benefits	-	-	3,800	2,327	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	25,000	15,891	625,000	214,538	2,000,000	459,378
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	50,000
Total Disbursements	<u>\$ 25,000</u>	<u>\$ 15,891</u>	<u>\$ 728,800</u>	<u>\$ 283,041</u>	<u>\$ 2,000,000</u>	<u>\$ 509,378</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,225	\$ 5,697	\$ -	\$ (5,036)	\$ (1,975,000)	\$ (403,122)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>14,118</u>	<u>14,118</u>	<u>24,067</u>	<u>24,067</u>	<u>2,133,141</u>	<u>2,133,141</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 15,343</u>	<u>\$ 19,815</u>	<u>\$ 24,067</u>	<u>\$ 19,031</u>	<u>\$ 158,141</u>	<u>\$ 1,730,019</u>

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



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

	CHILD SUPPORT FUND		SHERIFF DEPUTY SALARY SUPPLEMENT FUND		MEDICAL INSURANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	35,000	7,427	-	-
Charges for services	-	-	5,000	5,104	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	32,701
Transfers in	-	-	-	-	275,000	238,745
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 12,531</u>	<u>\$ 275,000</u>	<u>\$ 271,446</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 10,000	\$ 6,700	\$ -	\$ -
Employee fringe benefits	-	-	1,000	-	275,000	296,478
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	8,000	4,928	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,000</u>	<u>\$ 11,628</u>	<u>\$ 275,000</u>	<u>\$ 296,478</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ 21,000	\$ 903	\$ -	\$ (25,032)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>(10,123)</u>	<u>(10,123)</u>	<u>(109)</u>	<u>(109)</u>	<u>30,903</u>	<u>30,903</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ (10,123)</u>	<u>\$ (10,123)</u>	<u>\$ 20,891</u>	<u>\$ 794</u>	<u>\$ 30,903</u>	<u>\$ 5,871</u>

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

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

	COUNTY LAW ENFORCEMENT RESTITUTION FUND		SHERIFF'S REVOLVING FUND		LAW ENFORCEMENT SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	334,000	391,513
Intergovernmental	-	-	-	-	-	-
Charges for services	15,000	12,298	8,000	1,801	-	-
Interest	-	-	-	-	-	4,238
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 12,298</u>	<u>\$ 8,000</u>	<u>\$ 1,801</u>	<u>\$ 334,000</u>	<u>\$ 395,751</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 303,108	\$ 288,395
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	10,000	19,658	4,000	1,254	-	-
Services and other	5,000	-	4,000	95	-	20,775
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	30,892	23,747
Total Disbursements	<u>\$ 15,000</u>	<u>\$ 19,658</u>	<u>\$ 8,000</u>	<u>\$ 1,349</u>	<u>\$ 334,000</u>	<u>\$ 332,917</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (7,360)	\$ -	\$ 452	\$ -	\$ 62,834
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>33,355</u>	<u>33,355</u>	<u>1,747</u>	<u>1,747</u>	<u>27,254</u>	<u>27,254</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 33,355</u></u>	<u><u>\$ 25,995</u></u>	<u><u>\$ 1,747</u></u>	<u><u>\$ 2,199</u></u>	<u><u>\$ 27,254</u></u>	<u><u>\$ 90,088</u></u>

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

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

		SENIOR CITIZENS' SERVICES BOARD FUND	
		Budget	Actual
RECEIPTS			
Property taxes	\$	86,000	\$ 97,097
Sales taxes		-	-
Intergovernmental		-	-
Charges for services		-	-
Interest		10	6
Other		-	-
Transfers in		-	-
Total Receipts	\$	86,010	\$ 97,103
DISBURSEMENTS			
Salaries	\$	-	\$ -
Employee fringe benefits		-	-
Materials and supplies		-	-
Services and other		86,010	91,667
Capital outlay		-	-
Construction		-	-
Transfers out		-	-
Total Disbursements	\$	86,010	\$ 91,667
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$	-	\$ 5,436
CASH AND CASH EQUIVALENTS, JANUARY 1		14,893	14,893
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$	14,893	\$ 20,329

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

LINN 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 Unclaimed Fees	\$ 647	\$ 96	\$ 45	\$ 698
Treasurer Tax Sales Surplus	42,892	6,372	37,401	11,863
Treasurer Fines	-	261,599	261,599	-
Treasurer CERF	-	110,090	110,090	-
County Clerk Cemetery Savings	1,583	4	-	1,587
Collector	10,348,718	14,139,632	14,395,823	10,092,527
Collector Protested Tax	5	902	-	907
Recorder	-	77,614	77,614	-
Prosecuting Attorney Escrow	11,137	10,847	3,805	18,179
Prosecuting Attorney	-	377	242	135
Sheriff	6,030	68,240	72,629	1,641
Public Administrator	60,378	1,221,652	512,992	769,038
Total	<u>\$ 10,471,390</u>	<u>\$ 15,897,425</u>	<u>\$ 15,472,240</u>	<u>\$ 10,896,575</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Linn 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. The Linn County Senate Bill 40 Board 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.

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. The County budgeted for a negative ending fund balance for the Child Support Fund.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Medical Insurance, County Law Enforcement Restitution, and Senior Citizens' Services Board Funds.

- 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 in October 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	\$ 101,041,370
Personal Property	61,900,334
Railroad and Utilities	<u>34,417,539</u>
Total	<u>\$ 197,359,243</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	\$ 0.0725
Senior Citizens' Services Board	0.0486

In addition to the levies above, the Special Road & Bridge Fund receives a portion of the funds collected for township Road & Bridge levies within the County.

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents 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 cash equivalent 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 CASH EQUIVALENTS

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 Cash Equivalents" caption. Cash and cash equivalents include deposits and short-term investments with maturities that are less 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 cash equivalent balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 7,492,143	\$ 7,682,360	\$ 270,328
Cash and Cash Equivalents - Fiduciary Funds	10,896,575	7,685,924	539,986

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2023 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name, except for \$229,052 held by the Public Administrator for one ward in one bank in excess of \$250,000.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

### A. County Employees' Retirement Fund (CERF)

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

#### 1) Plan Description

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

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



## 2) Pension Benefits

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

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

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

## 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2023, the County collected and remitted to CERF employee withholdings and fees collected of \$110,090.

## B. 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.

## 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 employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation if vested and overtime if applicable. The County provides employees with up to a maximum of twenty days of sick leave, to accrue at 4 hours per month for full-time employees. Unused sick time is not reimbursed.

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

### 7. LONG-TERM DEBT

In 2019, the County entered into a lease purchase agreement in the amount of \$84,746 for the purchase of Motorola Radio Equipment. The agreement calls for sixty monthly payments of \$1,542 and carries a 3.5% interest rate.

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 16,665	\$ 297	\$ 16,962

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
Motorola Radio Equipment	\$ 34,248	\$ -	\$ (17,583)	\$ 16,665	\$ 921

#### 8. OPERATING LEASES

At December 31, 2023, the County Clerk has a non-cancellable 60-month leases for a copier with a monthly payment of \$148 and 15-year lease for a radio antenna site with an annual payment of \$100. The County also has four equity lease agreements for Sheriff vehicles, three of which have 36 month terms and one of which has a 60 month term. Future minimum payments under operating leases are below:

Fiscal Year Ending December 31,	Amount
2024	\$ 68,788
2025	68,788
2026	54,696
2027	12,613
2028	12,317
2029-2033	500
2034-2038	500

#### 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 November 4, 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 Linn 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 Linn 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 Linn County, Missouri's basic financial statements and have issued our report thereon dated November 4, 2024.

#### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Linn 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*.

### **Linn County, Missouri's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Linn County, Missouri's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Linn 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

November 4, 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 Linn County, Missouri

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Linn 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 Linn County, Missouri's major federal programs for the year ended December 31, 2023. Linn 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, Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn 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 Linn County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies over compliance. Given these limitations, during our audit we did not identify any



deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
November 4, 2024

LINN 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	ER130220125-003	\$ 84,019
16.585	Direct Program - Treatment Court Discretionary Grant Program		36,781
	U. S. DEPARTMENT OF TRANSPORTATION		
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction	BRO-B058(42)	34,293
		BRO-B058(43)	40,371
		BRO-B058(44)	4,025
	Total 20.205		<u>\$ 78,689</u>
	U. S. DEPARTMENT OF THE TREASURY		
21.027	Direct Program - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		507,802
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.243	Direct Program - Substance Abuse and Mental Health Services Projects of Regional and National Significance		197,924
	Total Expenditures of Federal Awards		<u><u>\$ 905,215</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**LINN 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 Linn 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.

LINN 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?   X   Yes    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>
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**

#### **2023-001: Public Administrator's Financial Records**

Criteria: A proper system of accounting sufficient for financial reporting purposes requires the maintenance of a complete and accurate accounting record of all transactions and account balances.

Condition: The summary of account balances provided by the Public Administrator for the year ended December 31, 2023 contained errors in the amounts of receipts, disbursements, and ending account balances. Upon inquiry, the Public Administrator accidentally deleted the financial data for multiple wards recorded in their accounting system, SEM, resulting in material adjustments. It was determined through review of ward account bank statements and annual settlements that receipts per the summary provided for audit were understated by \$279,687 and disbursements were understated by \$157,999.

Cause: The Public Administrator's office had multiple changes in officeholders during the year, and the current Public Administrator is inexperienced with the accounting system.

Effect: Total receipts and disbursements out of ward accounts for which the Public Administrator had a fiduciary responsibility were not properly stated in the accounting system, resulting in material adjustments to the Public Administrator's financial activity for the year.

Recommendation: We recommend that the Public Administrator correct the financial data for 2023 in the accounting system, and implement procedures to ensure that ward financial data is accurately reported going forward.

County's Response: I agree with the auditors' findings, and I am in the process of fixing the 2023 bank statements for all individuals involved in the Citizens Bank to Southern Bank accounts. I was appointed as the Linn County Public Administrator in April, 2023. Southern Bank bought out Citizens Bank at the end of February, 2023. At the time of reconciling, the banking totals were double than they had in the bank, and I was trying to spend down the money for some individuals who were way over the SSI/Medicaid allowable amounts unknowing Citizens bank amounts were added to the Southern Bank amounts. I called SEM 'software for the system' in which the accounting is also done on, and they told me to remove Citizens Bank, and this should be an easy fix. When I removed, I deleted Citizens Bank on some accounts which removed all transactions prior to Southern takeover. I am in the process of fixing these with the 2023 bank statements, adding these back in for the reconciliations. Since this time, I have had SEM training from SEM and other Public Administrators who used SEM. I was told recently to NEVER delete which I have learned a lesson from this huge mistake on my part. My predecessor added Southern Bank to the SEM instead of changing the bank name from Citizens Bank to Southern Bank in the SEM program as there were 2 appointed PA's between the elected Public Administrator who resigned as of January 31, 2023 and the two replacements (whichever one) added a bank on top of a bank and did not explain this to me upon my 2 hour training from him. At the time I deleted the Citizens Bank and discovered what had happened, I called my Paralegal, Sheryl Whiteman at Chapman and Cowherd and I also called SEM to see if this could be fixed. The only fix is to add the bank statements that were from Citizens Bank which I am in the process of fixing them.

With this fix for all the banking that was involved will prevent any future issues.

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

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None reported

**ITEMS OF NONCOMPLIANCE**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:**

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

LINN COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

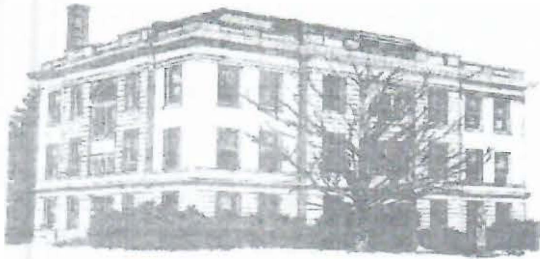
In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Linn County, Missouri on the applicable findings in the prior audit report issued for the year ended December 31, 2020.

There were no findings noted in the prior audit report.



# Linn County Public Administrator

(660)734-1864 Fax: (660)476-4507



**November 15, 2024**

## **Corrective Action Plan for 2023**

**I agree with the auditors' findings, and I am in the process of fixing the 2023 bank statements for all individuals involved in the Citizens Bank to Southern Bank accounts. I was appointed as the Linn County Public Administrator in April, 2023.**

**Southern Bank bought out Citizens Bank at the end of February, 2023. At the time of reconciling, the banking totals were double than they had in the bank, and I was trying to spend down the money for some individuals who were way over the SSI/Medicaid allowable amounts unknowing Citizens bank amounts were added to the Southern Bank amounts. I called SEM 'software for the system' in which the accounting is also done on, and they told me to remove Citizens Bank, and this should be an easy fix. When I removed, I deleted Citizens Bank on some accounts which removed all transactions prior to Southern takeover. I am in the process of**

fixing these with the 2023 bank statements, adding these back in for the reconciliations. Since this time, I have had SEM training from SEM and other Public Administrators who used SEM. I was told recently to NEVER delete which I have learned a lesson from this huge mistake on my part. My predecessor added Southern Bank to the SEM instead of changing the bank name from Citizens Bank to Southern Bank in the SEM program as there were 2 appointed PA's between the elected Public Administrator who resigned as of January 31, 2023 and the two replacements (whichever one) added a bank on top of a bank and did not explain this to me upon my 2 hour training from him. At the time I deleted the Citizens Bank and discovered what had happened, I called my Paralegal, Sheryl Whiteman at Chapman and Cowherd and I also called SEM to see if this could be fixed. The only fix is to add the bank statements that were from Citizens Bank which I am in the process of fixing them.

With this fix for all the banking that was involved will prevent any future issues.

Thank you

Lana 

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E: [Admin@McBrideLock.com](mailto:Admin@McBrideLock.com)

## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

November 4, 2024

To the County Commission  
Linn County, Missouri

We have audited the regulatory basis financial statements of Linn 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 November 4, 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 Linn 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. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- The Public Administrator's receipts were understated by \$279,687 and the disbursements were understated by \$157,999 as a result of financial information being deleted from the accounting software system.

### *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 November 4, 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 years ended December 31, 2023, we considered Linn 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 November 4, 2024. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

### **Absence of Proper Investment Policy**

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

requires collateralization of deposits. We recommend the County adopt an investment policy that meets the requirements of state statutes.

#### 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 Linn 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