

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**FINANCIAL STATEMENTS**  
**December 31, 2022**

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**TABLE OF CONTENTS**  
**December 31, 2022**

	<b><u>Page No.</u></b>
<b>AUDITOR'S REPORTS</b>	
Independent Auditor's Report.....	1 - 3
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 <i>Government Auditing Standards</i> .....	4 - 5
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position and Governmental Funds Balance Sheet - Modified Cash Basis .....	6
Statement of Activities and Governmental Funds Revenues Expenditures, and Changes in Fund Balances - Modified Cash Basis .....	7
<b>NOTES TO THE FINANCIAL STATEMENTS</b> .....	8 - 17
<b>SUPPLEMENTAL INFORMATION</b>	
Budgetary Comparison Schedule - Modified Cash Basis.....	18
Schedule of Changes in Net Pension Liability and Related Ratios.....	19
Schedule of Contributions.....	20
<b>FEDERAL FINANCIAL ASSISTANCE</b>	
Independent Auditor's Report On Compliance for Each Major Program And On Internal Control Over Compliance Required by the Uniform Guidance .....	21 - 23
Schedule of Expenditures of Federal Awards.....	24
Notes to Schedule of Expenditures of Federal Awards.....	25
Schedule of Findings and Questioned Costs.....	26 - 27
Summary Schedule of Prior Year Findings and Questioned Costs .....	28

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Trustees  
St. Francois County Health Center

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of the St. Francois County Health Center, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the St. Francois County Health Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the St. Francois County Health Center, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### **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 St. Francois County Health Center 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 of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, and 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 St. Francois County Health Center'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 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 St. Francois County Health Center'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 the St. Francois County Health Center'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 opinions on the financial statements that collectively comprise the St. Francois County Health Center's basic financial statements. The accompanying Budgetary Comparison Schedule, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and 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*, are presented for purposes of additional analysis and are 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 Budgetary Comparison Schedule, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Expenditures of Federal Awards are 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 April 27, 2023, on our consideration of the St. Francois County Health Center'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 the St. Francois County Health Center'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 the St. Francois County Health Center's internal control over financial reporting and compliance.

*Maloney, Wright & Robbins*

Farmington, MO  
April 27, 2023



## **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 Honorable Board of Trustees  
St. Francois County Health Center

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 the governmental activities and each major fund of the St. Francois County Health Center, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the St. Francois County Health Center's basic financial statements, and have issued our report thereon dated April 27, 2023.

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

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

*Maloney, Wright & Robbins*

Farmington, MO  
April 27, 2023

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**DECEMBER 31, 2022**

	General Fund	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,719,684	\$ -	\$ 1,719,684
Investments	908,345	-	908,345
Capital assets, net of depreciation	-	698,026	698,026
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 2,628,029	698,026	\$ 3,326,055
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accrued Liabilities	\$ -	-	\$ -
Long-term liabilities	-	-	-
Total Liabilities	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES / NET POSITION</b>			
Fund balances:			
Nonspendable	\$ -	-	\$ -
Restricted	-	-	-
Committed	908,345	(908,345)	-
Assigned	-	-	-
Unassigned	1,719,684	(1,719,684)	-
Total Fund Balances	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 2,628,029		
	<hr/>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		698,026	698,026
Unrestricted		2,628,029	2,628,029
Total Net Position		<hr/>	<hr/>
		<hr/>	<hr/>

**The accompanying notes are an integral part of the financial statements.**



**ST. FRANCOIS COUNTY HEALTH CENTER**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

**For The Year Ended**  
**DECEMBER 31, 2022**

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Operations	\$ 1,863,611	\$ -	\$ 1,863,611
Depreciation	-	61,694	61,694
Capital Outlay	256,667	(256,667)	-
Total expenditures/expenses	<u>2,120,278</u>	<u>(194,972)</u>	<u>1,925,306</u>
<b>PROGRAM REVENUES</b>			
Charges for services	1,348,248	-	1,348,248
Operating Grants	1,500	-	1,500
Capital Grants	-	-	-
Total Program Revenue	<u>1,349,748</u>	<u>-</u>	<u>1,349,748</u>
Net program expense	<u>(770,530)</u>	<u>194,972</u>	<u>(575,558)</u>
<b>GENERAL REVENUE</b>			
County Taxes	783,243	-	783,243
TIF Income	15,778	-	15,778
Interest Income	4,872	-	4,872
Donations	-	-	-
Loss on Disposition of Assets	-	-	(7,411)
Miscellaneous Income	-	-	-
Total General Revenues and Transfers	<u>803,893</u>	<u>-</u>	<u>796,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,363	(33,363)	-
Change in Net Position	-	220,924	220,924
<b>FUND BALANCE/NET POSITION</b>			
Beginning of the Year	2,594,666	510,465	3,105,131
End of the Year	<u>\$ 2,628,029</u>	<u>\$ 698,026</u>	<u>\$ 3,326,055</u>

**The accompanying notes are an integral part of the financial statements.**

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.      The Reporting Entity**

St. Francois County Health Center is a political subdivision of the State of Missouri formed pursuant to Sections 205.010 to 205.150 RSMo. As such, it levies taxes on property owners of St. Francois County to establish and maintain a health center within the corporate limits. The health center has determined that it does not exercise oversight responsibility over any separately administered organization which should be included as a component unit or fiduciary fund in the health center's financial statements. This determination was based upon assessment of the following criteria: budget adoption, taxing authority, appointment of governing boards, selection of management, ability to significantly influence operations, and financial interdependency.

**B.      Organization Activities**

The organization provides health and sanitation inspection services. Program services include nursing services, immunization service, nutrition education, prenatal care and infant care, and HIV management. The primary target group of the services is economically disadvantaged infants, mothers and elderly individuals. Funding is provided by county taxes, state health grants, and Medicaid insurance. The center also received additional funding through grants from the Missouri Foundation for Health.

**C.      Basis of Presentation**

The St. Francois County Health Center is a single program government with only one fund engaged only in governmental activities. These financial statements present a format which combines the government-wide financial statements and the fund financial statements.

**D.      Basis of Accounting**

The financial statements of the health center are prepared on the modified cash basis of accounting. Under this method, revenues are recognized when received and expenditures are recognized when paid. This basis of accounting differs from accounting principles, generally accepted in the United States of America (GAAP), which 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. For purposes of the governmental fund financial statements, revenue is recognized as "available" on the same basis of accounting.

**E.      Measurement Focus**

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F.      Fixed Assets**

Fixed assets purchased by the health center are stated at cost and depreciated over the estimated useful lives using the straight-line method of depreciation.

**G.      Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**H.      Compensated Absences**

The health center provides its employees with ten (10) to fourteen (14) hours of compensated vacation and ten (10) hours of compensated sick leave per month. Employees are also provided compensated time off for all hours worked over forty (40) hours a week. The vacation time is cumulative to maximums of 240 to 366 hours based upon years of service. Compensatory time is cumulative to a maximum of 40 hours. The vacation time and overtime are payable upon termination of employment. Sick pay is cumulative, but is forfeited upon termination of employment, unless the employee has been employed for more than ten (10) years. In which case, the employee is paid for thirty-three and one third percent (33 1/3%) of the sick pay hours accumulated.

The liability for unused vacation and overtime at December 31, 2022 was \$62,729 and \$8,261 for unused sick time, for employees employed for more than ten (10) years. No liabilities have been accrued in these financial statements for either of these balances.

**I.      Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are collected by St. Francois County, Missouri and are remitted to the health center on a monthly basis. Taxes are levied on October 1 and mailed to taxpayers in November, at which time they are payable. All unpaid taxes levied October 1, become delinquent January 1, of the following year. Property tax revenues are recognized in the fiscal year in which they are received.

**J.      Use of Estimates**

The preparation of financial statements in conformity with another comprehensive basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K.      Budgets and Budgetary Accounting**

In accordance with Missouri Statutes, the Health Center follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1)      During December the Administrator, who serves as the budget officer, submits to the Board of Trustees a proposed budget for the year beginning on the following January 1. The proposed budget includes estimated revenues and proposed expenditures. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 2)      The budget was legally enacted by a vote of the Board of Trustees.
- 3)      Subsequent to its formal approval of the budget, the Board of Trustees has the authority to make necessary adjustments to the budget by formal vote of the Board. The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. For the year ended December 31, 2022, actual expenditures exceeded the budget, but were approved by management and the Board of Trustees.

**L.      Equity Classification**

***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- 1)      Net Investment in Capital Assets - Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of the net position.
- 2)      Restricted Net Position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 3)      Unrestricted Net Position - All other net position that does not meet the definition of "restricted or net investment in capital assets." It is the Center's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**M.      Fund Equity - Governmental Funds**

The following classifications of fund balance describe the relative strength of the spending constraints and provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent:

- Non-spendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M.      Fund Equity - Governmental Funds (Continued)**

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the health center itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the department takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the department intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees is the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by Board of Trustees through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

As discussed in Note 1, restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the center considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the center has provided otherwise in its commitment or assignment actions. The health center has not adopted a formal minimum fund balance policy.

**NOTE 2      CASH DEPOSITS**

At December 31, 2022, the Health Center's deposits are composed of those allowed by State Statutes and are as follows:

Cash on Hand	\$ 300
Checking Account	1,719,384
Total	<u>\$ 1,719,684</u>

Missouri Statutes require that funds of the health center on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. At December 31, 2022 as confirmed by the depository banks, all health department accounts were adequately insured and collateralized by securities held by the pledging institution.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 3      INVESTMENTS**

Investments were categorized as follows at December 31, 2022:

Investment	CD#	Maturity Date	Total
Belgrade Bank	41550	01/06/23	\$ 193,009
Belgrade Bank	41554	05/07/23	226,659
Belgrade Bank	59331	03/02/23	403,592
First State Community Bank	115329	05/06/23	85,085
			<u>\$ 908,345</u>
Total			

The health center's deposit and investment policy states that additional securities will be pledged in addition to the \$250,000 FDIC coverage on checking and certificates of deposit. Investment transactions may be conducted only through qualified depositories. Management will determine term and distribution of deposits by considering the projected time of need and by exercising reasonable care, skill and caution. The health center's investments were secured by a letter of credit by Belgrade State Bank.

**NOTE 4      FIXED ASSETS**

The following is a summary of changes in fixed assets for the year ended December 31, 2022:

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Land	\$ -	\$ -	\$ -	\$ -
Building	1,214,764	188,193	46,230	1,356,727
Vehicles	28,962	66,240	-	95,202
Furniture & Equipment	466,241	2,234	179,770	288,705
Total	<u>\$ 1,709,967</u>	<u>\$ 256,667</u>	<u>\$ 226,000</u>	\$ 1,740,634
Accumulated Depreciation				(1,042,608)
Total Net of Depreciation				<u>\$ 698,026</u>

Current year depreciation expense for the year ending December 31, 2022 was \$61,694.

**NOTE 5      PENSION**

**Plan Description**

The St. Francois County Health Center defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The St. Francois County Health Center participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

**ST. FRANCOIS COUNTY HEALTH CENTER  
NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 5      PENSION (Continued)**

**Benefits Provided**

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<b><u>2022 Valuation</u></b>
Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

**Employees covered by benefit terms**

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	5
Active Employees	19
	<u>47</u>

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 12.0% (General) of annual covered payroll.

**Net Pension Liability**

The employer's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 5      PENSION (Continued)**

**Actuarial assumptions**

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Both the post retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above-described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	(25.00%)	(0.29%)

**Discount rate**

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of



**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 5      PENSION (Continued)**

**Discount rate (Continued)**

current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Balances at 6/30/2021</b>	\$ 5,133,872	\$ 6,160,142	\$ (1,026,270)
<b>Changes for the year:</b>			
Service Cost	76,165	-	76,165
Interest	350,893	-	350,893
Difference between expected and actual experience	(202,488)	-	(202,488)
Contributions – employer	-	104,967	(104,967)
Contributions – employee	-	35,274	(35,274)
Net Investment income	-	3,878	(3,878)
Changes of Assumptions	-	-	-
Benefit payments, including refunds	(322,566)	(322,566)	-
Administrative expense	-	(5,635)	5,635
Other changes	-	(302,053)	302,053
<b>Net Changes</b>	(97,996)	(486,135)	(388,139)
<b>Balances at 6/30/2022</b>	\$ 5,035,876	\$ 5,674,007	\$ (638,131)

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

<b>1% Decrease 6.00%</b>	<b>Current Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
\$ 2,598	\$ (638,131)	\$ (1,166,120)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the employer recognized pension expense of \$ 131,422. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 5      PENSION (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

	<b><u>Deferred Outflows Of Resources</u></b>	<b><u>Deferred Inflows Of Resources</u></b>
Differences between expected and actual experience	\$ 21,745	\$ (157,674)
Changes in assumptions	-	(129,603)
Net difference between projected and actual earnings on pension plan investments	-	(128,988)
Employer contributions subsequent to the measurement date*	62,433	-
Total	<u>\$ 84,178</u>	<u>\$ (416,355)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending 12/31/23.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

2023	\$ (125,261)
2024	(144,876)
2025	(182,977)
2026	58,504
2027	-
Thereafter	-
Total	<u>\$ (394,610)</u>

**Payable to the Pension Plan**

All required amounts had been paid to LAGERS for contributions to the pension plan for the year ended December 31, 2022.

**NOTE 6      FUND BALANCE**

The Committed fund balance for the General Fund is comprised of the following:

- Funds of \$823,260 designated for six (6) months operating expenditures
- Funds of \$85,085 designated for leave liabilities

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

**NOTE 6**      **FUND BALANCE (Continued)**

The designated funds were approved by the Board of Trustees. The policy allows for the changes in leave liability and operating expenditures to be factored into the balances required.

The Unassigned fund balance in the General Fund represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The health center has not adopted a formal minimum fund balance policy.

**NOTE 7**      **RISK MANAGEMENT**

The health center 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. The health center purchases insurance from commercial companies to cover these risks.

**NOTE 8**      **ADJUSTMENTS**

The adjustment columns on pages 6 and 7 adjust the fund financial statements to the government-wide financial statements. The adjustments are for fixed assets to arrive at the statement of net position, and depreciation, and capital outlay to arrive at the statement of activities.

**NOTE 9**      **SUBSEQUENT EVENTS**

The Health Center has evaluated events and transactions for potential recognition or disclosure through April 27, 2023, the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**For The Year Ended December 31, 2022**

	<b>General Fund</b>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
County Taxes	\$ 800,000	\$ 783,243	\$ 783,243
Federal and State Programs	1,443,728	1,117,461	1,117,462
Other Program Revenues	200,000	230,786	230,786
Interest Income	5,500	4,872	4,872
TIF Income	-	-	15,778
Grant Funds	281,786	1,500	1,500
Total Revenues	<u>2,731,014</u>	<u>2,137,862</u>	<u>2,153,641</u>
Expenditures:			
Salaries, Payroll Taxes and Benefits	1,390,359	1,472,690	1,472,690
Office Supplies and Postage	18,000	10,709	10,709
Equipment Repair and Maintenance	10,000	10,218	10,218
Building Repair and Maintenance	5,000	5,307	5,307
Lawn and Grounds Maintenance	4,500	4,200	4,200
Trash Service	5,000	5,035	5,035
Insurance	32,000	32,461	32,461
Telephone and Utilities	35,000	56,337	56,337
Legal and Professional Fees	9,000	15,919	15,919
Nursing Supplies and Lab Costs	30,000	20,049	20,049
Travel and Mileage	22,000	24,486	24,486
Contract Expense	110,000	120,955	120,955
Housekeeping Supplies	2,500	2,731	2,281
Promotional Items	2,000	-	-
Nutrition Education	5,000	4,937	4,937
Dues & Subscriptions	14,000	27,973	27,973
Training Costs	15,000	14,226	14,226
General Supplies	25,000	26,383	26,383
Licenses & Fees	12,000	8,882	8,882
Advertising	5,000	668	668
Election Fees	-	-	-
Capital Outlay	502,050	256,169	256,667
Grant Expense Allocation	-	(105)	(105)
Total Expenditures	<u>2,253,409</u>	<u>2,120,230</u>	<u>2,120,278</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	477,605	17,632	33,363
FUND BALANCE - Beginning of Year	<u>2,594,666</u>	<u>2,594,666</u>	<u>2,594,666</u>
FUND BALANCE - End of Year	<u>\$ 3,072,271</u>	<u>\$ 2,612,298</u>	<u>\$ 2,628,029</u>

**The accompanying notes are an integral part of the financial statements.**

**ST FRANCOIS COUNTY HEALTH CENTER**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**

<i>Fiscal year ending June 30,</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total Pension Liability</b>								
Service Cost	\$ 76,165	\$ 77,243	\$ 76,397	\$ 77,571	\$ 75,468	\$ 78,236	\$ 76,826	\$ 79,655
Interest on the Total Pension Liability	350,893	372,510	364,860	351,703	338,240	340,449	318,097	309,427
Benefit Changes	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(202,488)	6,494	18,749	100,213	92,513	(173,026)	1,197	(78,959)
Assumption Changes	-	(233,305)	-	-	-	-	135,868	-
Benefit Payments	(322,566)	(371,881)	(338,517)	(356,027)	(288,274)	(261,735)	(188,310)	(189,946)
Refunds	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>\$ (97,996)</b>	<b>\$ (148,939)</b>	<b>\$ 121,489</b>	<b>\$ 173,460</b>	<b>\$ 217,947</b>	<b>\$ (16,076)</b>	<b>\$ 343,678</b>	<b>\$ 120,177</b>
<b>Total Pension Liability beginning</b>	<b>5,133,872</b>	<b>5,282,811</b>	<b>5,161,322</b>	<b>4,987,862</b>	<b>4,769,915</b>	<b>4,785,991</b>	<b>4,442,313</b>	<b>4,322,136</b>
<b>Total Pension Liability ending</b>	<b>\$ 5,035,876</b>	<b>\$ 5,133,872</b>	<b>\$ 5,282,811</b>	<b>\$ 5,161,322</b>	<b>\$ 4,987,862</b>	<b>\$ 4,769,915</b>	<b>\$ 4,785,991</b>	<b>\$ 4,442,313</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 104,967	\$ 98,122	\$ 89,652	\$ 81,805	\$ 73,754	\$ 64,779	\$ 57,440	\$ 57,041
Contributions - employee	35,274	34,790	34,858	35,254	35,481	35,503	36,334	31,972
Pension Plan Net Investment Income	3,878	1,335,997	65,869	334,045	561,967	582,424	(14,980)	82,822
Benefit Payments	(322,566)	(371,881)	(338,517)	(356,027)	(288,274)	(261,735)	(188,310)	(189,946)
Refunds	-	-	-	-	-	-	-	-
Pension Plan Administrative Expense	(5,635)	(5,032)	(6,318)	(5,795)	(4,012)	(3,708)	(3,533)	(3,728)
Other (Net Transfer)	(302,053)	(37,927)	36,484	39,297	74,784	(72,617)	48,244	(524,518)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ (486,135)</b>	<b>\$ 1,054,069</b>	<b>\$ (117,972)</b>	<b>\$ 128,579</b>	<b>\$ 453,700</b>	<b>\$ 344,646</b>	<b>\$ (64,805)</b>	<b>\$ (546,357)</b>
<b>Plan Fiduciary Net Position beginning</b>	<b>6,160,142</b>	<b>5,106,073</b>	<b>5,224,045</b>	<b>5,095,466</b>	<b>4,641,766</b>	<b>4,297,120</b>	<b>4,361,925</b>	<b>4,908,282</b>
<b>Plan Fiduciary Net Position ending</b>	<b>\$ 5,674,007</b>	<b>\$ 6,160,142</b>	<b>\$ 5,106,073</b>	<b>\$ 5,224,045</b>	<b>\$ 5,095,466</b>	<b>\$ 4,641,766</b>	<b>\$ 4,297,120</b>	<b>\$ 4,361,925</b>
<b>Employer Net Pension Liability/(Asset)</b>	<b>\$ (638,131)</b>	<b>\$ (1,026,270)</b>	<b>\$ 176,738</b>	<b>\$ (62,723)</b>	<b>\$ (107,604)</b>	<b>\$ 128,149</b>	<b>\$ 488,871</b>	<b>\$ 80,388</b>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	<b>112.67%</b>	<b>119.99%</b>	<b>96.65%</b>	<b>101.22%</b>	<b>102.16%</b>	<b>97.31%</b>	<b>89.79%</b>	<b>98.19%</b>
<b>Covered Employee Payroll</b>	<b>\$ 787,849</b>	<b>\$ 832,093</b>	<b>\$ 814,885</b>	<b>\$ 818,665</b>	<b>\$ 861,227</b>	<b>\$ 835,893</b>	<b>\$ 893,536</b>	<b>\$ 804,719</b>
<b>Employer's Net Pension Liability as a percentage of covered employee payroll</b>	<b>-81.00%</b>	<b>-123.34%</b>	<b>21.69%</b>	<b>-7.66%</b>	<b>-12.49%</b>	<b>15.33%</b>	<b>54.71%</b>	<b>9.99%</b>
<b>Notes to schedule:</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**

<u>June 30,</u>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Actuarially determined contribution	\$ 116,876	\$ 100,816	\$ 102,450	\$ 89,722	\$ 93,167	\$ 89,894	\$ 91,155	\$ 50,101	\$ 67,600	\$ 89,571
Contributions in relation to the actuarially determined contribution	116,876	99,970	94,569	85,366	80,379	68,075	62,612	50,101	67,601	89,571
Contribution deficiency (excess)	<u>\$ (0)</u>	<u>\$ 847</u>	<u>\$ 7,881</u>	<u>\$ 4,355</u>	<u>\$ 12,788</u>	<u>\$ 21,819</u>	<u>\$ 28,543</u>	<u>\$ (0)</u>	<u>\$ (1)</u>	<u>\$ (0)</u>
Covered-employee payroll	\$ 973,966	\$ 847,196	\$ 875,637	\$ 871,086	\$ 913,403	\$ 872,758	\$ 920,758	\$ 863,813	\$ 777,013	\$ 923,410
Contributions as a percentage of covered-employee payroll	12.00%	11.80%	10.80%	9.80%	8.80%	7.80%	6.80%	5.80%	8.70%	9.70%

**Notes to Schedule**

**Valuation date:** February 28, 2022

**Notes:** The roll-forward of total pension liability from February 28, 2022 to June 30, 2022 reflects expected service cost and interest reduced by actual benefit payments.

**Methods and assumptions used to determine contribution rates:**

<b>Actuarial cost method</b>	Entry Age Normal and Modified Terminal Funding
<b>Amortization method</b>	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
<b>Remaining amortization period</b>	Multiple bases from 7 to 15 years
<b>Asset valuation method</b>	5-year smoothed market; 20% corridor
<b>Inflation</b>	2.75% wage inflation; 2.25% price inflation
<b>Salary increases</b>	2.75% to 6.75% including wage inflation
<b>Investment rate of return</b>	7.00%, net of investment expenses
<b>Retirement age</b>	Experienced-based table of rates that are specific to the type of eligibility condition.

**Mortality** The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

**Other information:** None

## **FEDERAL FINANCIAL ASSISTANCE**





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

To the Honorable Board of Trustees  
St. Francois County Health Center

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

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

We have audited St. Francois County Health Center'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 St. Francois County Health Center's major federal programs for the year ended December 31, 2022. St. Francois County Health Center'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, St. Francois County Health Center 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, 2022.

***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 St. Francois County Health Center 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 St. Francois County Health Center'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 St. Francois County Health Center'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 St. Francois County Health Center'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 St. Francois County Health Center'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 St. Francois County Health Center'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 St. Francois County Health Center'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 St. Francois County Health Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of compliance section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Maloney, Wright & Robbins*

Farmington, MO  
April 27, 2023

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2022**

<b>Federal Grantor / Pass-through Grantor / Cluster or Program Title</b>	<b>Federal CFDA/ Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>12/31/22 Expenditures</b>
US Department of Agriculture			
Pass-through Missouri Department of Health & Senior Services Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557	22BRSTFEDWIC	\$ 422,032
Summer Food Service Program for Children	10.559	22SFSP	140
<b>Total US Department of Agriculture</b>			<b>422,172</b>
US Department of Health and Human Services			
Pass-through Mississippi County Health Center Rural Health Care Services Outreach, Rural Health Network Development and Small Healthcare Provider Quality Improvement	93.912	AOC13380066	5,158
US Department of Health and Human Services			
Pass-through Health Resources & Services Administration COVID-19 Testing for the Uninsured	93.461	HRSA0223	13,682
US Department of Health and Human Services			
Pass-through Missouri Department of Health & Senior Services			
Public Health Emergency Preparedness	93.069	22PHEP	43,659
Child Care Mandatory & Matching Funds of the Child Care and Development	93.596	21CCDF	2,615
Child Care & Development Block Grant	93.575	22CCDF	5,480
Child Care & Development Block Grant	93.575	21CCDF	876
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	HA00030-32	121,095
Maternal Child Health Services Block Grant to the States	93.994	22MCH	29,673
Maternal Child Health Services Block Grant to the States	93.994	21MCH	1,711
Children's Health Insurance Program	93.767	22LPHAMEDEAR	48,271
Affordable Care Act (ACA) Abstinence Education Program	93.235	2101MOSRAE	44,811
Affordable Care Act (ACA) Abstinence Education Program	93.235	2101MOSRAE	493
COVID-19 - Immunization Cooperative Agreements	93.268	IP922606-021	9,199
COVID-19 - Immunization Cooperative Agreements	93.268	IP922606-02P	113,644
<b>Total COVID-19 and Adult Vaccinations Supplemental</b>			<b>122,843</b>
COVID-19 - Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323	CK000546-02S	17,711
COVID-19 - Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323	CK000546-02S	112,449
COVID-19 - Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323	CK000546-01B	6
<b>Total COVID-19 Epidemiology and Capacity for Infectious Diseases</b>			<b>130,166</b>
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)			
Health Department Response to Public Health or Healthcare Crisis	93.391	OT000027-01	48,309
<b>Total COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)</b>			<b>48,309</b>
Health Department Response to Public Health or Healthcare Crisis			48,309
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2001MOPREP	22,405
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2001MOPREP	197
<b>Total US Department of Health and Human Services</b>			<b>641,444</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,063,616</b>

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of St. Francois County Health Center and is presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles. 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.)

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2022**

**NOTE 1      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the St. Francois County Health Center under programs of the federal government for the year ended December 31, 2022, and is presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of St. Francois County Health Center, it is not intended to and does not present the financial position, or changes in net position of the St. Francois County Health Center.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3      INDIRECT COST RATE**

St. Francois County Health Center has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2022**

**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of Auditor's report issued Unmodified (modified cash basis)

Internal Control Over Financial Reporting:

- Material weakness(es) identified? \_\_\_ yes   x   no
- Significant deficiency(ies) identified ? \_\_\_ yes   x   none reported
- Noncompliance material to financial statements noted? \_\_\_ yes   x   no

*Federal Awards*

Internal Control Over Major Federal Programs:

- Material weakness(es) identified? \_\_\_ yes   x   no
- Significant deficiency(ies) identified? \_\_\_ yes   x   none reported

Type of Auditor's Report issued on compliance  
for major federal programs Unmodified

Any audit findings disclosed that are required to  
be reportable under 2 CFR Section 200.516(a) \_\_\_ yes   x   no

Identification of major programs:

<u>CFDA/Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Food Program for Women, Infants, and Children (WIC)
93.461	COVID -19- Testing for the Uninsured

Dollar threshold used to distinguish  
Between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_ yes   x   no

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2022

**II. FINANCIAL STATEMENT FINDINGS**

- No findings.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

- No findings.

**ST. FRANCOIS COUNTY HEALTH CENTER**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2022

**I. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

- No findings.

**II. FINANCIAL STATEMENT FINDINGS**

- No findings.