



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Benton County, Missouri

The Office of the State Auditor contracted for an audit of Benton 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 Stopp & VanHoy, CPAs and Business Advisors, is attached.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

July 2025
Report No. 2025-042



Recommendations in the contracted audit of Benton County

2023-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.
2023-002	The county utilize their accounting software to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the county to engage a qualified accounting firm or software specialist who is knowledgeable with the software that that county uses to fully correct this issue.
2023-003	The county implement internal controls to ensure that the Schedule of Expenditures of Federal Awards (SEFA) completely and accurately states the expenditures of federal awards of the county each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.
2023-004	The county implement internal controls to ensure that suspension and debarment assessments are performed during the procurement and contracting phase. In addition, sufficient documentation should be retained to evidence suspension and debarment verification is performed.

**The County of Benton
Warsaw, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2023**



**The County of Benton
Warsaw, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Benton County, Missouri

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

We have audited the accompanying financial statements of Benton County, Missouri, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Benton County, Missouri's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects, if any, of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the accompanying financial statements present fairly, in all material respects, the cash balances of each fund of Benton 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 basis of accounting practices 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 do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Benton County, Missouri as of December 31, 2023, or the changes in financial position and cash flows 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 (GAAS) 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 Benton 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 opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Benton County, Missouri has not adequately tracked cash and fund balances for all funds of the County for the year ended December 31, 2023. We were unable to verify that the beginning and ending bank balances reconcile to cash and fund balances on the fund level. The amounts by which cash and fund balances are misstated, although not reasonably determinable, are presumed to be material.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Benton County, Missouri on the basis of accounting practices prescribed or permitted by the State of Missouri to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the financial statements in accordance with accounting practices prescribed or permitted by the State of Missouri to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. 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 Benton 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 opinions. 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 GAAS 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 GAAS 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 Benton County, Missouri'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 Benton 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. Such 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 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 March 3, 2025 on our consideration of Benton 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 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 Benton County, Missouri's internal control over financial reporting and compliance.



St. Louis, Missouri
March 3, 2025

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

<u>Fund</u>	Cash and Equivalents January 1, 2023	Receipts 2023	Disbursements 2023	Cash and Equivalents December 31, 2023
General Revenue	\$ 1,161,771	\$ 5,548,462	\$ 4,567,360	\$ 2,142,873
Special Road and Bridge	855,217	1,992,860	1,774,430	1,073,647
Assessment	570,570	465,182	517,399	518,353
Capital Improvement	1,719,671	1,551,379	1,481,507	1,789,543
E-911	817,342	1,090,230	1,009,693	897,879
Adult Abuse	5,518	4,327	7,429	2,416
Law Enforcement	9,224	1,421	5,278	5,367
Prosecuting Attorney Training	2,508	1,785	780	3,513
Recorder User	59,335	21,475	17,465	63,345
Sheriff Civil	27,525	24,949	1,710	50,764
Drug Abuse Resistance Education (DARE)	6,533	342	2,000	4,875
Sheriff Revolving	43,413	10,943	23,771	30,585
Sheriff Inmate Security	165,867	232,518	191,655	206,730
Election Services	3,332	641	945	3,028
Help America Vote Act (HAVA)	820	3,280	3,280	820
General Investment	1,030,302	56,433	-	1,086,735
County Aid Road Trust Investment	74,145	879,106	871,295	81,956
Tax Maintenance	59,143	43,240	30,407	71,976
Administrative Handling Cost	14,442	2,220	5,064	11,598
Law Enforcement Sales Tax	1,017,145	2,450,945	2,556,494	911,596
Jail Sales Tax	2,938,125	1,500,583	1,052,420	3,386,288
Senior Citizens Services Board	71,131	165,548	175,990	60,689
American Rescue Plan	1,476,216	52,170	955,622	572,764
Local Assistance and Tribal Consistency	230,751	248,094	118,600	360,245
Law Enforcement Restitution	-	839	-	839
Total	\$ 12,360,046	\$ 16,348,972	\$ 15,370,594	\$ 13,338,424

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 441,467	\$ 439,446
Sales Taxes	2,191,720	2,191,716
Intergovernmental	440,843	358,107
Charges for Services	559,715	518,515
Interest	80,000	79,224
Other Receipts	69,775	57,362
Transfers In	2,218,899	1,904,092
Total Receipts	6,002,419	5,548,462
<u>Disbursements</u>		
County Commission	278,771	268,739
County Clerk	138,345	134,175
Elections	102,520	56,867
Building and Grounds	81,048	75,440
Employee Fringe Benefits	573,606	512,878
County Treasurer	66,716	66,361
Collector	185,940	179,737
Recorder of Deeds	124,460	117,503
Circuit Clerk	36,100	14,963
Court Administration	104,816	60,975
Public Administrator	82,941	82,061
Sheriff	1,217,841	1,152,363
Jail	1,078,575	1,078,073
Prosecuting Attorney	401,746	365,896
Juvenile Officer	71,729	60,531
Coroner	122,980	100,072
Emergency Management	38,606	36,933
Extension Office	41,415	41,415
Other Disbursements	566,555	137,618
Transfers Out	24,760	24,760
Emergency Fund	173,010	-
Total Disbursements	5,512,480	4,567,360
Receipts Over (Under)		
Disbursements	\$ 489,939	\$ 981,102
Cash and Equivalents, Jan 1	1,161,771	1,161,771
Cash and Equivalents, Dec 31	\$ 1,651,710	\$ 2,142,873

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 672,058	\$ 671,028
Sales Taxes	210,850	210,840
Intergovernmental	401,452	167,026
Charges for Services	-	-
Interest	45,000	41,338
Other Receipts	29,500	12,283
Transfers In	890,344	890,345
Total Receipts	2,249,204	1,992,860
<u>Disbursements</u>		
Salaries	653,894	631,575
Employee Fringe Benefits	194,911	190,851
Supplies	251,600	234,104
Insurance	41,400	39,577
Road and Bridge Materials	262,500	259,333
Equipment Repairs	150,000	152,172
Equipment Purchases	45,560	45,560
Road and Bridge Construction	368,500	131,062
Other Disbursements	95,248	90,196
Transfers Out	-	-
Total Disbursements	2,063,613	1,774,430
Receipts Over (Under)		
Disbursements	\$ 185,591	\$ 218,430
Cash and Equivalents, Jan 1	855,217	855,217
Cash and Equivalents, Dec 31	\$ 1,040,808	\$ 1,073,647

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Assessment Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	424,028	382,367
Charges for Services	19,000	13,799
Interest	33,000	32,381
Other Receipts	-	-
Transfers In	36,635	36,635
Total Receipts	512,663	465,182
<u>Disbursements</u>		
Salaries	359,091	359,089
Employee Fringe Benefits	84,255	84,102
Materials and Supplies	18,800	18,098
Services	22,775	9,759
Other Disbursements	9,000	9,200
Capital Outlay	51,100	37,151
Transfers Out	-	-
Total Disbursements	545,021	517,399
Receipts Over (Under)		
Disbursements	\$ (32,358)	\$ (52,217)
Cash and Equivalents, Jan 1	570,570	570,570
Cash and Equivalents, Dec 31	\$ 538,212	\$ 518,353

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Capital Improvement Fund		E-911 Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,352,352	1,352,350	1,014,265	1,014,263
Intergovernmental	-	-	14,000	-
Charges for Services	-	-	1,500	14,756
Interest	95,220	94,954	44,040	44,037
Other Receipts	132,500	100,795	5,000	324
Transfers In	3,280	3,280	16,850	16,850
Total Receipts	<u>1,583,352</u>	<u>1,551,379</u>	<u>1,095,655</u>	<u>1,090,230</u>
<u>Disbursements</u>				
Salaries	-	-	707,542	696,964
Employee Fringe Benefits	-	-	123,189	106,226
Materials and Supplies	-	-	12,150	16,154
Services	57,000	56,064	69,943	53,068
Other Disbursements	90,533	90,533	6,001	5,994
Capital Outlay	1,606,850	1,313,526	141,970	131,287
Transfers Out	21,384	21,384	-	-
Total Disbursements	<u>1,775,767</u>	<u>1,481,507</u>	<u>1,060,795</u>	<u>1,009,693</u>
Receipts Over (Under)				
Disbursements	\$ (192,415)	\$ 69,872	\$ 34,860	\$ 80,537
Cash and Equivalents, Jan 1	<u>1,719,671</u>	<u>1,719,671</u>	<u>817,342</u>	<u>817,342</u>
Cash and Equivalents, Dec 31	<u>\$ 1,527,256</u>	<u>\$ 1,789,543</u>	<u>\$ 852,202</u>	<u>\$ 897,879</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Adult Abuse Fund		Law Enforcement Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,202	4,200	5,000	1,421
Interest	130	127	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>4,332</u>	<u>4,327</u>	<u>5,000</u>	<u>1,421</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	7,500	7,429	5,600	5,278
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>7,500</u>	<u>7,429</u>	<u>5,600</u>	<u>5,278</u>
Receipts Over (Under)				
Disbursements	\$ (3,168)	\$ (3,102)	\$ (600)	\$ (3,857)
Cash and Equivalents, Jan 1	<u>5,518</u>	<u>5,518</u>	<u>9,224</u>	<u>9,224</u>
Cash and Equivalents, Dec 31	<u>\$ 2,350</u>	<u>\$ 2,416</u>	<u>\$ 8,624</u>	<u>\$ 5,367</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Prosecuting Attorney Training Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	1,800	1,785
Interest	-	-
Other Receipts	-	-
Transfers In	-	-
Total Receipts	<u>1,800</u>	<u>1,785</u>
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	1,560	780
Other Disbursements	-	-
Capital Outlay	-	-
Transfers Out	-	-
Total Disbursements	<u>1,560</u>	<u>780</u>
Receipts Over (Under)		
Disbursements	\$ 240	\$ 1,005
Cash and Equivalents, Jan 1	<u>2,508</u>	<u>2,508</u>
Cash and Equivalents, Dec 31	<u><u>\$ 2,748</u></u>	<u><u>\$ 3,513</u></u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Recorder User Fund		Sheriff Civil Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	22,500	18,173	26,000	24,949
Interest	3,400	3,302	-	-
Other Receipts	200	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>26,100</u>	<u>21,475</u>	<u>26,000</u>	<u>24,949</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	500	287	1,000	90
Services	5,500	470	-	-
Other Disbursements	600	59	4,000	1,620
Capital Outlay	1,200	617	-	-
Transfers Out	21,400	16,032	-	-
Total Disbursements	<u>29,200</u>	<u>17,465</u>	<u>5,000</u>	<u>1,710</u>
Receipts Over (Under)				
Disbursements	\$ (3,100)	\$ 4,010	\$ 21,000	\$ 23,239
Cash and Equivalents, Jan 1	<u>59,335</u>	<u>59,335</u>	<u>27,525</u>	<u>27,525</u>
Cash and Equivalents, Dec 31	<u><u>\$ 56,235</u></u>	<u><u>\$ 63,345</u></u>	<u><u>\$ 48,525</u></u>	<u><u>\$ 50,764</u></u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Drug Abuse Resistance Education (DARE) Fund		Sheriff Revolving Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	8,270	7,230
Interest	350	342	4,200	3,713
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>350</u>	<u>342</u>	<u>12,470</u>	<u>10,943</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	2,000	2,000	-	6,678
Services	-	-	3,000	5,860
Other Disbursements	-	-	18,500	694
Capital Outlay	-	-	4,000	8,459
Transfers Out	-	-	2,080	2,080
Total Disbursements	<u>2,000</u>	<u>2,000</u>	<u>27,580</u>	<u>23,771</u>
Receipts Over (Under)				
Disbursements	\$ (1,650)	\$ (1,658)	\$ (15,110)	\$ (12,828)
Cash and Equivalents, Jan 1	<u>6,533</u>	<u>6,533</u>	<u>43,413</u>	<u>43,413</u>
Cash and Equivalents, Dec 31	<u>\$ 4,883</u>	<u>\$ 4,875</u>	<u>\$ 28,303</u>	<u>\$ 30,585</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Sheriff Inmate Security Fund		Election Services Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	232,400	213,598	1,500	641
Interest	8,825	8,800	-	-
Other Receipts	10,120	10,120	-	-
Transfers In	-	-	-	-
Total Receipts	<u>251,345</u>	<u>232,518</u>	<u>1,500</u>	<u>641</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	201,250	151,651	-	87
Services	-	-	1,200	851
Other Disbursements	-	-	100	7
Capital Outlay	-	-	200	-
Transfers Out	40,004	40,004	-	-
Total Disbursements	<u>241,254</u>	<u>191,655</u>	<u>1,500</u>	<u>945</u>
Receipts Over (Under)				
Disbursements	\$ 10,091	\$ 40,863	\$ -	\$ (304)
Cash and Equivalents, Jan 1	<u>165,867</u>	<u>165,867</u>	<u>3,332</u>	<u>3,332</u>
Cash and Equivalents, Dec 31	<u>\$ 175,958</u>	<u>\$ 206,730</u>	<u>\$ 3,332</u>	<u>\$ 3,028</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Help America Vote Act (HAVA) Fund		General Investment Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	3,280	3,280	-	-
Charges for Services	-	-	-	-
Interest	-	-	57,000	56,433
Other Receipts	100	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>3,380</u>	<u>3,280</u>	<u>57,000</u>	<u>56,433</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	100	-	-	-
Transfers Out	3,280	3,280	-	-
Total Disbursements	<u>3,380</u>	<u>3,280</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ -	\$ 57,000	\$ 56,433
Cash and Equivalents, Jan 1	<u>820</u>	<u>820</u>	<u>1,030,302</u>	<u>1,030,302</u>
Cash and Equivalents, Dec 31	<u>\$ 820</u>	<u>\$ 820</u>	<u>\$ 1,087,302</u>	<u>\$ 1,086,735</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	County Aid Road Trust Investment Fund		Tax Maintenance Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	854,876	854,876	-	-
Charges for Services	-	-	35,950	39,886
Interest	24,229	24,230	900	3,250
Other Receipts	-	-	-	104
Transfers In	-	-	-	-
Total Receipts	<u>879,105</u>	<u>879,106</u>	<u>36,850</u>	<u>43,240</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	4,800	5,146
Services	-	-	3,470	4,978
Other Disbursements	-	-	100	98
Capital Outlay	-	-	1,250	185
Transfers Out	871,295	871,295	20,000	20,000
Total Disbursements	<u>871,295</u>	<u>871,295</u>	<u>29,620</u>	<u>30,407</u>
Receipts Over (Under)				
Disbursements	\$ 7,810	\$ 7,811	\$ 7,230	\$ 12,833
Cash and Equivalents, Jan 1	<u>74,145</u>	<u>74,145</u>	<u>59,143</u>	<u>59,143</u>
Cash and Equivalents, Dec 31	<u><u>\$ 81,955</u></u>	<u><u>\$ 81,956</u></u>	<u><u>\$ 66,373</u></u>	<u><u>\$ 71,976</u></u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Administrative Handling Cost Fund		Law Enforcement Sales Tax Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	338,000	337,874
Intergovernmental	-	-	-	-
Charges for Services	2,950	1,630	2,056,405	2,049,736
Interest	1,250	590	65,000	62,579
Other Receipts	100	-	1,000	756
Transfers In	-	-	-	-
Total Receipts	<u>4,300</u>	<u>2,220</u>	<u>2,460,405</u>	<u>2,450,945</u>
<u>Disbursements</u>				
Salaries	5,000	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	1,000	-	272,500	252,551
Services	9,642	4,970	455,120	438,547
Other Disbursements	-	94	2,500	2,103
Capital Outlay	2,000	-	133,500	129,526
Transfers Out	-	-	1,733,767	1,733,767
Total Disbursements	<u>17,642</u>	<u>5,064</u>	<u>2,597,387</u>	<u>2,556,494</u>
Receipts Over (Under)				
Disbursements	\$ (13,342)	\$ (2,844)	\$ (136,982)	\$ (105,549)
Cash and Equivalents, Jan 1	<u>14,442</u>	<u>14,442</u>	<u>1,017,145</u>	<u>1,017,145</u>
Cash and Equivalents, Dec 31	<u>\$ 1,100</u>	<u>\$ 11,598</u>	<u>\$ 880,163</u>	<u>\$ 911,596</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Jail Sales Tax Fund		Senior Citizens Services Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 150,000	\$ 156,591
Sales Taxes	1,349,865	1,349,863	-	-
Intergovernmental	-	-	-	8,603
Charges for Services	-	-	-	-
Interest	160,000	150,720	500	354
Other Receipts	1,000	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,510,865</u>	<u>1,500,583</u>	<u>150,500</u>	<u>165,548</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	9,546	45	58
Services	140,995	113,729	175,955	175,932
Other Disbursements	-	-	-	-
Capital Outlay	-	15,294	-	-
Debt Service	916,338	913,851	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,057,333</u>	<u>1,052,420</u>	<u>176,000</u>	<u>175,990</u>
Receipts Over (Under)				
Disbursements	\$ 453,532	\$ 448,163	\$ (25,500)	\$ (10,442)
Cash and Equivalents, Jan 1	<u>2,938,125</u>	<u>2,938,125</u>	<u>71,131</u>	<u>71,131</u>
Cash and Equivalents, Dec 31	<u><u>\$ 3,391,657</u></u>	<u><u>\$ 3,386,288</u></u>	<u><u>\$ 45,631</u></u>	<u><u>\$ 60,689</u></u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	American Rescue Plan Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	52,170	52,170
Other Receipts	-	-
Transfers In	-	-
Total Receipts	52,170	52,170
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	-	-
Other Disbursements	-	-
Capital Outlay	955,625	955,622
Transfers Out	-	-
Total Disbursements	955,625	955,622
Receipts Over (Under)		
Disbursements	\$ (903,455)	\$ (903,452)
Cash and Equivalents, Jan 1	1,476,216	1,476,216
Cash and Equivalents, Dec 31	\$ 572,761	\$ 572,764

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2023

	Local Assistance and Tribal Consistency Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	230,063	230,063	-	-
Charges for Services	-	-	4,000	839
Interest	18,035	18,031	250	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>248,098</u>	<u>248,094</u>	<u>4,250</u>	<u>839</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	2,000	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	118,600	118,600	-	-
Total Disbursements	<u>118,600</u>	<u>118,600</u>	<u>2,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ 129,498	\$ 129,494	\$ 2,250	\$ 839
Cash and Equivalents, Jan 1	<u>230,751</u>	<u>230,751</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u>\$ 360,249</u>	<u>\$ 360,245</u>	<u>\$ 2,250</u>	<u>\$ 839</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2023

	Collector	Recorder	Sheriff	Treasurer	Total
Assets					
Cash and Equivalents	\$ 12,352,068	\$ 14,337	\$ 59,843	\$ 283,727	\$ 12,709,975
Total Assets	12,352,068	14,337	59,843	283,727	12,709,975
Liabilities and Fund Balances					
Total Liabilities	12,352,068	14,337	59,843	283,727	12,709,975
	12,352,068	14,337	59,843	283,727	12,709,975
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 12,352,068	\$ 14,337	\$ 59,843	\$ 283,727	\$ 12,709,975

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Organized in 1835, the county of Benton was named after United States Senator Thomas Hart Benton. It is a third-class county, and the county seat is Warsaw. Benton County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Benton County, Missouri and the Benton County Senior Citizens Services Board.

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

The financial statements referred to above include only the primary government of Benton County, Missouri which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The Senior Citizens Services Board is controlled by a separate board and also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statement of Assets and Liabilities Arising from Cash Transactions - Custodial Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Benton County and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

**The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., Benton County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures: Tax Maintenance Fund.

Taxes

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 County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes (continued)

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

Real Estate	\$ 237,546,410
Personal Property	105,992,534
Railroad and Utilities	15,361,805
	<u>\$ 358,900,749</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year for the purpose of County taxation, was as follows:

General Revenue	\$ 0.1300
Special Road and Bridge	0.2107
Senior Citizens Services Board	0.0472

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

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

Interfund Transactions

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.

**The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 2 - Deposits and Investments

Benton County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2023, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 26,048,399	\$ 26,183,632
Investments	-	-
Total Deposits and Investments as of December 31, 2023	<u>\$ 26,048,399</u>	<u>\$ 26,183,632</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 13,338,424	
Total Cash and Equivalents - Custodial Funds	<u>12,709,975</u>	
	<u>\$ 26,048,399</u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2023, \$745,057 of the County's deposits and investments were not covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Benton County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Benton County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 3 - Long-Term Debt

In 2017, the County entered into a financing agreement with John Deere Financial for a used 2015 JD 410L Loader Backhoe for \$105,428. The agreement requires five annual payments of \$23,440, which includes interest payable at 3.500%. The financing agreement expired on January 20, 2023.

In 2019, the County entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc., for a 2019 6105E Cab Tractor for \$65,417. The agreement requires four annual payments of \$17,620, which includes interest payable at 3.008%. The financing agreement expired on August 26, 2023.

In 2019, the County issued \$7,200,000 Series 2019 Certificates of Participation for the purpose of paying for the construction of a new jail for detention facilities and administrative space as well as paying for certain costs in connection with the execution and delivery of the Series 2019 Certificates. The Certificates bear interest at 2.750% - 3.375% and mature in April of 2039.

In 2020, the County issued \$5,200,000 Series 2020 Certificates of Participation for the purpose of paying for the construction of a new jail for detention facilities and administrative space as well as paying for certain costs in connection with the execution and delivery of the Series 2020 Certificates. The Certificates bear interest at 3.000% and mature in April of 2034.

	Balance at 12/31/22	Amount Borrowed	Amount Repaid	Balance at 12/31/23	Interest Paid During Year
JD 410L Loader Backhoe	\$ 22,635	\$ -	\$ (22,635)	\$ -	\$ 805
6105E Cab Tractor	17,099	-	(17,099)	-	522
Series 2019 COP's	7,200,000	-	-	7,200,000	230,737
Series 2020 COP's	4,675,000	-	(550,000)	4,125,000	132,000
	<u>\$ 11,914,734</u>	<u>\$ -</u>	<u>\$ (589,734)</u>	<u>\$ 11,325,000</u>	<u>\$ 364,064</u>

As of December 31, 2023, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 565,000	\$ 346,013	\$ 911,013
2025	575,000	328,913	903,913
2026	575,000	311,663	886,663
2027	585,000	294,263	879,263
2028	595,000	276,562	871,562
2029-2033	3,390,000	1,096,162	4,486,162
2034-2038	4,115,000	513,702	4,628,702
2039	925,000	15,609	940,609
Total	<u>\$ 11,325,000</u>	<u>\$ 3,182,887</u>	<u>\$ 14,507,887</u>

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 4 - Interfund Transfers

Transfers between funds for the year ended December 31, 2023 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 1,904,092	\$ 24,760
Special Road and Bridge	890,345	-
Assessment	36,635	-
Capital Improvement	3,280	21,384
E-911	16,850	-
Recorder User	-	16,032
Sheriff Revolving	-	2,080
Sheriff Inmate Security	-	40,004
Help America Vote Act (HAVA)	-	3,280
County Aid Road Trust Investment	-	871,295
Tax Maintenance	-	20,000
Law Enforcement Sales Tax	-	1,733,767
Local Assistance and Tribal Consistency	-	118,600
Total	<u>\$ 2,851,202</u>	<u>\$ 2,851,202</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected 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 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.

Benefits Provided

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 of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)(continued)

Benefits Provided (continued)

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, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2023, the County collected and remitted to CERF, employee contributions of \$255,710 for the year ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$214,889 for the year ended December 31, 2023.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute 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 Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 for the year ended December 31, 2023.

Note 7 - Other Retirement Plans

Benton County has 457 and 401(a) plans administered which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 457 plan were \$71,646, and employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 401(a) plan were \$30,734.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 8 - 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.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of such matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides full-time employees with up to 40 days of sick time, to accrue at three-fourths day per complete calendar month of employment. Upon termination, employees are compensated for 25% to 50% of accrued sick time depending on the length of employment. Vacation time is accrued for every full-time employee, and accrues up to fifteen days per year depending on length of employment. However, employees may only carry over ten vacation days from one year to the next. Any days accrued in excess of ten days will be forfeited at the end of the year. Employees are not compensated for unused vacation time at termination.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - 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 also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 11 - 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 have been evaluated through March 3, 2025, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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*

Independent Auditor's Report

To the County Commission and
Officeholders of Benton 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 (*Government Auditing Standards*), the accompanying financial statements of Benton County, Missouri as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Benton County, Missouri's basic financial statements, and have issued our report thereon dated March 3, 2025. Our report modifies an opinion on such financial statements due to inadequate reconciliation of beginning and ending fund balances and bank balances.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Benton 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Benton 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 Benton County, Missouri's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Benton 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

Benton County, Missouri's Response to Findings

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

Purpose of This Report

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

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

St. Louis, Missouri
March 3, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission and
Officeholders of Benton County, Missouri

Report on Compliance for Each Major Federal Program

Qualified Opinion

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

Qualified Opinion on COVID-19 Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Benton County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 Coronavirus State and Local Fiscal Recovery Funds 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Benton 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 Benton County, Missouri's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on COVID-19 Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying schedule of findings and questioned costs, Benton County, Missouri did not comply with requirements regarding Assistance Listing No. 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2023-004 for Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for Benton 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 Benton 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 Benton 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 GAAS, *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 Benton County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Benton 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 Benton 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 Benton 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

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Benton County, Missouri's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Benton 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 purpose 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2024-004 to be significant deficiencies.

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



St. Louis, Missouri
March 3, 2025

**The County of Benton
Warsaw, Missouri
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Defense				
Passed through state:				
Missouri Office of Administration				
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	\$ 100,572	\$ 94,940
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	n/a	181,053	-
U.S. Department of Justice				
Passed through state:				
Missouri Association of Prosecuting Attorneys				
Crime Victim Assistance	16.575	MAPA22-23Benton	26,072	-
Crime Victim Assistance	16.575	MAPA23-24Benton	8,448	-
			<u>34,520</u>	<u>-</u>
Passed through state:				
Missouri Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	FY 2022 LLEBG	3,733	-
			<u>38,253</u>	<u>-</u>
U.S. Department of Transportation				
Passed through state:				
Missouri Department of Transportation				
Highway Planning and Construction	20.205	BRO-R008(16)	45,117	-
Highway Planning and Construction	20.205	BRO-R008(19)	21,760	-
			<u>66,877</u>	<u>-</u>
U.S. Department of Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	955,622	-
Direct Program:				
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	n/a	118,600	-
			<u>1,074,222</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through state:				
Missouri Department of Public Safety				
Emergency Management Performance Grants	97.042	EMK-2022-EP-00004-008	839	-
Total Expenditures of Federal Awards			<u>\$ 1,461,816</u>	<u>\$ 94,940</u>

See Notes to the Schedule of Expenditures of Federal Awards

The County of Benton
Warsaw, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply 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). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the assistance listing number or other identifying number when the assistance listing number is not available.

This schedule includes all federal awards administered by Benton County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Benton County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Benton County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Federal expenditures are considered to have occurred when cash is disbursed for allowable expenditures.

Benton County, Missouri has not elected to use the 10% de minimis indirect cost rate.

**The County of Benton
Warsaw, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Qualified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiencies identified that are
not considered to be material weaknesses?

 Yes X None Reported

Any noncompliance material to financial
statements noted?

 X Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X 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 section 2 CFR section 200.516(a)?

 X Yes No

Identification of Major Programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19 Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish
between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes X No

**The County of Benton
Warsaw, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023**

Section 2 - Financial Statement Findings

2023-001 **Criteria:** Missouri statutes require Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures: Tax Maintenance Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgeted expenditures in certain funds.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The 2022 audit noted that the Tax Maintenance Fund was not corrected by a year-end budget adjustment. The 2023 audit noted that this occurred again. However, based upon recommendations of previous audits, on October 28, 2024, an adjustment was made to correct revenue and expenses for this fund for FY2024. We anticipate that this procedure will be utilized in the future.

2023-002 **Criteria:** Strong internal controls over financial statement reporting require that cash and fund balances be tracked for all funds.

Condition: During our audit, we noted the County was not adequately tracking cash and fund balances for all County funds within the accounting system. Beginning cash balances per the Treasurer's records did not reconcile to beginning fund balances by \$42,870. Ending cash balances per the Treasurer's records did not reconcile to ending fund balances by \$61,965.

Cause: The County is not properly tracking cash and fund balances within their accounting system due to uncorrected software entry errors.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer, it is possible that cash and fund balances are materially misstated due to error or fraud.

Recommendation: We recommend that the County utilize their accounting software to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the County to engage a qualified accounting firm or software specialist who is knowledgeable with the software that the County uses to fully correct this issue.

Management's Response: The discrepancy between cash and fund balances has been an on-going problem. However, locating the original and subsequent short-falls is probably impossible. If acceptable, the Treasurer could generate an adjustment amount so that so that FY2025 could be tracked and reconciled on a monthly basis. The Commissioners, the Treasurer, and the County Clerk will seek assistance from a Certified Public Accounting (CPA) firm to determine if this one-time adjustment could be conducted.

The County of Benton
Warsaw, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023

Section 3 - Federal Award Findings

2023-003 **Criteria:** Title 2 *U.S. Code of Federal Regulations* Part 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual program, program title and assistance listing number, programs required to be identified as part of a cluster, name of the pass-through entity and identifying number assigned by the pass-through entity for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedule of expenditures of federal awards (SEFA) reported by the County in the annual budget documents contained errors in amounts of federal expenditures reported. Additionally, the schedule did not include the identification of programs required to be part of a cluster, names of pass-through entities, identifying numbers assigned by the pass-through entities, or total amounts provided to subrecipients for the applicable programs.

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

Federal Agency	Assistance Listing Number	Federal Program	Original SEFA	As Corrected	Difference
Defense	12.112	Payments to States in Lieu of Real Estate Taxes	\$ 100,572	\$ 100,572	\$ -
Interior	15.226	Payments in Lieu of Taxes	181,053	181,053	-
Justice	16.575	Crime Victim Assistance	32,413	34,520	(2,107)
Justice	16.738	Edward Byrne Memorial Justice Assistance Grant	-	3,733	(3,733)
Transportation	20.205	Highway Planning and Construction	13,375	66,877	(53,502)
Treasury	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	955,622	955,622	-
Treasury	21.032	COVID-19 Local Assistance and Tribal Consistency Fund	118,600	118,600	-
Homeland Sec.	97.042	Emergency Management Performance Grants	839	839	-
			<u>\$ 1,402,474</u>	<u>\$ 1,461,816</u>	<u>\$ (59,342)</u>

The County reported \$13,375 in expenditures under assistance listing number 20.205 - Highway Planning and Construction, however, underlying accounting records support expenditures of \$66,877.

**The County of Benton
Warsaw, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023**

Section 3 - Federal Award Findings (continued)

2023-003 **Cause:** The County has not implemented a proper system of internal control over SEFA preparation, such as a (cont.) reconciliation to underlying accounting records or having a separate individual review the SEFA for clerical accuracy after it has been prepared. Reasons for discrepancies varied.

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

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

Management's Response: 16.575 - U.S. Department of Justice - Crime Victim Assistance Grant. This grant provides the salary and expenses for the Prosecuting Attorney's Victim Advocate. The County Clerk utilized the year-end expenses for the Victim Advocate grant effort which included salary, office expenses, mileage and training expenses. Our records show that a grant reimbursement of \$34,583 was received for 2023. In the future, the County Clerk will ensure the total grant reimbursement amounts are utilized.

16.738 - U.S. Department of Justice - Edward Byrne Memorial Justice Assistance Grant. Our research revealed that this grant was received by our Sheriff's Office. However, the grant application and approval was not provided to the County Clerk's office. Therefore, she was unable to reflect this grant in the budget document. We have asked the Sheriff's Office to send us their grant applications so we are able to set-up a tracking system in the future.

20.205 - U.S. Department of Transportation - Highway Planning and Construction. These funds are pass-through grants from the federal government to the Missouri Department of Transportation to fund bridge replacement projects under the BRO Program. The financial audit for the fiscal year ended December 31, 2022, (finding 2022-003) cited Benton County for improperly accounting for these SEFA grants. The original SEFA amount in 2022 was \$428,993 and was corrected to show \$343,194. The difference was the 20% local match for these grants.

The 2023 audit indicates that the County should report 100% of the grant, not just the 80% that will represent the federal/state funds. The County utilized the guidance from the 2022 to report for the 2023 projects, however, this was incorrect due the source of the funds used for matching. Benton County will ensure that 100% of the federal grants will be reflected in the financial documents moving forward for projects that are funded with soft match credit from the Missouri Department of Transportation.

2023-004	Federal Agency:	U.S. Department of the Treasury
	Federal Program Title:	COVID-19 State and Local Fiscal Recovery Funds
	Federal Assistance Listing	
	No.:	21.027
	Award Period:	2023
	Pass-through Entity:	n/a
	Questioned Costs:	n/a
	Compliance Requirement:	(I) - Suspension and Debarment

**The County of Benton
Warsaw, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023**

Section 3 - Federal Award Findings (continued)

2023-004 **Criteria:** Title 2 *U.S. Code of Federal Regulations* Part 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures in place to ensure the required certifications for covered contracts and subawards are received, documented, and contracts are not made with a debarred or suspended party.

Condition: During our testing, it was noted that the County did not have adequate controls designed to ensure that suspension and debarment requirements were being met.

Context: Of the 10 vendors tested, we noted that all 10 were not verified by the County or certifications from the vendors were not collected to ensure the vendors were neither suspended or debarred.

Cause: The County has not designed and implemented internal controls to ensure compliance with suspension and debarment requirements outlined.

Effect: Failure to obtain the required certifications or perform verification procedures with SAM.gov could result in the payment of federal funds to vendors that are suspended or debarred from participation in federal assistance programs.

Recommendation: We recommend that the County implement internal controls to ensure that suspension and debarment assessments are performed during the procurement and contracting phase. In addition, sufficient documentation should be retained to evidence suspension and debarment verification is performed.

Management's Response: Benton County has not established adequate controls to ensure grant recipients were not debarred or suspended from receiving federal grants. The County will establish a procedure to verify each grant recipient is authorized to receive federal grant funds.

The County of Benton
Warsaw, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2023

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Benton County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2022.

Prior Year Financial Statement Findings

2022-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures: Tax Maintenance Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgeted expenditures in a certain fund.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: In response to the audit findings, referencing 2022-001, I take responsibility for going over the budgeted amount in 2022. However, when we set the budget in January of a given year it is almost impossible to forecast what emergency expenses one might incur during the year. I take my responsibility very serious in that regard and do my very best to not spend money I do not need to spend. We do without some upgrades at times for that very reason. I will be more diligent in the future to track this closer so we can prevent this from happening. David Brodersen, Benton County Collector.

Status: This was not corrected. This finding will be repeated in the current year as 2023-001.

2022-002 **Criteria:** Strong internal controls over financial statement reporting require that cash and fund balances be tracked for all funds.

Condition: During our audit, we noted the County was not adequately tracking cash and fund balances for all County funds within the accounting system. Beginning cash balances per the Treasurer's records did not reconcile to beginning fund balances by \$6,005. Ending cash balances per the Treasurer's records did not reconcile to ending fund balances by \$42,870.

Cause: The County is not properly tracking cash and fund balances within their accounting system due to uncorrected software errors.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer, it is possible that cash and fund balances are materially misstated due to error or fraud.

Recommendation: We recommend that the County utilize their accounting software to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the County to engage a qualified accounting firm or software specialist who is knowledgeable with the software that the County uses to fully correct this issue.

The County of Benton
Warsaw, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2023

Prior Year Financial Statement Findings (continued)

2022-002 **Management's Response:** The County has recently changed banks and this change should make it easier to reconcile the Treasurer's accounting programs on a monthly basis.
(cont.)

Status: This was not corrected. This finding will be repeated in the current year as 2023-002.

Prior Year Federal Award Findings

2022-003 **Criteria:** Title 2 *U.S. Code of Federal Regulations* Part 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual program, program title and assistance listing number, programs required to be identified as part of a cluster, name of the pass-through entity and identifying number assigned by the pass-through entity for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedule of expenditures of federal awards (SEFA) reported by the County in the annual budget documents contained errors in amounts of federal expenditures reported. Additionally, the schedule did not include the identification of programs required to be part of a cluster, names of pass-through entities, identifying numbers assigned by the pass-through entities, or total amounts provided to subrecipients for the applicable programs.

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

<u>Federal Agency</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Original SEFA</u>	<u>As Corrected</u>	<u>Difference</u>
Defense	12.112	Payments to States in Lieu of Real Estate Taxes	\$ 47,045	\$ 47,045	\$ -
Interior	15.226	Payments in Lieu of Taxes	168,979	168,979	-
Justice	16.575	Crime Victim Assistance	34,436	35,581	(1,145)
Transportation	20.205	Highway Planning and Construction	428,993	343,194	85,799
Treasury	20.607	Alcohol Open Container Requirements	305	305	-
Treasury	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	1,853,538	1,853,538	-
Election	90.404	HAVA Election Security Grants	12,097	12,097	-
Homeland Sec.	97.042	Emergency Management Performance Grants	12,287	12,287	-
			<u>\$ 2,557,680</u>	<u>\$ 2,473,026</u>	<u>\$ 84,654</u>

The County of Benton
Warsaw, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2023

Prior Year Federal Award Findings (continued)

2022-003 (cont.) The County reported \$34,436 in expenditures under assistance listing number 16.575 - Crime Victim Assistance. Expenditures of the County, as supported by the underlying accounting records for the reporting period, totaled \$35,581. The pass-through grantor identified (Missouri Department of Public Safety) was incorrect, and the County omitted the identifying numbers assigned by the pass-through entity for the various grant agreements. The County was funded for this award through the Missouri Association of Prosecuting Attorneys under three separate grant agreements.

The County reported \$428,993 in expenditures under assistance listing number 20.205 - Highway Planning and Construction, however, underlying accounting records support expenditures of \$343,194. Per the MODOT project agreement, "All costs incurred by County will be reimbursed at the pro-rata share established for each project phase." Upon reviewing the disbursements and reimbursement requests, the federal pro rata share established for the costs incurred for this project was eighty percent. The County reported the amount that was federally expended as one hundred percent of the amounts reimbursed instead of the pro rata share of eighty percent. Twenty percent of the project reimbursements received were not remitted by MODOT but instead by another local entity. In addition, the County failed to identify the Highway Planning and Construction Cluster on the SEFA.

Cause: The County has not implemented a proper system of internal control over SEFA preparation, such as a reconciliation to underlying accounting records or having a separate individual review the SEFA for clerical accuracy after it has been prepared. Reasons for discrepancies varied.

Effect: The SEFA presented for the audit did not accurately reflect the County's actual expenditures of federal awards for the year ended December 31, 2022.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

Management's Response: The County recognizes that the accounting system for federal grants is not an accurate recording of expenditures for the MoDOT BRO program. A tracking system will be implemented to ensure that the expended funds are properly recorded.

Status: This was not corrected, and no partial correction was accomplished during the fiscal year. This finding will be repeated in the current year as 2023-003.

BENTON COUNTY COMMISSION
PO BOX 1238, 316 VAN BUREN ST.
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(660) 438-7406

CORRECTIVE ACTION PLAN

Audit Finding Reference: 2023-001

Planned Corrective Action: The 2022 audit noted that the Tax Maintenance Fund was not corrected by a year-end budget adjustment. The 2023 audit noted that this occurred again. However, based upon recommendations of previous audits, on October 28, 2024, an adjustment was made to correct revenue and expenses for this fund for FY2024. We anticipate that this procedure will be utilized in the future.

Name of Contact Person: David Brodersen, County Collector. Expected completion date is December 31, 2025.

Audit Finding Reference: 2023-002

Planned Corrective Action: The discrepancy between cash and fund balances has been an on-going problem. However, locating the original and subsequent short-falls is probably impossible. If acceptable, the Treasurer could generate an adjustment amount so that so that FY2025 could be tracked and reconciled on a monthly basis. The Commissioners, the Treasurer, and the County Clerk will seek assistance from a Certified Public Accounting (CPA) firm to determine if this one-time adjustment could be conducted.

Name of Contact Person: Rick Renno, Treasurer. Expected completion date is December 31, 2025.

Audit Finding Reference: 2023-003

Planned Corrective Action:

16.575 - U.S. Department of Justice - Crime Victim Assistance Grant. This grant provides the salary and expenses for the Prosecuting Attorney's Victim Advocate. The County Clerk utilized the year-end expenses for the Victim Advocate grant effort which included salary, office expenses, mileage and training expenses. Our records show that a grant reimbursement of \$34,583 was received for 2023. In the future, the County Clerk will ensure the total grant reimbursement amounts are utilized.

16.738 - U.S. Department of Justice - Edward Byrne Memorial Justice Assistance Grant. Our research revealed that this grant was received by our Sheriff's Office. However, the grant application and approval was not provided to the County Clerk's office. Therefore, she was unable to reflect this grant in the budget document. We have asked the Sheriff's Office to send us their grant applications so we are able to set-up a tracking system in the future.

20.205 - U.S. Department of Transportation - Highway Planning and Construction. These funds are pass-through grants from the federal government to the Missouri Department of Transportation to fund bridge replacement projects under the BRO Program. The financial audit for the fiscal year ended December 31, 2022, (finding 2022-003) cited Benton County for improperly accounting for these SEFA grants. The

original SEFA amount in 2022 was \$428,993 and was corrected to show \$343,194. The difference was the 20% local match for these grants.

The 2023 audit indicates that the County should report 100% of the grant, not just the 80% that will represent the federal/state funds. The County utilized the guidance from the 2022 to report for the 2023 projects, however, this was incorrect due the source of the funds used for matching. Benton County will ensure that 100% of the federal grants will be reflected in the financial documents moving forward for projects that are funded with soft match credit from the Missouri Department of Transportation.

Name of Contact Person: Susan Porterfield, County Clerk. Expected completion date is December 31, 2024.

Audit Finding Reference: 2023-004

Planned Corrective Action: Benton County has not established adequate controls to ensure grant receipts were not debarred or suspended from receiving federal grants. The County will establish a procedure to verify each grant recipient is authorized to receive federal grant funds.

Name of Contact Person: Susan Porterfield, County Clerk. Expected completion date is December 31, 2024.