



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Scotland County, Missouri

The Office of the State Auditor contracted for an audit of Scotland County's financial statements for the year ended December 31, 2024, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Scott Fitzpatrick
State Auditor

November 2025
Report No. 2025-089



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Scotland County

2024-001

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.

ANNUAL FINANCIAL REPORT

SCOTLAND COUNTY, MISSOURI

For the Year Ended
December 31, 2024

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

SCOTLAND COUNTY, MISSOURI
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INTRODUCTORY SECTION

SCOTLAND COUNTY, MISSOURI
List of Elected Officials 2024

County Commission

Presiding Commissioner – Duane Ebeling

Commissioner, Western District – David Wiggins

Commissioner, Eastern District – Brent Rockhold

Other Elected Officials

Assessor – Michelle VanGorkom

Circuit Clerk – Julie Monroe

Collector – Diane Tague

County Clerk – Tammy Kirchner

Coroner – Jeffrey Davis

Prosecuting Attorney – David Briggs

Public Administrator – Melissa (Missy) D. Smith

Recorder – Teresa Creek

Sheriff – Brian Whitney

Treasurer – Tasha Fadiga

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Scotland County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Scotland County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2024, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Scotland County, Missouri, as of December 31, 2024, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Scotland County, Missouri, as of December 31, 2024, or the changes in financial position thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scotland County, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 1, the financial statements are prepared by Scotland County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri law. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scotland County, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the

financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Scotland County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Scotland County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of Scotland 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 Scotland County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scotland County, Missouri's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC

Kansas City, Missouri

September 29, 2025, except for the revision described in Note D to the Schedule of Expenditures of Federal Awards, as to which the date is March 23, 2026

SCOTLAND COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	\$ 943,593	\$ 1,495,726	\$ 1,103,599	\$ 1,335,720
Special Road & Bridge	612,001	1,490,108	1,399,204	702,905
Assessment	121,344	131,313	120,704	131,953
Road and Bridge Sales Tax	454,735	456,242	458,858	452,119
Road Rock	-	195,000	195,000	-
Off System	6,179	3,433,292	3,428,492	10,979
Law Enforcement Sales Tax	215,876	274,346	192,052	298,170
Law Enforcement Training	320	390	189	521
Prosecuting Attorney Training	994	489	-	1,483
User Fees	15,250	2,488	214	17,524
Local Emergency Planning Commission	6,219	-	-	6,219
Drug Forfeiture	2,716	121	644	2,193
Recorder Tech	9,032	1,470	-	10,502
Prosecuting Attorney Bad Check	40	705	395	350
Divorce Education	862	-	-	862
Election Services	23,034	15,818	9,039	29,813
Help America Vote Act	8,558	3,252	3,022	8,788
Sheriff Civil Service	2,289	1,854	926	3,217
Sheriff Special Project	2,028	-	266	1,762
Children's Trust	330	125	-	455
Tax Maintenance	11,321	8,683	2,684	17,320
County of Scotland Improvement Corporation	150	8	-	158
Sheriff Inmate Security	1,661	1,312	549	2,424
Sheriff's Revolving	12,571	2,230	2,028	12,773
CARES Fund	277,191	12,780	289,971	-
Total	<u>\$ 2,728,294</u>	<u>\$ 7,527,752</u>	<u>\$ 7,207,836</u>	<u>\$ 3,048,210</u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 382,000	\$ 461,345
Sales taxes	280,000	422,354
Intergovernmental	87,840	78,356
Charges for services	164,160	170,216
Interest	20,000	70,083
Other	3,005	7,961
Transfers in	74,338	285,411
Total Receipts	<u>\$ 1,011,343</u>	<u>\$ 1,495,726</u>
DISBURSEMENTS		
County Commission	\$ 119,839	\$ 115,627
County Clerk	117,894	101,720
Elections	40,000	15,630
Buildings and grounds	170,218	116,416
Employee fringe benefits	91,300	61,848
Treasurer	43,598	41,303
Collector	81,889	80,519
Recorder of Deeds	74,225	65,817
Court Administration	21,951	20,548
Public Administrator	22,673	19,600
Sheriff	282,157	246,492
Prosecuting Attorney	73,774	67,136
Coroner	21,815	21,187
Other County government	175,340	104,756
Transfers out	-	25,000
Emergency fund	200,000	-
Total Disbursements	<u>\$ 1,536,673</u>	<u>\$ 1,103,599</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (525,330)	\$ 392,127
CASH AND INVESTMENTS, JANUARY 1	<u>943,593</u>	<u>943,593</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 418,263</u></u>	<u><u>\$ 1,335,720</u></u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		ROAD AND BRIDGE SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 547,000	\$ 611,790	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	280,000	422,354
Intergovernmental	625,345	716,801	19,193	13,148	12,167	12,167
Charges for services	-	-	92,600	108,839	-	-
Interest	25,000	49,021	4,500	7,939	10,000	21,721
Other	100,000	109,421	-	1,387	-	-
Transfers in	3,075	3,075	-	-	-	-
Total Receipts	<u>\$ 1,300,420</u>	<u>\$ 1,490,108</u>	<u>\$ 116,293</u>	<u>\$ 131,313</u>	<u>\$ 302,167</u>	<u>\$ 456,242</u>
DISBURSEMENTS						
Salaries	\$ 490,000	\$ 413,585	\$ 93,474	\$ 81,581	\$ -	\$ -
Employee fringe benefits	120,700	71,478	13,200	8,978	-	-
Materials and supplies	670,000	762,446	5,500	4,869	-	-
Services and other	133,000	42,103	29,753	25,276	-	-
Capital outlay	175,100	47,104	-	-	370,000	301,572
Construction	-	-	-	-	255,000	157,286
Transfers out	62,488	62,488	-	-	-	-
Total Disbursements	<u>\$ 1,651,288</u>	<u>\$ 1,399,204</u>	<u>\$ 141,927</u>	<u>\$ 120,704</u>	<u>\$ 625,000</u>	<u>\$ 458,858</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (350,868)	\$ 90,904	\$ (25,634)	\$ 10,609	\$ (322,833)	\$ (2,616)
CASH AND INVESTMENTS, JANUARY 1	<u>612,001</u>	<u>612,001</u>	<u>121,344</u>	<u>121,344</u>	<u>454,735</u>	<u>454,735</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 261,133</u>	<u>\$ 702,905</u>	<u>\$ 95,710</u>	<u>\$ 131,953</u>	<u>\$ 131,902</u>	<u>\$ 452,119</u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	ROAD ROCK FUND		OFF SYSTEM FUND		LAW ENFORCEMENT SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 195,000	\$ 190,074	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	140,000	211,177
Intergovernmental	-	-	4,348,472	3,428,492	2,878	8,402
Charges for services	-	-	-	-	-	-
Interest	200	2,438	500	4,800	3,000	12,712
Other	-	-	-	-	-	17,055
Transfers in	2,488	2,488	-	-	25,000	25,000
Total Receipts	<u>\$ 197,688</u>	<u>\$ 195,000</u>	<u>\$ 4,348,972</u>	<u>\$ 3,433,292</u>	<u>\$ 170,878</u>	<u>\$ 274,346</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	4,488	4,114
Materials and supplies	195,000	195,000	-	-	2,000	795
Services and other	-	-	-	-	211,314	83,076
Capital outlay	-	-	-	-	72,877	87,891
Construction	-	-	4,348,472	3,428,492	-	-
Transfers out	-	-	-	-	-	16,176
Total Disbursements	<u>\$ 195,000</u>	<u>\$ 195,000</u>	<u>\$ 4,348,472</u>	<u>\$ 3,428,492</u>	<u>\$ 290,679</u>	<u>\$ 192,052</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,688	\$ -	\$ 500	\$ 4,800	\$ (119,801)	\$ 82,294
CASH AND INVESTMENTS, JANUARY 1	-	-	6,179	6,179	215,876	215,876
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,688</u>	<u>\$ -</u>	<u>\$ 6,679</u>	<u>\$ 10,979</u>	<u>\$ 96,075</u>	<u>\$ 298,170</u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND		USER FEES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	150	390	350	489	1,900	1,662
Interest	-	-	-	-	300	826
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 150</u>	<u>\$ 390</u>	<u>\$ 350</u>	<u>\$ 489</u>	<u>\$ 2,200</u>	<u>\$ 2,488</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	470	189	1,344	-	10,000	214
Capital outlay	-	-	-	-	4,500	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 470</u>	<u>\$ 189</u>	<u>\$ 1,344</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 214</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	\$ (320)	\$ 201	\$ (994)	\$ 489	\$ (12,300)	\$ 2,274
CASH AND INVESTMENTS, JANUARY 1	<u>320</u>	<u>320</u>	<u>994</u>	<u>994</u>	<u>15,250</u>	<u>15,250</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 521</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,483</u></u>	<u><u>\$ 2,950</u></u>	<u><u>\$ 17,524</u></u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	LOCAL EMERGENCY PLANNING COMMISSION FUND		DRUG FORFEITURE FUND		RECORDER TECH FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	1,200	976
Interest	-	-	50	121	300	494
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 121</u>	<u>\$ 1,500</u>	<u>\$ 1,470</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	6,219	-	-	-	1,500	-
Capital outlay	-	-	2,641	644	3,000	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,219</u>	<u>\$ -</u>	<u>\$ 2,641</u>	<u>\$ 644</u>	<u>\$ 4,500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (6,219)	\$ -	\$ (2,591)	\$ (523)	\$ (3,000)	\$ 1,470
CASH AND INVESTMENTS, JANUARY 1	<u>6,219</u>	<u>6,219</u>	<u>2,716</u>	<u>2,716</u>	<u>9,032</u>	<u>9,032</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 6,219</u></u>	<u><u>\$ 125</u></u>	<u><u>\$ 2,193</u></u>	<u><u>\$ 6,032</u></u>	<u><u>\$ 10,502</u></u>

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

SCOTLAND COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2024

	PROSECUTING ATTORNEY BAD CHECK FUND		DIVORCE EDUCATION FUND		ELECTION SERVICES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
	RECEIPTS					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	50	45	-	-	350	911
Charges for services	350	660	-	-	4,965	8,521
Interest	-	-	-	-	350	1,535
Other	-	-	-	-	2,105	2,076
Transfers in	-	-	-	-	1,390	2,775
Total Receipts	<u>\$ 400</u>	<u>\$ 705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,160</u>	<u>\$ 15,818</u>
DISBURSEMENTS						
Salaries	\$ 350	\$ 325	\$ -	\$ -	\$ 1,500	\$ 1,929
Employee fringe benefits	27	25	-	-	135	147
Materials and supplies	-	-	-	-	-	-
Services and other	50	45	862	-	10,730	4,958
Capital outlay	-	-	-	-	18,005	2,005
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 427</u>	<u>\$ 395</u>	<u>\$ 862</u>	<u>\$ -</u>	<u>\$ 30,370</u>	<u>\$ 9,039</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (27)	\$ 310	\$ (862)	\$ -	\$ (21,210)	\$ 6,779
CASH AND INVESTMENTS, JANUARY 1	<u>40</u>	<u>40</u>	<u>862</u>	<u>862</u>	<u>23,034</u>	<u>23,034</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 13</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 862</u>	<u>\$ 1,824</u>	<u>\$ 29,813</u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	HELP AMERICA VOTE ACT FUND		SHERIFF CIVIL SERVICE FUND		SHERIFF SPECIAL PROJECT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	2,775	2,775	-	-	-	-
Charges for services	-	-	1,000	1,672	-	-
Interest	-	477	100	146	-	-
Other	-	-	-	36	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,775</u>	<u>\$ 3,252</u>	<u>\$ 1,100</u>	<u>\$ 1,854</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	9,943	247	928	926	2,028	266
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	1,390	2,775	-	-	-	-
Total Disbursements	<u>\$ 11,333</u>	<u>\$ 3,022</u>	<u>\$ 928</u>	<u>\$ 926</u>	<u>\$ 2,028</u>	<u>\$ 266</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,558)	\$ 230	\$ 172	\$ 928	\$ (2,028)	\$ (266)
CASH AND INVESTMENTS, JANUARY 1	<u>8,558</u>	<u>8,558</u>	<u>2,289</u>	<u>2,289</u>	<u>2,028</u>	<u>2,028</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 8,788</u>	<u>\$ 2,461</u>	<u>\$ 3,217</u>	<u>\$ -</u>	<u>\$ 1,762</u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	CHILDREN'S TRUST FUND		TAX MAINTENANCE FUND		COUNTY OF SCOTLAND IMPROVEMENT CORPORATION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	100	125	-	7,797	-	-
Interest	-	-	-	816	4	8
Other	-	-	-	70	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 100	\$ 125	\$ -	\$ 8,683	\$ 4	\$ 8
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	1,750	1,307	-	-
Services and other	330	-	3,050	1,377	154	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 330	\$ -	\$ 4,800	\$ 2,684	\$ 154	\$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (230)	\$ 125	\$ (4,800)	\$ 5,999	\$ (150)	\$ 8
CASH AND INVESTMENTS, JANUARY 1	330	330	11,321	11,321	150	150
CASH AND INVESTMENTS, DECEMBER 31	\$ 100	\$ 455	\$ 6,521	\$ 17,320	\$ -	\$ 158

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

SCOTLAND COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	SHERIFF INMATE SECURITY FUND		SHERIFF'S REVOLVING FUND		CARES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	400	1,204	1,000	1,555	-	-
Interest	50	108	400	675	1,000	12,780
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 450</u>	<u>\$ 1,312</u>	<u>\$ 1,400</u>	<u>\$ 2,230</u>	<u>\$ 1,000</u>	<u>\$ 12,780</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	549	549	2,028	2,028	278,191	77,661
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	212,310
Total Disbursements	<u>\$ 549</u>	<u>\$ 549</u>	<u>\$ 2,028</u>	<u>\$ 2,028</u>	<u>\$ 278,191</u>	<u>\$ 289,971</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (99)	\$ 763	\$ (628)	\$ 202	\$ (277,191)	\$ (277,191)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,661</u>	<u>1,661</u>	<u>12,571</u>	<u>12,571</u>	<u>277,191</u>	<u>277,191</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,562</u></u>	<u><u>\$ 2,424</u></u>	<u><u>\$ 11,943</u></u>	<u><u>\$ 12,773</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCOTLAND COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Fund/Account	Cash and Cash Equivalents			Cash and Cash Equivalents December 31
	January 1	Receipts	Disbursements	
Treasurer Fines	\$ 4,651	\$ 19,096	\$ 15,267	\$ 8,480
Treasurer CERF	5,096	91,044	90,838	5,302
Treasurer Health Department	-	276,002	276,002	-
Treasurer Hospital	-	456,405	456,405	-
Treasurer Library	-	174,553	174,553	-
Treasurer City of Memphis	-	2,388	2,388	-
Treasurer Nursing Home	-	275,159	275,159	-
Treasurer Overplus	886	10,810	-	11,696
Treasurer Unclaimed Fees	596	-	-	596
Treasurer Watershed	-	2,089	2,089	-
Treasurer All School	-	3,464,018	3,464,018	-
Treasurer Ambulance	-	77,651	77,651	-
County Clerk Election	135	43,854	43,977	12
County Collector Main	4,543,802	6,867,552	6,480,756	4,930,598
County Collector Protested Tax	2,924	85	3,009	-
Recorder of Deeds	186	32,163	31,911	438
Sheriff	519	8,591	8,852	258
Public Administrator	185,280	64,744	218,449	31,575
Total	<u>\$ 4,744,075</u>	<u>\$ 11,866,204</u>	<u>\$ 11,621,324</u>	<u>\$ 4,988,955</u>

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

SCOTLAND COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Scotland County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

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

B. Basis of Presentation

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

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

C. Basis of Accounting

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

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures in 2024 exceeded budgeted amounts for the CARES Fund.

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

The assessed valuations of the tangible taxable property included within the County's boundaries for the calendar year 2024 for purposes of taxation were:

Real Estate	\$	53,557,064
Personal Property		32,618,304
Railroad and Utilities		11,553,328
Total	\$	<u>97,728,696</u>

For calendar year 2024, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$	0.4998
Road & Bridge		0.3499
Special Road & Bridge		0.3100

In addition to the levies above, the County has levied a tax of \$.75 per acre on all agricultural and horticultural land which is included in the Road Rock Fund.

Both the Road and Bridge and Special Road and Bridge levies go into the Special Road & Bridge Fund.

F. Cash Deposits and Investments

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

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been

eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2024, the County had the following cash and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents	\$ 2,541,709	\$ 2,752,392	\$ 250,000
Investments	506,501	506,501	250,000
Total Governmental Funds	<u>\$ 3,048,210</u>	<u>\$ 3,258,893</u>	<u>\$ 500,000</u>
Cash and Cash Equivalents - Fiduciary	<u>\$ 4,988,955</u>	<u>\$ 4,507,238</u>	<u>\$ 283,296</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2024 were covered by pledged collateral securities, letters of credit, or other acceptable collateral held by the County or by its safekeeping bank agent in the County’s name.

3. COUNTY EMPLOYEES’ RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2024, the County collected and remitted to CERF employee withholdings and fees collected of \$90,838 for the year then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$4,114 for the year ended December 31, 2024.

C. Other Retirement Plans

Scotland County has a voluntary 401(a) plan which is paid by a deduction from the employee's salary. Employee contributions collected and remitted by the County for the year ended December 31, 2024 were \$7,203.

Scotland County has a voluntary 457(b) plan which is paid by a deduction from employee's 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, 2024 were \$40,581.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

Full-time employees shall earn eight hours of sick leave with pay credit monthly in which a minimum of 120 hours have been worked. Introductory employees are not eligible for leave pay until six months of employment have been completed, although sick leave accrues from the first month of employment. Full-time employees may accumulate sick leave with pay to a maximum of 240 hours. Employees may use up to 48 hours of sick leave each year. Upon termination, employees will not be compensated for any unused sick leave.

Each full-time regular employee shall accrue vacation leave credit at annual rates as follows: zero hours during introductory period; 40 hours during year two; 80 hours during years three through five; 120 hours after year five. Employees may accrue vacation leave to a maximum of 240 hours, except personnel who are FLSA exempt may accrue vacation leave to a maximum of 360 hours. It is the general policy not to reimburse individuals for accrual of vacation time beyond their eligible amounts. Any employee with benefits leaving the County service due to resignation, death or termination shall be compensated for vacation credit unused to the date of termination.

B. Federal and State Assisted Programs

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

6. RISK MANAGEMENT

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

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

7. RELATED PARTIES

The Prosecuting Attorney received rent payments from the County for use of a commercial building located at 103 South Main Street, Memphis, Missouri. During 2024, \$5,600 was paid by the County, of which \$2,400 was paid to the Prosecuting Attorney, prior to her resignation in April 2024.

8. LONG-TERM DEBT

In August 2019, two tax anticipation notes in the amounts of \$57,291 and \$342,709 were issued by the Bank of Kirksville with a 7 year repayment period. The tax anticipation notes are repaid through annual principal and interest payments. The interest rate shall not exceed 3.75%. The final payment on the notes was made in February 2024.

The following schedule shows changes in long-term debt during the year ended December 31, 2024:

Description	Balance		Payments	Interest	
	12/31/2023	Additions		12/31/2024	Paid
Tax Anticipation Notes	\$ 48,637	\$ -	\$ (48,637)	\$ -	\$ 1,925

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2024 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 29, 2025, the date the financial statements were available to be issued, except for the revision described in Note D to the Schedule of Expenditures of Federal Awards, as to which the date is March 23, 2026.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Scotland County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Scotland County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2024, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Scotland County, Missouri's basic financial statements and have issued our report thereon dated September 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Scotland County, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Scotland County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Scotland County, Missouri's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scotland County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

McBride, Lock & Associates, LLC

Kansas City, Missouri

September 29, 2025, except for the revision described in Note D to the Schedule of Expenditures of Federal Awards, as to which the date is March 23, 2026

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Scotland County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scotland 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 Scotland County, Missouri’s major federal programs for the year ended December 31, 2024. Scotland County, Missouri’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Scotland County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Scotland 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 Scotland County, Missouri’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Scotland 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 Scotland County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Scotland County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Scotland 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 Scotland 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 Scotland County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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

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

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

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

McBride, Lock & Associates, LLC

Kansas City, Missouri

September 29, 2025, except for the revision described in Note D to the Schedule of Expenditures of Federal Awards, as to which the date is March 23, 2026

SCOTLAND COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
16.575	Passed through Missouri Association of Prosecuting Attorneys - Crime Victim Assistance	N/A	\$ 35,398
U.S. DEPARTMENT OF TRANSPORTATION			
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction	BRO-R099(001) BRO-B099(23) RRP-000S(581)	11,413 615,348 1,309,237
	Total 20.205		<u>\$ 1,935,998</u>
U.S. DEPARTMENT OF THE TREASURY			
21.027	Direct program - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	289,970
ELECTION ASSISTANCE COMMISSION			
90.404	Passed through Missouri Secretary of State - HAVA Election Security Grants	N/A	247
	Total Expenditures of Federal Awards		<u><u>\$ 2,261,613</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

SCOTLAND COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Scotland County, Missouri for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2024.

NOTE D – SEFA RESTATEMENT

After the issuance of the December 31, 2024 audit report, the Missouri Department of Transportation notified the County of an additional \$84,542 that was reimbursed to the County in January 2025 for work performed by the County in 2024 on project RRP-000S(581). The reimbursement was for work performed by County employees and use of County machinery. The SEFA has been restated to include this additional amount as a 2024 federal award expenditure.

SCOTLAND COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Adverse

Type of auditor’s report issued on whether the financial statements were prepared in accordance with the regulatory basis: Unmodified

The special purpose framework used as a basis of accounting was not required by state law.

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

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

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None reported

ITEMS OF NONCOMPLIANCE

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-001: Internal Control Over Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation (DOT), U.S. Department of the Treasury (Treasury), Election Assistance Commission (EAC)

Pass-Through Grantor: Missouri Department of Transportation, Missouri Secretary of State

Federal Assistance Listing Number: 20.205, 21.027, 90.404

Program Title: Highway Planning and Construction, Coronavirus State and Local Fiscal Recovery Funds, HAVA Election Security Grants

Pass-through Entity Identifying Number: BRO-R099(001), BRO-B099(23), RRP-000S(581)

Award Year: 2024

Questioned Costs: None

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

Condition: The SEFA reported by the County in the 2025 annual budget document did not include all federal expenditures. Discrepancies in amounts reported on the 2024 SEFA and amount supported by underlying accounting records are summarized as follows:

Federal Agency	Assistance		Original	Supported	Difference
	Listing Number	Program	SEFA		
DOT	20.205	Highway Planning and Construction	-	1,851,456	(1,851,456)
Treasury	21.027	Coronavirus State and Local Fiscal Recovery Funds	-	289,970	(289,970)
EAC	90.404	HAVA Election Security Grants	-	247	(247)

Cause: The County has not implemented a proper system of internal control over SEFA preparation, such as a review of underlying accounting records to ensure all federal expenditures have been included.

Effect: The SEFA presented for audit did not accurately reflect the County’s actual expenditures of federal awards for the year ended December 31, 2024.

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

County’s Response: Scotland County’s response for issues found:

1. We will double check to make sure we didn’t miss something for the SEFA report.
2. We will update the 2024 SEFA for the corrected amounts.
3. The Highway Planning and Construction (MODOT Intermodal) included the railroad bridge that no one could tell us where the money was coming from. This accounted for \$1,228,104.64. We will correct this on the SEFA.
4. The ARPA was the interest received in 2024. We didn’t receive any more money from the state in 2024. We will get this added to the SEFA.
5. The HAVA Election Security Grant was missed when we were putting them in the report. We will get this added to the SEFA.

Auditor’s Evaluation: The grant agreement from MODOT for the RRP-000S(581) project did not include an Assistance Listing Number or other information identifying it is federal, however, the grant agreements for the two BRO projects did indicate the Assistance Listing Number. The expenditures of Coronavirus State and Local Fiscal Recovery Funds in 2024 were well in excess of the amount of interest earned on the funds since the first receipt of funds in 2021.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

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

SCOTLAND COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Scotland County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2020 and 2019.

There were no findings noted in the prior audit report.

SCOTLAND COUNTY, MISSOURI
CORRECTIVE ACTION PLAN

Finding Reference Number: 2024-001

Federal Agency: U.S. Department of Transportation, U.S. Department of the Treasury, Election Assistance Commission

Program Name: Highway Planning and Construction, Coronavirus State and Local Fiscal Recovery Funds, HAVA Election Security Grants

Assistance Listing Number: 20.205, 21.027, 90.404

Responsible Official: Tammy Kirchner, County Clerk

Views of Responsible Individuals: See following page.

Scotland County Commission

117 South Market Street, Courthouse Suite 100, Memphis, MO 63555

Duane Ebeling - Presiding Commissioner
Brent Rockhold - Associate Commissioner
David Wiggins - Associate Commissioner
Phone (660) 465-7027

Tammy Kirchner - County Clerk
Carrie Shannan - Deputy Clerk
Tonya Hunt - Deputy Clerk
Fax (660) 465-7785


October 22, 2025


McBride, Lock & Associates, LLC

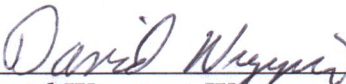
Scotland County's Response for issues found.

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Sincerely,


Duane Ebeling, Presiding


Brent Rockhold, Eastern


David Wiggins, Western

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

September 29, 2025

To the County Commission
Scotland County, Missouri

We have audited the regulatory basis financial statements of Scotland County, Missouri for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 13, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Scotland County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 29, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

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

Restriction on Use

This information is intended solely for the information and use of the County Commission and management of Scotland County, Missouri and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

McBride, Lock & Associates, LLC