



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Knox County, Missouri

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

November 2025
Report No. 2025-086



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Knox 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	In order to ensure that transfers are properly budgeted and in balance, we recommend transfers in always be accompanied by an equal transfer out and that the transfers can be clearly identified on the annual budget.

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



**The County of Knox
Edina, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Knox County, Missouri

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

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balances of each fund of Knox 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 Knox County, Missouri as of December 31, 2023, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

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 Knox 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 Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Knox County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law 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 Missouri law 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 Knox 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 Knox 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 Knox 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2025 on our consideration of Knox 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 Knox County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Stopp & VanHoy".

St. Louis, Missouri
July 16, 2025

The County of Knox
Edina, 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	\$ 628,578	\$ 1,417,442	\$ 1,195,183	\$ 850,837
Special Road and Bridge	82,984	1,614,853	1,296,319	401,518
Assessment	59,916	165,715	162,688	62,943
Capital Improvement	172,449	241,000	224,250	189,199
Capital Improvement - Courthouse Renovation	98,133	221,987	159,748	160,372
Law Enforcement	166,895	244,002	221,595	189,302
Sheriff's Fee	10,090	3,738	2,159	11,669
Law Enforcement Training	719	1,094	475	1,338
Inmate Security	7,911	1,178	-	9,089
Revolving	8,877	781	1,537	8,121
Concentrated Animal Feeding Operation	10,652	369	11,021	-
Children's Trust	856	478	-	1,334
Collector's Tax Maintenance	46,565	7,926	4,249	50,242
Economic Development	25	1	-	26
Election Services	40,942	6,902	4,442	43,402
Prosecuting Attorney Administrative Handling Cost	3,743	34,232	32,166	5,809
Prosecuting Attorney Delinquent Tax	1,352	62	-	1,414
Prosecuting Attorney Training	1,537	438	-	1,975
Recorder's Technology	13,195	1,644	-	14,839
Recorder's User Fee	16,007	2,458	5,863	12,602
Restitution	4,708	5,108	-	9,816
Sever Lake	232,432	39,363	133,265	138,530
Shop Tools	2,654	2,247	731	4,170
Emergency	79,095	37,082	-	116,177
HAVA Fund	15,687	727	-	16,414
American Rescue Plan Fund	86,626	3,034	45,102	44,558
NEMO Wind Emergency Fund	150,191	6,953	-	157,144
Opioid Settlement Fund	-	9,553	-	9,553
Total	<u>\$ 1,942,819</u>	<u>\$ 4,070,367</u>	<u>\$ 3,500,793</u>	<u>\$ 2,512,393</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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	\$ 324,826	\$ 356,476
Sales Taxes	545,000	692,113
Intergovernmental	40,400	37,007
Charges for Services	177,557	182,244
Interest	34,000	37,665
Other Receipts	105,913	111,937
Transfers In	-	-
Total Receipts	1,227,696	1,417,442
<u>Disbursements</u>		
County Commission	118,484	113,360
County Clerk	87,188	84,484
Elections	40,357	25,901
Building and Grounds	95,650	79,981
Employee Fringe Benefits	158,000	140,636
County Treasurer	43,100	42,432
Collector	86,088	84,152
Recorder of Deeds	73,296	68,705
Circuit Clerk	27,300	21,043
Public Administrator	19,179	18,704
Parks and Recreation	25,161	25,135
Sheriff	68,301	42,330
Jail	50,000	49,649
Prosecuting Attorney	92,318	88,750
Juvenile Officer	13,876	13,876
Coroner	29,610	14,956
Extension Council	54,436	57,668
Emergency 911	85,366	85,366
Community Development	15,000	-
Other Disbursements	61,677	57,800
Health and Welfare	3,000	2,255
Transfers Out	78,000	78,000
Emergency Fund	-	-
Total Disbursements	1,325,387	1,195,183
Receipts Over (Under)		
Disbursements	\$ (97,691)	\$ 222,259
Cash and Equivalents, Jan 1	628,578	628,578
Cash and Equivalents, Dec 31	\$ 530,887	\$ 850,837

See Notes to the Financial Statements

The County of Knox
Edina, 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	\$ 636,302	\$ 707,419
Sales Taxes	-	-
Intergovernmental	611,619	732,314
Charges for Services	69,700	89,180
Interest	1,400	20,537
Other Receipts	2,000	403
Transfers In	95,000	65,000
Total Receipts	1,416,021	1,614,853
<u>Disbursements</u>		
Salaries	406,000	309,903
Employee Fringe Benefits	162,000	115,791
Supplies	240,500	211,077
Insurance	42,000	42,080
Road and Bridge Materials	405,000	487,995
Equipment Repairs	60,000	56,739
Equipment Purchases	80,000	29,789
Road and Bridge Construction	85,000	41,721
Other Disbursements	3,758	1,224
Transfers Out	-	-
Total Disbursements	1,484,258	1,296,319
Receipts Over (Under)		
Disbursements	\$ (68,237)	\$ 318,534
Cash and Equivalents, Jan 1	82,984	82,984
Cash and Equivalents, Dec 31	\$ 14,747	\$ 401,518

See Notes to the Financial Statements

**The County of Knox
Edina, 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	120,793	135,882
Charges for Services	1,250	1,093
Interest	1,700	3,740
Other Receipts	-	-
Transfers In	25,000	25,000
Total Receipts	<u>148,743</u>	<u>165,715</u>
<u>Disbursements</u>		
Salaries	97,753	97,753
Employee Fringe Benefits	44,500	44,738
Materials and Supplies	5,900	6,434
Services	18,604	5,380
Other Disbursements	-	-
Capital Outlay	12,000	8,383
Transfers Out	-	-
Total Disbursements	<u>178,757</u>	<u>162,688</u>
Receipts Over (Under)		
Disbursements	\$ (30,014)	\$ 3,027
Cash and Equivalents, Jan 1	<u>59,916</u>	<u>59,916</u>
Cash and Equivalents, Dec 31	<u>\$ 29,902</u>	<u>\$ 62,943</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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		Capital Improvement - Courthouse Renovation Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	200,000	214,918	210,000	214,910
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	850	5,834	450	7,077
Other Receipts	20,248	20,248	-	-
Transfers In	60,000	-	-	-
Total Receipts	<u>281,098</u>	<u>241,000</u>	<u>210,450</u>	<u>221,987</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Debt Service	233,405	182,074	164,850	159,748
Capital Outlay	202,500	42,176	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>435,905</u>	<u>224,250</u>	<u>164,850</u>	<u>159,748</u>
Receipts Over (Under)				
Disbursements	\$ (154,807)	\$ 16,750	\$ 45,600	\$ 62,239
Cash and Equivalents, Jan 1	<u>172,449</u>	<u>172,449</u>	<u>98,133</u>	<u>98,133</u>
Cash and Equivalents, Dec 31	<u>\$ 17,642</u>	<u>\$ 189,199</u>	<u>\$ 143,733</u>	<u>\$ 160,372</u>

See Notes to the Financial Statements

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

	Law Enforcement Fund		Sheriff's Fee Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	210,000	214,917	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,600	1,280	4,000	3,245
Interest	700	7,805	50	493
Other Receipts	-	-	-	-
Transfers In	20,000	20,000	-	-
Total Receipts	<u>232,300</u>	<u>244,002</u>	<u>4,050</u>	<u>3,738</u>
<u>Disbursements</u>				
Salaries	251,713	173,021	-	-
Employee Fringe Benefits	35,650	20,979	-	-
Materials and Supplies	25,500	16,158	-	-
Services	16,000	8,346	4,000	2,159
Other Disbursements	4,100	2,672	-	-
Capital Outlay	15,000	419	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>347,963</u>	<u>221,595</u>	<u>4,000</u>	<u>2,159</u>
Receipts Over (Under)				
Disbursements	\$ (115,663)	\$ 22,407	\$ 50	\$ 1,579
Cash and Equivalents, Jan 1	<u>166,895</u>	<u>166,895</u>	<u>10,090</u>	<u>10,090</u>
Cash and Equivalents, Dec 31	<u>\$ 51,232</u>	<u>\$ 189,302</u>	<u>\$ 10,140</u>	<u>\$ 11,669</u>

See Notes to the Financial Statements

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

	Law Enforcement Training Fund		Inmate Security Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	500	-	-
Charges for Services	800	556	905	794
Interest	4	38	35	384
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>804</u>	<u>1,094</u>	<u>940</u>	<u>1,178</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	750	475	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>750</u>	<u>475</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ 54	\$ 619	\$ 940	\$ 1,178
Cash and Equivalents, Jan 1	<u>719</u>	<u>719</u>	<u>7,911</u>	<u>7,911</u>
Cash and Equivalents, Dec 31	<u>\$ 773</u>	<u>\$ 1,338</u>	<u>\$ 8,851</u>	<u>\$ 9,089</u>

See Notes to the Financial Statements

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

	Revolving Fund		Concentrated Animal Feeding Operation Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	500	400	-	-
Interest	40	381	50	369
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>540</u>	<u>781</u>	<u>50</u>	<u>369</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	500	65	-	-
Other Disbursements	-	-	-	11,021
Capital Outlay	2,000	1,472	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>2,500</u>	<u>1,537</u>	<u>-</u>	<u>11,021</u>
Receipts Over (Under)				
Disbursements	\$ (1,960)	\$ (756)	\$ 50	\$ (10,652)
Cash and Equivalents, Jan 1	<u>8,877</u>	<u>8,877</u>	<u>10,652</u>	<u>10,652</u>
Cash and Equivalents, Dec 31	<u>\$ 6,917</u>	<u>\$ 8,121</u>	<u>\$ 10,702</u>	<u>\$ -</u>

See Notes to the Financial Statements

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

	Children's Trust Fund		Collector's Tax Maintenance Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	480	429	6,500	5,449
Interest	2	49	240	2,477
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>482</u>	<u>478</u>	<u>6,740</u>	<u>7,926</u>
<u>Disbursements</u>				
Salaries	-	-	1,500	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	1,000	193
Services	850	-	3,400	2,164
Other Disbursements	-	-	-	-
Capital Outlay	-	-	15,000	1,892
Transfers Out	-	-	-	-
Total Disbursements	<u>850</u>	<u>-</u>	<u>20,900</u>	<u>4,249</u>
Receipts Over (Under)				
Disbursements	\$ (368)	\$ 478	\$ (14,160)	\$ 3,677
Cash and Equivalents, Jan 1	<u>856</u>	<u>856</u>	<u>46,565</u>	<u>46,565</u>
Cash and Equivalents, Dec 31	<u>\$ 488</u>	<u>\$ 1,334</u>	<u>\$ 32,405</u>	<u>\$ 50,242</u>

See Notes to the Financial Statements

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

	Economic Development Fund		Election Services Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	4,200	4,045
Charges for Services	-	-	1,800	938
Interest	-	1	160	1,919
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	-	1	6,160	6,902
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	19,000	4,442
Other Disbursements	-	-	-	-
Capital Outlay	-	-	5,000	-
Transfers Out	-	-	-	-
Total Disbursements	-	-	24,000	4,442
Receipts Over (Under)				
Disbursements	\$ -	\$ 1	\$ (17,840)	\$ 2,460
Cash and Equivalents, Jan 1	25	25	40,942	40,942
Cash and Equivalents, Dec 31	<u>\$ 25</u>	<u>\$ 26</u>	<u>\$ 23,102</u>	<u>\$ 43,402</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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 Administrative Handling Cost Fund		Prosecuting Attorney Delinquent Tax Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	30,350	34,001	-	-
Interest	18	231	7	62
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>30,368</u>	<u>34,232</u>	<u>7</u>	<u>62</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	50	-
Services	700	-	150	-
Victim Restitution	30,250	32,166	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>30,950</u>	<u>32,166</u>	<u>200</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (582)	\$ 2,066	\$ (193)	\$ 62
Cash and Equivalents, Jan 1	<u>3,743</u>	<u>3,743</u>	<u>1,352</u>	<u>1,352</u>
Cash and Equivalents, Dec 31	<u>\$ 3,161</u>	<u>\$ 5,809</u>	<u>\$ 1,159</u>	<u>\$ 1,414</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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		Recorder's Technology Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	400	359	1,000	1,014
Interest	7	79	50	630
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>407</u>	<u>438</u>	<u>1,050</u>	<u>1,644</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	250	-	500	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	2,500	-
Transfers Out	-	-	-	-
Total Disbursements	<u>250</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ 157	\$ 438	\$ (1,950)	\$ 1,644
Cash and Equivalents, Jan 1	<u>1,537</u>	<u>1,537</u>	<u>13,195</u>	<u>13,195</u>
Cash and Equivalents, Dec 31	<u>\$ 1,694</u>	<u>\$ 1,975</u>	<u>\$ 11,245</u>	<u>\$ 14,839</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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's User Fee Fund		Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,900	1,573	2,800	4,800
Interest	60	885	48	308
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,960</u>	<u>2,458</u>	<u>2,848</u>	<u>5,108</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	2,250	5,863	7,000	-
Other Disbursements	500	-	-	-
Capital Outlay	4,000	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>6,750</u>	<u>5,863</u>	<u>7,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (4,790)	\$ (3,405)	\$ (4,152)	\$ 5,108
Cash and Equivalents, Jan 1	<u>16,007</u>	<u>16,007</u>	<u>4,708</u>	<u>4,708</u>
Cash and Equivalents, Dec 31	<u>\$ 11,217</u>	<u>\$ 12,602</u>	<u>\$ 556</u>	<u>\$ 9,816</u>

See Notes to the Financial Statements

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

	Sever Lake Fund		Shop Tools Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	91,494	-	-	-
Charges for Services	28,409	28,362	-	-
Interest	200	10,837	15	179
Other Receipts	-	164	2,000	2,068
Transfers In	-	-	-	-
Total Receipts	<u>120,103</u>	<u>39,363</u>	<u>2,015</u>	<u>2,247</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	8,750	10,186	3,500	731
Services	30,400	15,204	-	-
Other Disbursements	-	-	-	-
Capital Outlay	207,658	42,875	-	-
Transfers Out	65,000	65,000	-	-
Total Disbursements	<u>311,808</u>	<u>133,265</u>	<u>3,500</u>	<u>731</u>
Receipts Over (Under)				
Disbursements	\$ (191,705)	\$ (93,902)	\$ (1,485)	\$ 1,516
Cash and Equivalents, Jan 1	<u>232,432</u>	<u>232,432</u>	<u>2,654</u>	<u>2,654</u>
Cash and Equivalents, Dec 31	<u>\$ 40,727</u>	<u>\$ 138,530</u>	<u>\$ 1,169</u>	<u>\$ 4,170</u>

See Notes to the Financial Statements

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

	Emergency Fund		HAVA Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	500	4,082	-	727
Other Receipts	-	-	-	-
Transfers In	33,000	33,000	-	-
Total Receipts	<u>33,500</u>	<u>37,082</u>	<u>-</u>	<u>727</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	33,500	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	15,648	-
Transfers Out	-	-	-	-
Total Disbursements	<u>33,500</u>	<u>-</u>	<u>15,648</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 37,082	\$ (15,648)	\$ 727
Cash and Equivalents, Jan 1	<u>79,095</u>	<u>79,095</u>	<u>15,687</u>	<u>15,687</u>
Cash and Equivalents, Dec 31	<u>\$ 79,095</u>	<u>\$ 116,177</u>	<u>\$ 39</u>	<u>\$ 16,414</u>

See Notes to the Financial Statements

The County of Knox
Edina, 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		NEMO Wind Emergency Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	3,034	190	6,953
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	-	3,034	190	6,953
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Intergovernmental Grants	86,626	45,102	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	86,626	45,102	-	-
Receipts Over (Under)				
Disbursements	\$ (86,626)	\$ (42,068)	\$ 190	\$ 6,953
Cash and Equivalents, Jan 1	86,626	86,626	150,191	150,191
Cash and Equivalents, Dec 31	\$ -	\$ 44,558	\$ 150,381	\$ 157,144

See Notes to the Financial Statements

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

	Opioid Settlement Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	-	-
Interest	60	304
Other Receipts	4,150	9,249
Transfers In	-	-
Total Receipts	4,210	9,553
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	4,150	-
Other Disbursements	-	-
Capital Outlay	-	-
Transfers Out	-	-
Total Disbursements	4,150	-
Receipts Over (Under)		
Disbursements	\$ 60	\$ 9,553
Cash and Equivalents, Jan 1	-	-
Cash and Equivalents, Dec 31	\$ 60	\$ 9,553

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Custodial Funds - Regulatory Basis
December 31, 2023

	Collector	County Clerk	Recorder	Prosecuting Attorney	Sheriff	Treasurer	Total
Assets							
Cash and Equivalents	\$ 5,534,642	\$ -	\$ -	\$ 7,014	\$ 51	\$ 61,537	\$ 5,603,244
Total Assets	5,534,642	-	-	7,014	51	61,537	5,603,244
Liabilities and Fund Balances							
Total Liabilities	5,534,642	-	-	7,014	51	61,537	5,603,244
	5,534,642	-	-	7,014	51	61,537	5,603,244
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 5,534,642	\$ -	\$ -	\$ 7,014	\$ 51	\$ 61,537	\$ 5,603,244

See Notes to the Financial Statements

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

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Knox was named after Revolutionary War General Henry Knox. It is a third-class county, and the county seat is Edina. Knox 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 Knox County, Missouri.

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 Knox County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

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 Statements 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 Knox 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 Knox
Edina, 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., the 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 funds had actual expenditures which exceeded the budgeted expenditures: Concentrated Animal Feeding Operation Fund and Prosecuting Attorney Administrative Handling Cost 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 Knox
Edina, 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 Knox County's boundaries for the calendar year for the purposes of taxation was:

Real Estate	\$ 50,005,542
Personal Property	35,141,529
Railroad and Utilities	33,981,948
	<u>\$ 119,129,019</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	\$ 0.2985
Special Road and Bridge	0.2735
Special Road and Bridge	0.3500

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's funds are pooled and invested to the extent possible. Interest earned from such investments 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, 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 Knox
Edina, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 2 - Deposits and Investments

Knox 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	\$ 8,115,637	\$ 6,972,426
Investments	-	-
Total Cash and Equivalents as of December 31, 2023	<u>\$ 8,115,637</u>	<u>\$ 6,972,426</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 2,512,393	
Total Cash and Equivalents - Custodial Funds	5,603,244	
	<u>\$ 8,115,637</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, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were 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 the 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. The 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 Knox
Edina, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023**

Note 3 - Long-Term Debt

In 2020, the County entered into a lease-purchase agreement to finance the purchase of a Mack GR64F Truck at a cost of \$86,816. The agreement requires five annual payments of \$19,022, which includes interest payable at 4.74%. The financing agreement will mature in July of 2025.

In 2021, the County issued \$605,000 in Series 2021 Refunding Certificates of Participation for the purpose of refunding all outstanding Series 2016 Lease Certificates of Participation. The Series 2016 issuance was used to pay for renovations and improvements to the County courthouse. Funds from a dedicated sales tax are used to make principal and interest payments. The certificates bear interest at 2.00% and mature in October of 2025.

In 2022, the County entered into a lease-purchase agreement to finance the purchase of a Caterpillar 150-15 Motor Grader at a cost of \$359,237. The agreement requires fourteen semi-annual payments of \$30,891, which includes interest payable at 4.85%. The financing agreement will mature in September of 2029.

In 2022, the County entered into a lease-purchase agreement to finance the purchase of a Kubota 4WD HST Tractor and a Kubota Front Loader MX Series at a cost of \$45,700. The agreement requires 4 annual payments of \$12,118, which includes interest payable at 3.74%. This lease was paid in full ahead of schedule in 2023.

In 2022, the County entered into a lease-purchase agreement to finance the purchase of a John Deere 772GP Motor Grader at a cost of \$255,000. The agreement requires four annual payments of \$66,395, which includes interest payable at 2.74%. The financing agreement will mature in January of 2025.

In 2022, the County entered into a lease-purchase agreement to finance the purchase of eight FreedomVote Scan Ballot Boxes, six FreedomVote Tablet Ballot Marking Devices, and one Election Management System laptop at a cost of \$52,733. The agreement requires two payments of \$17,577 which were made in 2022 and a final payment of \$17,577 due in July of 2023. The agreement includes interest free (0%) financing.

	Balance at 12/31/22	Amount Borrowed	Amount Repaid	Balance at 12/31/23	Interest Paid During Year
Mack GR64FR	\$ 53,681	\$ -	\$ (17,347)	\$ 36,334	\$ 1,675
Series 2021 COP's	455,000	-	(150,000)	305,000	8,688
Caterpillar 150-15 Motor Grader	359,237	-	(41,591)	317,646	20,191
Kubota Tractor and Front Loader	33,797	-	(33,797)	-	1,077
John Deere 772GP Motor Grader	188,625	-	(61,162)	127,463	5,234
FreedomVote Election Equipment	17,577	-	(17,577)	-	-
	<u>\$ 1,107,917</u>	<u>\$ -</u>	<u>\$ (321,474)</u>	<u>\$ 786,443</u>	<u>\$ 36,865</u>

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

Note 3 - Long-Term Debt (continued)

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	\$ 277,439	\$ 25,860	\$ 303,299
2025	287,110	18,190	305,300
2026	51,503	10,280	61,783
2027	54,066	7,716	61,782
2028	56,741	5,041	61,782
2029	59,584	2,200	61,784
Total	<u>\$ 786,443</u>	<u>\$ 69,287</u>	<u>\$ 855,730</u>

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 Fund	\$ -	\$ 78,000
Special Road and Bridge Fund	65,000	-
Assessment Fund	25,000	-
Law Enforcement Fund	20,000	-
Sever Lake Fund	-	65,000
Emergency Fund	33,000	-
Total	<u>\$ 143,000</u>	<u>\$ 143,000</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.

**The County of Knox
Edina, 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

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, 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 \$49,385 for the year ended December 31, 2023.

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 \$47,003 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.

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

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 has contributed \$3,366 for the year ended December 31, 2023.

Note 7 - Other Retirement Plans

Knox County has voluntary 457 and 401(a) plans administered by Norwest Bank 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 \$32,101. Employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 401(a) plan were \$6,213.

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

Vacation time is accrued for every eligible employee in the County and accrues at a rate of up to two weeks per year. The County provides full-time employees and part-time employees who occupy regular budgeted positions with sick time, which accrues at two days per calendar month of employment up to ninety days. Upon termination, no payment will be made for unused vacation or sick days. These have not been subjected to auditing procedures.

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.

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

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 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.

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 July 16, 2025, the date the financial statements were available to be issued.

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 Knox County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Knox County, Missouri as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Knox County, Missouri's basic financial statements, and have issued our report thereon dated July 16, 2025. Our opinion was adverse because the financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated on the regulatory basis of accounting, in accordance with regulatory reporting practices prescribed or permitted by the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Knox County, Missouri's internal control over financial reporting (internal control) as a basis for designing 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 Knox County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Knox County, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Knox 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002.

Knox County, Missouri's Responses to Findings

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

Purpose of this Report

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



St. Louis, Missouri
July 16, 2025

**The County of Knox
Edina, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2023**

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 funds had actual expenditures which exceeded the budgeted expenditures: Concentrated Animal Feeding Operation Fund and Prosecuting Attorney Administrative Handling Cost Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to expenditures in excess of the approved budgets 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: Starting in 2026, my office will be more diligent to review expenditures versus budgeted amount in order to prepare an amended budget. The County Clerk will be responsible for correcting this issue.

2023-002 **Criteria:** Management should prepare the budgets of the County, as presented in the adopted annual budget, to present balanced transfers between all funds. Per RSMo. 50.540, expenditure estimates shall be classified to set forth the data by funds, organization units, character, and objects of expenditure. Revenue estimates shall be classified to show receipts by funds, organization units, and sources.

Condition: Budgeted transfers in did not balance to budgeted transfers out in the original and amended 2023 budgets for the Special Road and Bridge Fund and the Capital Improvement Fund.

Cause: Oversight.

Effect: The original and amended 2023 budgets of the County presented an imbalance between transfers in and transfers out. A schedule of budgeted transfers as presented in the budget is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ -	\$ 78,000
Special Road and Bridge Fund	95,000	-
Assessment Fund	25,000	-
Capital Improvement Fund	60,000	-
Law Enforcement Fund	20,000	-
Sever Lake Fund	-	65,000
Emergency Fund	33,000	-
Total	<u>\$ 233,000</u>	<u>\$ 143,000</u>

Recommendation: In order to ensure that transfers are properly budgeted and in balance, we recommend transfers in always be accompanied by an equal transfer out and that the transfers can be clearly identified on the annual budget.

**The County of Knox
Edina, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2023**

Financial Statement Findings (continued)

2023-002 **Management's Response:** Clerical errors will be monitored closer in the future starting in 2026 before the budget is
(cont.) approved. The County Clerk will be responsible for correcting this issue.

**The County of Knox
Edina, Missouri
Summary Schedule of Prior Year Findings and Responses
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 Knox County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2019 and 2018.

Prior Year Financial Statement Findings

2019-001 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 397-2184.

Status: Management has resolved this issue, and therefore, the finding will not be repeated.

2019-002 **Criteria:** The Sheriff is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per accounting records agree to the cash balances held in the bank.

Condition: For the year ended December 31, 2018, the Sheriff's office failed to perform timely bank reconciliations.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Sheriff's cash balances due to error or misappropriation is heightened.

Cause: The reconciled bank balance was not being compared to the balances of the funds on hand per the Sheriff's records.

Recommendation: We recommend that the Sheriff implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

Management's Response: The Sheriff's office has implemented the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis, and the procedures were implemented in the year ended December 31, 2019. The phone number for the Sheriff's office is (660) 397-2186.

**The County of Knox
Edina, Missouri
Summary Schedule of Prior Year Findings and Responses
For the year ended December 31, 2023**

Prior Year Financial Statement Findings (continued)

2019-002 **Status:** Management has resolved this issue, and therefore, the finding will not be repeated.
(cont.)

2019-003 **Criteria:** The Prosecuting Attorney is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per accounting records agree to the cash balances held in the bank.

Condition: For the year ended December 31, 2018, the Prosecuting Attorney's was unable to provide bank statements and reconciliations which support the cash balances held.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Prosecuting Attorney's cash balances due to error or misappropriation is heightened.

Cause: The previously elected Prosecuting Attorney did not provide bank statements and reconciliations to the current office holder upon completion of her term. The prior office holder provided a narrative accounting of funds turned over, however, bank statements supporting the accounting were not provided.

Recommendation: We recommend that the Prosecuting Attorney's office implement the necessary procedures to ensure that all funds assumed upon entry to the position are accounted for in a custodial capacity and supported by funds held in the bank account.

Management's Response: The Prosecuting Attorney's office has attempted to obtain a court order to compel the bank to provide bank statements of the prior office holder, however, attempts to do so have remained unsuccessful. The Prosecuting Attorney's office has reviewed the accounting of the prior office holder's summary of funds and attempted to reconcile the accounting to the cash turned over upon assuming the duties of the office. The Prosecuting Attorney has also implemented the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis, and the procedures were implemented in the year ended December 31, 2019. The phone number for the Prosecuting Attorney's office is (660) 397-2658.

Status: Management has resolved this issue, and therefore, the finding will not be repeated.