



## SCOTT FITZPATRICK

MISSOURI STATE AUDITOR

To the County Commission  
and  
Officeholders of Bates County, Missouri

The Office of the State Auditor contracted for an audit of Bates County's financial statements for the year ended December 31, 2023, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Scott Fitzpatrick".

Scott Fitzpatrick  
State Auditor

June 2025  
Report No. 2025-034



**Recommendations in the contracted audit of Bates County**

|                                                           |                                                                                                                                                                                                                                  |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2023-001                                                  | The Sheriff's office implement procedures to ensure that commissary sales funds in excess of current operating needs are turned over to the Treasurer for deposit into the Inmate Security Fund in compliance with RSMo 221.102. |
| 2023-002                                                  | The Sheriff implement procedures to ensure that any balances of public funds held on deposit in excess of Federal Deposit Insurance Corporation (FDIC) coverage be adequately collateralized in accordance with state statute.   |
| 2023-003                                                  | The Senate Bill 40 Board adhere to the authorized spending limits as documented in the adopted budget or follow the appropriate procedures to amend the budget.                                                                  |
| 2023-004                                                  | The county file the required reports for the State and Local Fiscal Recovery Funds (SLFRF) program and implement procedures to ensure that future reports are filed in a timely manner.                                          |
| Public Administrator's Collateralization of Bank Deposits | The Public Administrator implement procedures to ensure that any balances of funds held on deposit in excess of FDIC coverage be adequately collateralized.                                                                      |

ANNUAL FINANCIAL REPORT

**BATES COUNTY, MISSOURI**

For the Year Ended  
December 31, 2023

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McBRIDE, LOCK & ASSOCIATES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

BATES COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

BATES COUNTY, MISSOURI  
List of Elected Officials 2023

*County Commission*

Presiding Commissioner – Jim Wheatley  
Commissioner, Northern District – Ken Mooney  
Commissioner, Southern District – Trent Nelson

*Other Elected Officials*

Assessor – Carl Bettels  
Circuit Clerk – Shelli White  
Collector/Treasurer – Jimmy Platt  
County Clerk – Jami Page  
Coroner – Greg Mullinax  
Prosecuting Attorney – Hugh C. Jenkins  
Public Administrator – Brenda Doody  
Recorder – Danyelle Baker  
Sheriff – Chad Anderson  
Surveyor – W.C. Bill Lethcho

## **FINANCIAL SECTION**

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

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**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the County Commission and  
Officeholders of Bates County, Missouri

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

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

We have audited the accompanying financial statements of Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 22, 2024, on our consideration of Bates 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 Bates 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 Bates 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 22, 2024

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

| Fund                               | Cash and Cash<br>Equivalents |                      |                      | Cash and Cash<br>Equivalents<br>December 31 |
|------------------------------------|------------------------------|----------------------|----------------------|---------------------------------------------|
|                                    | January 1                    | Receipts             | Disbursements        |                                             |
| General Revenue                    | \$ 1,664,380                 | \$ 1,817,228         | \$ 1,951,952         | \$ 1,529,656                                |
| Special Road and Bridge            | 863,857                      | 1,540,962            | 1,319,066            | 1,085,753                                   |
| Recorder's User Fee                | 15,723                       | 6,367                | -                    | 22,090                                      |
| Law Enforcement                    | 3,062,273                    | 6,804,918            | 7,262,605            | 2,604,586                                   |
| Prosecuting Attorney Training      | 4,704                        | 3,017                | 4,303                | 3,418                                       |
| Law Officer Training               | 5,766                        | 3,687                | 1,645                | 7,808                                       |
| Assessment                         | 52,592                       | 316,518              | 314,708              | 54,402                                      |
| Prosecuting Attorney               | 1,671                        | -                    | 1,531                | 140                                         |
| Families in Crisis                 | 260                          | 584                  | 649                  | 195                                         |
| Local Emergency Planning Committee | 12,614                       | 12,415               | 12,358               | 12,671                                      |
| Election Services                  | 8,244                        | 7,124                | 1,523                | 13,845                                      |
| Recorder's Technology              | 91,786                       | 17,546               | 9,000                | 100,332                                     |
| Jail Bond                          | 178,755                      | 3,399                | 46,371               | 135,783                                     |
| Tax Maintenance                    | 148,189                      | 40,742               | 17,987               | 170,944                                     |
| Sheriff's Revolving                | 17,881                       | 2,393                | 125                  | 20,149                                      |
| Inmate Security                    | 747,001                      | 503,282              | 490,278              | 760,005                                     |
| Prosecuting Attorney Bad Check     | 318                          | -                    | -                    | 318                                         |
| Capital Improvement Sales Tax      | 1,088,365                    | 905,904              | 628,639              | 1,365,630                                   |
| COVID-19                           | 1,591,032                    | 4,627                | 1,519,040            | 76,619                                      |
| Sheriff's Civil Fees               | 12,978                       | 10,751               | 8,613                | 15,116                                      |
| DEA Forfeiture                     | 1,513                        | -                    | -                    | 1,513                                       |
| Prosecuting Attorney Check Fee     | 811                          | 3,840                | 3,369                | 1,282                                       |
| Senate Bill 40 Board               | 306,671                      | 382,863              | 494,464              | 195,070                                     |
| Senior Services Board              | 149,058                      | 136,396              | 174,193              | 111,261                                     |
| <b>Total</b>                       | <b>\$ 10,026,442</b>         | <b>\$ 12,524,563</b> | <b>\$ 14,262,419</b> | <b>\$ 8,288,586</b>                         |

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

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

|                                               | <b>GENERAL REVENUE FUND</b> |                            |
|-----------------------------------------------|-----------------------------|----------------------------|
|                                               | <b>Budget</b>               | <b>Actual</b>              |
| <b>RECEIPTS</b>                               |                             |                            |
| Property taxes                                | \$ 709,900                  | \$ 778,750                 |
| Sales taxes                                   | 440,000                     | 224,606                    |
| Intergovernmental                             | 149,100                     | 124,192                    |
| Charges for services                          | 610,300                     | 586,668                    |
| Interest                                      | 10,000                      | 36,935                     |
| Other                                         | 6,300                       | 26,077                     |
| Transfers in                                  | 40,000                      | 40,000                     |
| Total Receipts                                | <u>\$ 1,965,600</u>         | <u>\$ 1,817,228</u>        |
| <b>DISBURSEMENTS</b>                          |                             |                            |
| County Commission                             | \$ 156,600                  | \$ 166,185                 |
| County Clerk                                  | 211,267                     | 184,377                    |
| Elections                                     | 132,600                     | 87,760                     |
| Buildings and grounds                         | 705,761                     | 465,563                    |
| Employee fringe benefits                      | 234,600                     | 186,108                    |
| Treasurer                                     | 239,754                     | 211,528                    |
| Collector                                     | -                           | -                          |
| Recorder of Deeds                             | 121,720                     | 122,302                    |
| Circuit Court                                 | 28,300                      | 19,507                     |
| Court Administration                          | 73,760                      | 44,005                     |
| Public Administrator                          | 139,141                     | 138,914                    |
| Emergency Management                          | 110,413                     | 70,544                     |
| Other County government                       | 530,775                     | 255,159                    |
| Health and welfare                            | 14,000                      | -                          |
| Transfers out                                 | -                           | -                          |
| Emergency fund                                | 45,000                      | -                          |
| Total Disbursements                           | <u>\$ 2,743,691</u>         | <u>\$ 1,951,952</u>        |
| <b>RECEIPTS OVER (UNDER)</b>                  |                             |                            |
| <b>DISBURSEMENTS</b>                          | <b>\$ (778,091)</b>         | <b>\$ (134,724)</b>        |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>   | <u><b>1,664,380</b></u>     | <u><b>1,664,380</b></u>    |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b> | <u><b>\$ 886,289</b></u>    | <u><b>\$ 1,529,656</b></u> |

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

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

|                                                   | SPECIAL ROAD AND<br>BRIDGE FUND |                     | RECORDER'S USER<br>FEE FUND |                  | LAW ENFORCEMENT<br>FUND |                     |
|---------------------------------------------------|---------------------------------|---------------------|-----------------------------|------------------|-------------------------|---------------------|
|                                                   | Budget                          | Actual              | Budget                      | Actual           | Budget                  | Actual              |
| <b>RECEIPTS</b>                                   |                                 |                     |                             |                  |                         |                     |
| Property taxes                                    | \$ 75,000                       | \$ 80,548           | \$ -                        | \$ -             | \$ -                    | \$ -                |
| Sales taxes                                       | -                               | -                   | -                           | -                | 1,070,000               | 1,106,335           |
| Intergovernmental                                 | 1,300,300                       | 1,382,797           | -                           | -                | 168,000                 | 148,410             |
| Charges for services                              | -                               | -                   | 7,000                       | 5,936            | 5,993,200               | 5,435,383           |
| Interest                                          | 4,000                           | 28,135              | 15                          | 431              | 20,000                  | 62,904              |
| Other                                             | 50,100                          | 49,482              | -                           | -                | 60,100                  | 51,886              |
| Transfers in                                      | -                               | -                   | -                           | -                | -                       | -                   |
| <b>Total Receipts</b>                             | <b>\$ 1,429,400</b>             | <b>\$ 1,540,962</b> | <b>\$ 7,015</b>             | <b>\$ 6,367</b>  | <b>\$ 7,311,300</b>     | <b>\$ 6,804,918</b> |
| <b>DISBURSEMENTS</b>                              |                                 |                     |                             |                  |                         |                     |
| Salaries                                          | \$ 320,133                      | \$ 289,281          | \$ -                        | \$ -             | \$ 3,815,925            | \$ 3,578,397        |
| Employee fringe benefits                          | 126,000                         | 103,441             | -                           | -                | 899,128                 | 954,925             |
| Materials and supplies                            | 231,100                         | 123,116             | -                           | -                | 964,350                 | 884,797             |
| Services and other                                | 15,100                          | 12,593              | 6,000                       | -                | 1,255,175               | 970,679             |
| Capital outlay                                    | 313,900                         | 311,065             | -                           | -                | 1,111,525               | 873,807             |
| Construction                                      | 1,011,000                       | 439,570             | -                           | -                | -                       | -                   |
| Transfers out                                     | 40,000                          | 40,000              | -                           | -                | -                       | -                   |
| <b>Total Disbursements</b>                        | <b>\$ 2,057,233</b>             | <b>\$ 1,319,066</b> | <b>\$ 6,000</b>             | <b>\$ -</b>      | <b>\$ 8,046,103</b>     | <b>\$ 7,262,605</b> |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>    | <b>\$ (627,833)</b>             | <b>\$ 221,896</b>   | <b>\$ 1,015</b>             | <b>\$ 6,367</b>  | <b>\$ (734,803)</b>     | <b>\$ (457,687)</b> |
| <b>CASH AND CASH EQUIVALENTS,<br/>JANUARY 1</b>   | <b>863,857</b>                  | <b>863,857</b>      | <b>15,723</b>               | <b>15,723</b>    | <b>3,062,273</b>        | <b>3,062,273</b>    |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b> | <b>\$ 236,024</b>               | <b>\$ 1,085,753</b> | <b>\$ 16,738</b>            | <b>\$ 22,090</b> | <b>\$ 2,327,470</b>     | <b>\$ 2,604,586</b> |

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

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

|                                                   | PROSECUTING ATTORNEY<br>TRAINING FUND |                 | LAW OFFICER<br>TRAINING FUND |                 | ASSESSMENT FUND   |                   |
|---------------------------------------------------|---------------------------------------|-----------------|------------------------------|-----------------|-------------------|-------------------|
|                                                   | Budget                                | Actual          | Budget                       | Actual          | Budget            | Actual            |
|                                                   |                                       |                 |                              |                 |                   |                   |
| <b>RECEIPTS</b>                                   |                                       |                 |                              |                 |                   |                   |
| Property taxes                                    | \$ -                                  | \$ -            | \$ -                         | \$ -            | \$ -              | \$ -              |
| Sales taxes                                       | -                                     | -               | -                            | -               | -                 | -                 |
| Intergovernmental                                 | -                                     | -               | 1,500                        | 1,145           | 44,883            | 45,045            |
| Charges for services                              | 4,300                                 | 3,017           | 3,500                        | 2,378           | 247,761           | 268,374           |
| Interest                                          | -                                     | -               | -                            | 164             | 165               | 2,905             |
| Other                                             | -                                     | -               | -                            | -               | 3,000             | 194               |
| Transfers in                                      | -                                     | -               | -                            | -               | 20,000            | -                 |
| <b>Total Receipts</b>                             | <b>\$ 4,300</b>                       | <b>\$ 3,017</b> | <b>\$ 5,000</b>              | <b>\$ 3,687</b> | <b>\$ 315,809</b> | <b>\$ 316,518</b> |
| <b>DISBURSEMENTS</b>                              |                                       |                 |                              |                 |                   |                   |
| Salaries                                          | \$ -                                  | \$ -            | \$ -                         | \$ -            | \$ 213,604        | 221,282           |
| Employee fringe benefits                          | -                                     | -               | -                            | -               | 60,500            | 44,868            |
| Materials and supplies                            | -                                     | -               | -                            | -               | 5,500             | 3,869             |
| Services and other                                | 4,290                                 | 4,303           | 5,000                        | 1,645           | 52,500            | 31,328            |
| Capital outlay                                    | -                                     | -               | -                            | -               | 15,500            | 13,361            |
| Construction                                      | -                                     | -               | -                            | -               | -                 | -                 |
| Transfers out                                     | -                                     | -               | -                            | -               | -                 | -                 |
| <b>Total Disbursements</b>                        | <b>\$ 4,290</b>                       | <b>\$ 4,303</b> | <b>\$ 5,000</b>              | <b>\$ 1,645</b> | <b>\$ 347,604</b> | <b>\$ 314,708</b> |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>    |                                       |                 |                              |                 |                   |                   |
|                                                   | \$ 10                                 | \$ (1,286)      | \$ -                         | \$ 2,042        | \$ (31,795)       | \$ 1,810          |
| <b>CASH AND CASH EQUIVALENTS,<br/>JANUARY 1</b>   |                                       |                 |                              |                 |                   |                   |
|                                                   | <u>4,704</u>                          | <u>4,704</u>    | <u>5,766</u>                 | <u>\$ 5,766</u> | <u>52,592</u>     | <u>52,592</u>     |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b> |                                       |                 |                              |                 |                   |                   |
|                                                   | <u>\$ 4,714</u>                       | <u>\$ 3,418</u> | <u>\$ 5,766</u>              | <u>\$ 7,808</u> | <u>\$ 20,797</u>  | <u>\$ 54,402</u>  |

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

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

|                                                   | PROSECUTING<br>ATTORNEY FUND |            | FAMILIES IN CRISIS FUND |         | LOCAL EMERGENCY<br>PLANNING COMMITTEE<br>FUND |           |
|---------------------------------------------------|------------------------------|------------|-------------------------|---------|-----------------------------------------------|-----------|
|                                                   | Budget                       | Actual     | Budget                  | Actual  | Budget                                        | Actual    |
|                                                   |                              |            |                         |         |                                               |           |
| <b>RECEIPTS</b>                                   |                              |            |                         |         |                                               |           |
| Property taxes                                    | \$ -                         | \$ -       | \$ -                    | \$ -    | \$ -                                          | \$ -      |
| Sales taxes                                       | -                            | -          | -                       | -       | -                                             | -         |
| Intergovernmental                                 | -                            | -          | -                       | -       | 1,700                                         | 12,145    |
| Charges for services                              | -                            | -          | 750                     | 584     | -                                             | -         |
| Interest                                          | -                            | -          | -                       | -       | 50                                            | 270       |
| Other                                             | -                            | -          | -                       | -       | -                                             | -         |
| Transfers in                                      | -                            | -          | -                       | -       | -                                             | -         |
| Total Receipts                                    | \$ -                         | \$ -       | \$ 750                  | \$ 584  | \$ 1,750                                      | \$ 12,415 |
| <b>DISBURSEMENTS</b>                              |                              |            |                         |         |                                               |           |
| Salaries                                          | \$ -                         | \$ -       | \$ -                    | \$ -    | \$ -                                          | \$ -      |
| Employee fringe benefits                          | -                            | -          | -                       | -       | -                                             | -         |
| Materials and supplies                            | -                            | -          | -                       | -       | -                                             | -         |
| Services and other                                | 1,671                        | 1,531      | 920                     | 649     | 12,614                                        | 12,358    |
| Capital outlay                                    | -                            | -          | -                       | -       | -                                             | -         |
| Construction                                      | -                            | -          | -                       | -       | -                                             | -         |
| Transfers out                                     | -                            | -          | -                       | -       | -                                             | -         |
| Total Disbursements                               | \$ 1,671                     | \$ 1,531   | \$ 920                  | \$ 649  | \$ 12,614                                     | \$ 12,358 |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>    |                              |            |                         |         |                                               |           |
|                                                   | \$ (1,671)                   | \$ (1,531) | \$ (170)                | \$ (65) | \$ (10,864)                                   | \$ 57     |
| <b>CASH AND CASH EQUIVALENTS,<br/>JANUARY 1</b>   |                              |            |                         |         |                                               |           |
|                                                   | 1,671                        | 1,671      | 260                     | 260     | 12,614                                        | 12,614    |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b> |                              |            |                         |         |                                               |           |
|                                                   | \$ -                         | \$ 140     | \$ 90                   | \$ 195  | \$ 1,750                                      | \$ 12,671 |

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

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

|                                               | ELECTION SERVICES FUND |                  | RECORDER'S TECHNOLOGY FUND |                   | JAIL BOND FUND    |                   |
|-----------------------------------------------|------------------------|------------------|----------------------------|-------------------|-------------------|-------------------|
|                                               | Budget                 | Actual           | Budget                     | Actual            | Budget            | Actual            |
|                                               |                        |                  |                            |                   |                   |                   |
| <b>RECEIPTS</b>                               |                        |                  |                            |                   |                   |                   |
| Property taxes                                | \$ -                   | \$ -             | \$ -                       | \$ -              | \$ -              | \$ -              |
| Sales taxes                                   | -                      | -                | -                          | -                 | -                 | -                 |
| Intergovernmental                             | 15,510                 | 3,529            | -                          | -                 | -                 | -                 |
| Charges for services                          | 3,000                  | 3,302            | 17,000                     | 15,390            | -                 | -                 |
| Interest                                      | 25                     | 293              | 100                        | 2,156             | 2,000             | 3,399             |
| Other                                         | -                      | -                | -                          | -                 | -                 | -                 |
| Transfers in                                  | -                      | -                | -                          | -                 | -                 | -                 |
| Total Receipts                                | <u>\$ 18,535</u>       | <u>\$ 7,124</u>  | <u>\$ 17,100</u>           | <u>\$ 17,546</u>  | <u>\$ 2,000</u>   | <u>\$ 3,399</u>   |
| <b>DISBURSEMENTS</b>                          |                        |                  |                            |                   |                   |                   |
| Salaries                                      | \$ -                   | \$ -             | \$ -                       | \$ -              | \$ -              | \$ 132            |
| Employee fringe benefits                      | -                      | -                | -                          | -                 | -                 | -                 |
| Materials and supplies                        | -                      | -                | -                          | -                 | -                 | -                 |
| Services and other                            | 20,410                 | 1,523            | 9,000                      | 9,000             | -                 | -                 |
| Capital outlay                                | -                      | -                | -                          | -                 | 100,000           | 46,239            |
| Construction                                  | -                      | -                | -                          | -                 | -                 | -                 |
| Transfers out                                 | -                      | -                | -                          | -                 | -                 | -                 |
| Total Disbursements                           | <u>\$ 20,410</u>       | <u>\$ 1,523</u>  | <u>\$ 9,000</u>            | <u>\$ 9,000</u>   | <u>\$ 100,000</u> | <u>\$ 46,371</u>  |
| <b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>    |                        |                  |                            |                   |                   |                   |
|                                               | \$ (1,875)             | \$ 5,601         | \$ 8,100                   | \$ 8,546          | \$ (98,000)       | \$ (42,972)       |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>   |                        |                  |                            |                   |                   |                   |
|                                               | <u>8,244</u>           | <u>8,244</u>     | <u>91,786</u>              | <u>91,786</u>     | <u>178,755</u>    | <u>178,755</u>    |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b> |                        |                  |                            |                   |                   |                   |
|                                               | <u>\$ 6,369</u>        | <u>\$ 13,845</u> | <u>\$ 99,886</u>           | <u>\$ 100,332</u> | <u>\$ 80,755</u>  | <u>\$ 135,783</u> |

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

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

|                                                         | TAX MAINTENANCE FUND |                   | SHERIFF'S REVOLVING FUND |                  | INMATE SECURITY FUND |                   |
|---------------------------------------------------------|----------------------|-------------------|--------------------------|------------------|----------------------|-------------------|
|                                                         |                      |                   | Budget                   | Actual           |                      |                   |
|                                                         | Budget               | Actual            | Budget                   | Actual           | Budget               | Actual            |
| <b>RECEIPTS</b>                                         |                      |                   |                          |                  |                      |                   |
| Property taxes                                          | \$ -                 | \$ -              | \$ -                     | \$ -             | \$ -                 | \$ -              |
| Sales taxes                                             | -                    | -                 | -                        | -                | -                    | -                 |
| Intergovernmental                                       | -                    | -                 | -                        | -                | -                    | -                 |
| Charges for services                                    | 30,000               | 37,100            | 5,000                    | 1,970            | 560,000              | 486,586           |
| Interest                                                | 500                  | 3,642             | 200                      | 423              | 5,000                | 16,696            |
| Other                                                   | -                    | -                 | -                        | -                | -                    | -                 |
| Transfers in                                            | -                    | -                 | -                        | -                | -                    | -                 |
| <b>Total Receipts</b>                                   | <b>\$ 30,500</b>     | <b>\$ 40,742</b>  | <b>\$ 5,200</b>          | <b>\$ 2,393</b>  | <b>\$ 565,000</b>    | <b>\$ 503,282</b> |
| <b>DISBURSEMENTS</b>                                    |                      |                   |                          |                  |                      |                   |
| Salaries                                                | \$ -                 | \$ -              | \$ -                     | \$ -             | \$ -                 | \$ -              |
| Employee fringe benefits                                | -                    | -                 | -                        | -                | -                    | -                 |
| Materials and supplies                                  | -                    | -                 | -                        | -                | 90,000               | 61,107            |
| Services and other                                      | 165,000              | 17,987            | 15,000                   | 125              | 550,000              | 227,084           |
| Capital outlay                                          | -                    | -                 | -                        | -                | 85,000               | 202,087           |
| Construction                                            | -                    | -                 | -                        | -                | -                    | -                 |
| Transfers out                                           | -                    | -                 | -                        | -                | -                    | -                 |
| <b>Total Disbursements</b>                              | <b>\$ 165,000</b>    | <b>\$ 17,987</b>  | <b>\$ 15,000</b>         | <b>\$ 125</b>    | <b>\$ 725,000</b>    | <b>\$ 490,278</b> |
| <b>RECEIPTS OVER (UNDER)</b><br><b>DISBURSEMENTS</b>    | <b>\$ (134,500)</b>  | <b>\$ 22,755</b>  | <b>\$ (9,800)</b>        | <b>\$ 2,268</b>  | <b>\$ (160,000)</b>  | <b>\$ 13,004</b>  |
| <b>CASH AND CASH EQUIVALENTS,</b><br><b>JANUARY 1</b>   | <b>148,189</b>       | <b>148,189</b>    | <b>17,881</b>            | <b>17,881</b>    | <b>747,001</b>       | <b>747,001</b>    |
| <b>CASH AND CASH EQUIVALENTS,</b><br><b>DECEMBER 31</b> | <b>\$ 13,689</b>     | <b>\$ 170,944</b> | <b>\$ 8,081</b>          | <b>\$ 20,149</b> | <b>\$ 587,001</b>    | <b>\$ 760,005</b> |

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

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

|                                                         | PROSECUTING ATTORNEY |               | CAPITAL IMPROVEMENT |                     | COVID-19 FUND         |                       |
|---------------------------------------------------------|----------------------|---------------|---------------------|---------------------|-----------------------|-----------------------|
|                                                         | BAD CHECK FUND       |               | SALES TAX FUND      |                     |                       |                       |
|                                                         | Budget               | Actual        | Budget              | Actual              | Budget                | Actual                |
| <b>RECEIPTS</b>                                         |                      |               |                     |                     |                       |                       |
| Property taxes                                          | \$ -                 | \$ -          | \$ -                | \$ -                | \$ -                  | \$ -                  |
| Sales taxes                                             | -                    | -             | 870,000             | 881,737             | -                     | -                     |
| Intergovernmental                                       | -                    | -             | -                   | -                   | -                     | -                     |
| Charges for services                                    | -                    | -             | -                   | -                   | -                     | -                     |
| Interest                                                | -                    | -             | 2,000               | 24,167              | 5,050                 | 4,627                 |
| Other                                                   | -                    | -             | -                   | -                   | -                     | -                     |
| Transfers in                                            | -                    | -             | -                   | -                   | -                     | -                     |
| <b>Total Receipts</b>                                   | <b>\$ -</b>          | <b>\$ -</b>   | <b>\$ 872,000</b>   | <b>\$ 905,904</b>   | <b>\$ 5,050</b>       | <b>\$ 4,627</b>       |
| <b>DISBURSEMENTS</b>                                    |                      |               |                     |                     |                       |                       |
| Salaries                                                | \$ -                 | \$ -          | \$ -                | \$ -                | \$ -                  | \$ -                  |
| Employee fringe benefits                                | -                    | -             | -                   | -                   | -                     | -                     |
| Materials and supplies                                  | -                    | -             | -                   | -                   | -                     | -                     |
| Services and other                                      | -                    | -             | 619,050             | 620,360             | 1,591,032             | 1,519,040             |
| Capital outlay                                          | -                    | -             | 500,000             | 8,279               | -                     | -                     |
| Construction                                            | -                    | -             | -                   | -                   | -                     | -                     |
| Transfers out                                           | -                    | -             | -                   | -                   | -                     | -                     |
| <b>Total Disbursements</b>                              | <b>\$ -</b>          | <b>\$ -</b>   | <b>\$ 1,119,050</b> | <b>\$ 628,639</b>   | <b>\$ 1,591,032</b>   | <b>\$ 1,519,040</b>   |
| <b>RECEIPTS OVER (UNDER)</b><br><b>DISBURSEMENTS</b>    | <b>\$ -</b>          | <b>\$ -</b>   | <b>\$ (247,050)</b> | <b>\$ 277,265</b>   | <b>\$ (1,585,982)</b> | <b>\$ (1,514,413)</b> |
| <b>CASH AND CASH EQUIVALENTS,</b><br><b>JANUARY 1</b>   | <b>318</b>           | <b>318</b>    | <b>1,088,365</b>    | <b>1,088,365</b>    | <b>1,591,032</b>      | <b>1,591,032</b>      |
| <b>CASH AND CASH EQUIVALENTS,</b><br><b>DECEMBER 31</b> | <b>\$ 318</b>        | <b>\$ 318</b> | <b>\$ 841,315</b>   | <b>\$ 1,365,630</b> | <b>\$ 5,050</b>       | <b>\$ 76,619</b>      |

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

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

|                                                   | SHERIFF'S CIVIL FEES<br>FUND |                  | DEA FORFEITURE FUND |                 | PROSECUTING ATTORNEY<br>CHECK FEE FUND |                 |
|---------------------------------------------------|------------------------------|------------------|---------------------|-----------------|----------------------------------------|-----------------|
|                                                   | Budget                       | Actual           | Budget              | Actual          | Budget                                 | Actual          |
|                                                   |                              |                  |                     |                 |                                        |                 |
| <b>RECEIPTS</b>                                   |                              |                  |                     |                 |                                        |                 |
| Property taxes                                    | \$ -                         | \$ -             | \$ -                | \$ -            | \$ -                                   | \$ -            |
| Sales taxes                                       | -                            | -                | -                   | -               | -                                      | -               |
| Intergovernmental                                 | -                            | -                | 40,000              | -               | -                                      | -               |
| Charges for services                              | 10,000                       | 10,390           | -                   | -               | -                                      | 3,839           |
| Interest                                          | 200                          | 361              | -                   | -               | -                                      | 1               |
| Other                                             | -                            | -                | -                   | -               | -                                      | -               |
| Transfers in                                      | -                            | -                | -                   | -               | -                                      | -               |
| <b>Total Receipts</b>                             | <b>\$ 10,200</b>             | <b>\$ 10,751</b> | <b>\$ 40,000</b>    | <b>\$ -</b>     | <b>\$ -</b>                            | <b>\$ 3,840</b> |
| <b>DISBURSEMENTS</b>                              |                              |                  |                     |                 |                                        |                 |
| Salaries                                          | \$ -                         | \$ -             | \$ -                | \$ -            | \$ -                                   | \$ -            |
| Employee fringe benefits                          | -                            | -                | -                   | -               | -                                      | -               |
| Materials and supplies                            | -                            | -                | -                   | -               | -                                      | -               |
| Services and other                                | 15,000                       | 8,613            | 10,000              | -               | -                                      | 3,369           |
| Capital outlay                                    | -                            | -                | -                   | -               | -                                      | -               |
| Construction                                      | -                            | -                | -                   | -               | -                                      | -               |
| Transfers out                                     | -                            | -                | -                   | -               | -                                      | -               |
| <b>Total Disbursements</b>                        | <b>\$ 15,000</b>             | <b>\$ 8,613</b>  | <b>\$ 10,000</b>    | <b>\$ -</b>     | <b>\$ -</b>                            | <b>\$ 3,369</b> |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>    |                              |                  |                     |                 |                                        |                 |
|                                                   | \$ (4,800)                   | \$ 2,138         | \$ 30,000           | \$ -            | \$ -                                   | \$ 471          |
| <b>CASH AND CASH EQUIVALENTS,<br/>JANUARY 1</b>   |                              |                  |                     |                 |                                        |                 |
|                                                   | <u>12,978</u>                | <u>12,978</u>    | <u>1,513</u>        | <u>1,513</u>    | <u>811</u>                             | <u>811</u>      |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b> |                              |                  |                     |                 |                                        |                 |
|                                                   | <u>\$ 8,178</u>              | <u>\$ 15,116</u> | <u>\$ 31,513</u>    | <u>\$ 1,513</u> | <u>\$ 811</u>                          | <u>\$ 1,282</u> |

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

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

|                                                   | SENATE BILL 40 BOARD<br>FUND |                     | SENIOR SERVICES BOARD<br>FUND |                    |
|---------------------------------------------------|------------------------------|---------------------|-------------------------------|--------------------|
|                                                   | Budget                       | Actual              | Budget                        | Actual             |
| <b>RECEIPTS</b>                                   |                              |                     |                               |                    |
| Property taxes                                    | \$ 340,000                   | \$ 381,908          | \$ 125,000                    | \$ 136,146         |
| Sales taxes                                       | -                            | -                   | -                             | -                  |
| Intergovernmental                                 | -                            | -                   | -                             | -                  |
| Charges for services                              | 1,200                        | 955                 | 300                           | 250                |
| Interest                                          | -                            | -                   | -                             | -                  |
| Other                                             | -                            | -                   | -                             | -                  |
| Transfers in                                      | -                            | -                   | -                             | -                  |
| <b>Total Receipts</b>                             | <b>\$ 341,200</b>            | <b>\$ 382,863</b>   | <b>\$ 125,300</b>             | <b>\$ 136,396</b>  |
| <b>DISBURSEMENTS</b>                              |                              |                     |                               |                    |
| Salaries                                          | \$ -                         | \$ -                | \$ -                          | \$ -               |
| Employee fringe benefits                          | -                            | -                   | -                             | -                  |
| Materials and supplies                            | -                            | -                   | -                             | -                  |
| Services and other                                | 324,000                      | 494,464             | 201,300                       | 174,193            |
| Capital outlay                                    | -                            | -                   | -                             | -                  |
| Construction                                      | -                            | -                   | -                             | -                  |
| Transfers out                                     | -                            | -                   | -                             | -                  |
| <b>Total Disbursements</b>                        | <b>\$ 324,000</b>            | <b>\$ 494,464</b>   | <b>\$ 201,300</b>             | <b>\$ 174,193</b>  |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>    | <b>\$ 17,200</b>             | <b>\$ (111,601)</b> | <b>\$ (76,000)</b>            | <b>\$ (37,797)</b> |
| <b>CASH AND CASH EQUIVALENTS,<br/>JANUARY 1</b>   | <b>306,671</b>               | <b>306,671</b>      | <b>149,058</b>                | <b>149,058</b>     |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b> | <b>\$ 323,871</b>            | <b>\$ 195,070</b>   | <b>\$ 73,058</b>              | <b>\$ 111,261</b>  |

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

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

| Fund/Account                     | Cash and Cash<br>Equivalents |                      |                      | Cash and Cash<br>Equivalents<br>December 31 |
|----------------------------------|------------------------------|----------------------|----------------------|---------------------------------------------|
|                                  | January 1                    | Receipts             | Disbursements        |                                             |
| Treasurer Tax Surplus            | \$ 25,630                    | \$ 30,823            | \$ 10,211            | \$ 46,242                                   |
| Treasurer Common School Interest | 47,955                       | 173,696              | 187,075              | 34,576                                      |
| Treasurer Surtax                 | 10,754                       | 121,671              | 119,186              | 13,239                                      |
| Treasurer Unclaimed Fees         | 13                           | -                    | -                    | 13                                          |
| Treasurer CERF                   | 3                            | 453,436              | 453,314              | 125                                         |
| Treasurer FIT                    | 884                          | 805                  | 897                  | 792                                         |
| Treasurer Township Road & Bridge | 197,591                      | 928,905              | 933,633              | 192,863                                     |
| Treasurer PILT                   | -                            | 37,528               | 37,528               | -                                           |
| Treasurer State                  | -                            | 261                  | 261                  | -                                           |
| Treasurer Railroad Schools       | (1,000)                      | 49,374               | 48,374               | -                                           |
| Treasurer Deputy Wage Supplement | 200                          | 3,510                | 3,460                | 250                                         |
| Collector                        | 12,869,647                   | 18,794,793           | 17,793,208           | 13,871,232                                  |
| Recorder                         | 17,122                       | 117,956              | 117,686              | 17,392                                      |
| Prosecuting Attorney             | 4,929                        | 94,588               | 95,162               | 4,355                                       |
| Sheriff Fees                     | 32,680                       | 36,853               | 47,536               | 21,997                                      |
| Sheriff Jail Trust               | 247,154                      | 1,410,205            | 1,377,916            | 279,443                                     |
| Sheriff Posse                    | 19,848                       | 12,424               | 4,276                | 27,996                                      |
| Public Administrator             | 1,027,785                    | 864,893              | 1,092,361            | 800,317                                     |
| <b>Total</b>                     | <b>\$ 14,501,195</b>         | <b>\$ 23,131,721</b> | <b>\$ 22,322,084</b> | <b>\$ 15,310,832</b>                        |

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

**BATES COUNTY, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**B. Basis of Presentation**

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

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

### C. Basis of Accounting

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

### D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Prosecuting Attorney Bad Check Fund and Prosecuting Attorney Check Fee Fund in 2023.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Prosecuting Attorney Training and Senate Bill 40 Board Funds. Also, the expenditures of the Prosecuting Attorney Check Fee Fund exceeded budgetary authority to the extent that a formal budget was not adopted for this fund.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

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

|                        |                       |
|------------------------|-----------------------|
| Real Estate            | \$ 176,263,353        |
| Personal Property      | 75,304,662            |
| Railroad and Utilities | 41,758,388            |
| Total                  | <u>\$ 293,326,403</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       | \$ 0.2677 |
| Senate Bill 40 Board  | 0.1367    |
| Senior Services Board | 0.0489    |

In addition to the levy above, the County receives 5% of Road & Bridge taxes levied and collected by each township in 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 equivalents 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:

|                                                | Carrying Value | Bank Balance | FDIC Coverage |
|------------------------------------------------|----------------|--------------|---------------|
| Cash and Cash Equivalents - Governmental Funds | \$ 8,288,586   | \$ 8,731,910 | \$ 557,905    |
| Cash and Cash Equivalents - Fiduciary Funds    | 15,310,832     | 12,795,141   | 1,320,847     |

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 \$78,580 at December 31, 2023 held by the Sheriff in one bank that was not collateralized and \$22,767 held by the Public Administrator for one ward in one bank in excess of FDIC coverage.

## 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 \$453,314 for the year then ended.

## 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 \$10,659 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 five weeks of paid vacation based upon the number of years of continuous service. Only regular full-time employees who have completed their three-month introductory period are eligible to receive vacation time. Vacation time must be used in its entirety within the year that it is earned, and unused time is forfeited at year end. Vacation time is not paid out if the employment terminates. Regular full-time employees earn one day of sick leave for each calendar month of employment up to a maximum of 45 days. Unused sick leave is not paid out upon termination.

### B. Federal and State Assisted Programs

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

### C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

## 6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member 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

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

- A. On March 7, 2018, the county entered into a certificates of participation (COPS) agreement for \$6,580,000. Principal and interest payments are due April 15 and interest only payments are due every October 15, with variable rates ranging from 1.75% to 4%. In 2022, the COPS were

refinanced and \$4,825,000 of series 2022 certificates were issued. The following reflects the future payments due on the refinancing certificates:

| Fiscal Year Ending |                     |                   |                     |  |  |
|--------------------|---------------------|-------------------|---------------------|--|--|
| December 31,       | Principal           | Interest          | Total               |  |  |
| 2024               | \$ 500,000          | \$ 109,050        | \$ 609,050          |  |  |
| 2025               | 535,000             | 98,700            | 633,700             |  |  |
| 2026               | 535,000             | 88,000            | 623,000             |  |  |
| 2027               | 530,000             | 74,700            | 604,700             |  |  |
| 2028               | 525,000             | 58,875            | 583,875             |  |  |
| 2029-2031          | 1,700,000           | 77,100            | 1,777,100           |  |  |
| Totals             | <u>\$ 4,325,000</u> | <u>\$ 506,425</u> | <u>\$ 4,831,425</u> |  |  |

B. On October 29, 2018, the County entered into a lease purchase agreement for an armored officer transport truck. The lease was in the amount of \$87,000 with five annual payments of \$19,809. The agreement has an interest rate of 5.791%. The final payment was made in February 2023.

On December 14, 2020, the County entered into a lease purchase agreement for the purchase of 10 Chevrolet Tahoe's for the Sheriff's department. The lease is in the amount of \$319,500 with four annual payments of \$85,433. The agreement has an interest rate of 3.189%.

| Fiscal Year Ending |                  |                 |                  |  |  |
|--------------------|------------------|-----------------|------------------|--|--|
| December 31,       | Principal        | Interest        | Total            |  |  |
| 2024               | \$ 82,778        | \$ 2,655        | \$ 85,433        |  |  |
| Totals             | <u>\$ 82,778</u> | <u>\$ 2,655</u> | <u>\$ 85,433</u> |  |  |

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

| Description             | Balance<br>12/31/2022 | Additions | Payments     | Balance<br>12/31/2023 | Interest<br>Paid |
|-------------------------|-----------------------|-----------|--------------|-----------------------|------------------|
| COPS                    | \$4,825,000           | \$ -      | \$ (500,000) | \$4,325,000           | \$119,050        |
| Officer Transport Truck | 18,719                | -         | (18,719)     | -                     | 1,090            |
| 10 Sheriff Tahoe's      | 162,984               | -         | (80,206)     | 82,778                | 5,227            |

## 8. CHANGE IN REPORTING ENTITY

The County has changed the definition of the reporting entity at January 1, 2023 to include the Prosecuting Attorney Bad Check, DEA Forfeiture, and Prosecuting Attorney Check Fee Funds and to reclassify the Deputy Wage Supplement Fund as a fiduciary fund. This change had the effect of increasing the County's cash balances at January 1, 2023 by \$2,442.

## 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 22, 2024, the date the financial statements were available to be issued.

## **COMPLIANCE SECTION**

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## 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 Bates 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 Bates 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 Bates County, Missouri's basic financial statements and have issued our report thereon dated August 22, 2024.

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

In planning and performing our audit of the financial statements, we considered Bates 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 Bates County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Bates 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 Bates 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003.

### **Bates County, Missouri's Response to Findings**

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

### **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 22, 2024

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## 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 Bates County, Missouri

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

##### ***Qualified Opinion***

We have audited Bates 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 Bates County, Missouri's major federal programs for the year ended December 31, 2023. Bates 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, Bates 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 Bates 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 Bates 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, Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates 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 Bates County, Missouri's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Bates 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a material weakness.

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 Bates County, Missouri's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Bates 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.

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 22, 2024

**BATES COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

| Federal Assistance<br>Listing Number | Federal Grantor/Pass-Through Grantor/Program Title                 | Pass-Through Entity Identifying Number | Federal Expenditures       |
|--------------------------------------|--------------------------------------------------------------------|----------------------------------------|----------------------------|
|                                      | <b>U. S. DEPARTMENT OF THE INTERIOR</b>                            |                                        |                            |
|                                      | Direct Program -                                                   |                                        |                            |
| 15.226                               | Payment in Lieu of Taxes                                           |                                        | \$ 755                     |
|                                      | <b>U.S. DEPARTMENT OF JUSTICE</b>                                  |                                        |                            |
|                                      | Passed through Missouri Association of Prosecuting Attorneys -     |                                        |                            |
| 16.575                               | Crime Victim Assistance                                            | N/A                                    | 12,962                     |
|                                      | <b>U.S. DEPARTMENT OF TRANSPORTATION</b>                           |                                        |                            |
|                                      | Passed through Missouri Department of Transportation               |                                        |                            |
| 20.205                               | Highway Planning and Construction                                  | BRO-007(23)                            | 26,192                     |
|                                      | <b>U.S. DEPARTMENT OF THE TREASURY</b>                             |                                        |                            |
|                                      | Direct Program -                                                   |                                        |                            |
| 21.027                               | COVID 19 - Coronavirus State and Local Fiscal Recovery Funds       |                                        | 1,519,040                  |
| 21.032                               | COVID-19 - Local Assistance and Tribal Consistency Fund            |                                        | 8,381                      |
|                                      | <b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>               |                                        |                            |
|                                      | Passed through Missouri Department of Health and Senior Services - |                                        |                            |
| 93.563                               | Child Support Enforcement                                          | N/A                                    | 105                        |
|                                      | <b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>                       |                                        |                            |
|                                      | Passed through Missouri Department of Public Safety -              |                                        |                            |
| 97.042                               | Emergency Management Performance Grants                            | EMK-2023-EP-0004-006                   | 25,406                     |
|                                      | <b>Total Expenditures of Federal Awards</b>                        |                                        | <b><u>\$ 1,592,841</u></b> |

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**BATES 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 Bates 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.

**BATES 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  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards:**

**Internal Control Over Major Programs:**

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  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?  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  No

## **SECTION II – FINANCIAL STATEMENTS FINDINGS**

### **MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

### **SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None reported

### **ITEMS OF NONCOMPLIANCE**

#### **2023-001: Sheriff Turnover of Commissary Receipts**

Criteria: Section 221.102, RSMo states, “Each county jail shall keep revenues received from its canteen or commissary in a separate account. The acquisition cost of goods sold and other expenses shall be paid from this account. A minimum amount of money necessary to meet cash flow needs and current operating expenses may be kept in this account. The remaining funds from sales of each canteen or commissary shall be deposited into the “Inmate Prisoner Detainee Security Fund” and shall be expended for purposes provided in subsection 3 of section 488.5026.”

Condition: The Sheriff’s office receives funds from sales of jail commissary items. The commissary account is maintained by a third-party provider who separately tracks the financial activity for the inmate trust and commissary accounts. The total account balance as of December 31, 2023 was \$279,443, including \$24,199 reserved for current detainees and \$54,283 retained as unclaimed funds from previous detainee reserves. The remaining balance represents funds from commissary sales that have not been turned over to the Treasurer for deposit into the Inmate Security Fund. The Sheriff did turnover funds to the Treasurer on a monthly basis in 2023, but the amount retained is in excess of current operating needs.

Cause: The commissary bank account has accumulated funds from commissary revenues received in 2023 and previous years. The Sheriff has not deposited all remaining funds from commissary sales in excess of the amount necessary to meet current operating expenses into the Inmate Security Fund.

Effect: The Sheriff’s office has not fully turned over funds to the Treasurer for deposit into the Inmate Security Fund in accordance with state statute, leading to an excess accumulation of funds on hand.

Recommendation: We recommend the Sheriff’s office implement procedures to ensure that commissary sales funds in excess of current operating needs are turned over to the Treasurer for deposit into the Inmate Security Fund in compliance with RSMo 221.102.

County’s Response: We are working with our commissary company to determine the correct amount of funds to turn over to the County. This will be done within the next couple weeks.

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

## **2023-002: Sheriff's Collateralization of Bank Deposits**

Criteria: Public funds on deposit that exceed FDIC deposit insurance coverage limits must be secured by pledged collateral or other securities. Section 30.270, RSMo lists the types of collateral that are considered legally acceptable.

Condition: The Sheriff's office had a total bank balance at Adrian Bank of \$328,580 as of December 31, 2023. \$250,000 was covered by FDIC deposit insurance, leaving an uninsured balance of \$78,580.

Cause: The bank balances have accumulated in excess of FDIC coverage due to the Sheriff's office not completely turning over funds from commissary sales. See finding 2023-001.

Effect: Inadequate collateralization of public funds on deposit could result in the loss of funds in the event of bank failure.

Recommendation: We recommend the Sheriff implement procedures to ensure that any balances of public funds held on deposit in excess of FDIC coverage be adequately collateralized in accordance with state statute.

County's Response: Once the required monies in the commissary account are turned over to the Treasurer's Office then our accounts will be below the FDIC insured amounts. We now have a procedures in place to prevent the build up of these funds and will be turned over to the County monthly.

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

## **2023-003: Budgetary Compliance**

Criteria: State statutes prohibit expenditures in excess of approved budgets and require the preparation of a formal budget for all County funds.

Condition: The Senate Bill 40 Board's actual expenditures exceeded budgeted expenditures by \$170,464 in 2023.

Cause: Expenditures were approved in excess of budgeted amounts and the budgets were not amended.

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 Senate Bill 40 Board adhere to the authorized spending limits as documented in the adopted budget or follow the appropriate procedures to amend the budget.

Senate Bill 40 Board's Response: No response was provided by the Senate Bill 40 Board.

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

#### **2023-004: 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 a one-time Interim Report by August 31, 2021 or 60 days after receiving funding, and annual Project and Expenditure Reports to the Department of the Treasury (Treasury) by April 30 of each year.

Condition: The County has not submitted the one-time interim report and has not submitted annual Project and Expenditure reports to Treasury in accordance with SLFRF reporting requirements. This is a repeat of finding 2022-001 noted in the prior audit report.

Cause: Per the County Commissioner's office, the County neglected to submit the required reports to Treasury.

Effect: The County is not in compliance with the reporting requirements of the SLFRF program.

Recommendation: We recommend the County file the required reports for the SLFRF program and implement procedures to ensure that future reports are filed in a timely manner.

County's Response: I have tried numerous times to get into the Treasury portal to locate the forms to report how much money went to who. I have even had Treasury personnel on the phone talking me through to get the forms and they couldn't get them.

All I can do is keep trying to locate the forms to upload the information. We have all the applications for the funds accounted for and the money accounted for. It's just uploading the information that has been the problem.

We have until 31 December to allocate the funds and the funds have to be used by 2026.

Auditor's Evaluation: The County should review the Treasury's Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds and ensure that reports are filed as required.

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

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



## BATES COUNTY COMMISSION

103 W. DAKOTA STREET - ROOM 5 - BUTLER, MISSOURI 64730-2007

PHONE 660-679-3871 - FAX 660-227-7090

Email: [batescountycommissioners@gmail.com](mailto:batescountycommissioners@gmail.com)

Website: [www.batescounty.net](http://www.batescounty.net)

Ken Mooney  
Northern Commissioner

Jim Wheatley  
Presiding Commissioner

Trent Nelson  
Southern Commissioner

### BATES COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2022-001: The County did not file any of the required periodic financial reports to the Treasury in accordance with SLFRF reporting requirements

Status: Not resolved, see finding 2023-004.

BATES 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:** Chad Anderson, Sheriff

**Views of Responsible Individuals:** The Sheriff provided the following response by email on December 31, 2024:

We are working with our commissary company to determine the correct amount of funds to turn over to the County. This will be done within the next couple weeks.

**Finding Reference Number:** 2023-002

**Federal Agency:** N/A

**Program Name:** N/A

**Assistance Listing Number:** N/A

**Responsible Official:** Chad Anderson, Sheriff

**Views of Responsible Individuals:** The Sheriff provided the following response by email on December 31, 2024:

Once the required monies in the commissary account are turned over to the Treasurer's Office then our accounts will be below the FDIC insured amounts. We now have a procedure in place to prevent the build up of these funds and will be turned over to the County monthly.



## Office of the Bates County Commissioners

Memorandum to: McBride, Lock & Associates

Date: 4 September 2024

Subject: Draft Audit Report - Response from the Commission

Reference Finding # 2023-004, reporting of ARPA Funds to Treasury. I have tried numerous times to get into the Treasury Portal to locate the forms to report how much money went to who. I have even had Treasury personnel on the phone talking me through to get the forms and they couldn't get them.

All I can do is keep trying to locate the forms to upload the information. We have all the applications for the funds accounted for and the money accounted for. It's just uploading the information that has been the problem.

We have until 31 December to allocate the funds and the funds have to be used by 2026.



Jim Wheatley  
Presiding Commissioner

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## McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

November 7, 2024

To the County Commission  
Bates County, Missouri

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

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

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

#### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected during the audit.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 7, 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 Bates 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 7, 2024.

### Public Administrator's Collateralization of Bank Deposits

We reviewed the summary of cash balances for ward bank accounts held by the Public Administrator as of December 31, 2023. There was one ward bank account with an account balance on deposit of \$272,767. \$250,000 was covered by FDIC deposit insurance, leaving an uninsured balance of \$22,767.

Funds on deposit that exceed FDIC deposit insurance coverage limits should be secured by pledged collateral or other securities to avoid the risk of loss in the event of bank failure.

We recommend the Public Administrator implement procedures to ensure that any balances of funds held on deposit in excess of FDIC coverage be adequately collateralized.

#### Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles prescribed or permitted by Missouri law, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

#### Restriction on Use

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