



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lawrence County, Missouri

The Office of the State Auditor contracted for an audit of the Lawrence County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2020
Report No. 2020-055



Recommendations in the contracted audit of Lawrence County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	The county should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.
2019-004	The county should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The county should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Lawrence, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lawrence ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note I of the financial statements, the financial statements are prepared by the County 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.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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” paragraph, 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 each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

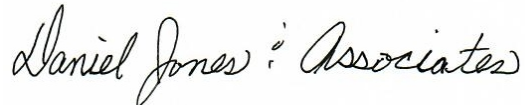
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lawrence’s basic financial statements. The 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.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020, on our consideration of the County of Lawrence'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 County'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 County of Lawrence's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020

FINANCIAL STATEMENTS

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 698,817.03	\$ 3,917,300.17	\$ 3,653,281.67	\$ 962,835.53
Special Road and Bridge Fund	591,828.81	2,849,760.91	2,637,655.36	803,934.36
Assessment Fund	770,231.26	416,978.97	382,774.25	804,435.98
Judicial Sales Tax Fund	1,389,656.60	410,460.82	542,416.24	1,257,701.18
Capital Improvements Fund	351,533.96	288,763.23	186,355.60	453,941.59
Common I Fund	387,429.80	458,746.49	572,600.03	273,576.26
Common II Fund	249,135.19	311,678.42	269,427.97	291,385.64
Prosecuting Attorney Admin Cost Handling Fund	2,627.50	9,413.89	10,912.74	1,128.65
Sheriff Special Fund	164,364.95	45,186.61	41,355.41	168,196.15
Law Enforcement Restitution Fund	24,015.10	25,216.15	26,436.91	22,794.34
Prosecuting Attorney Training Fund	437.06	809.51	692.11	554.46
Law Enforcement Training Fund	7,920.55	2,568.57	3,187.87	7,301.25
911 Emergency Fund	16,524.72	288,538.50	305,063.22	-
Inmate Security Fund	37,960.33	35,608.12	29,167.49	44,400.96
Election Services Fund	20,114.49	12,517.22	2,998.36	29,633.35
Collector's Tax Maintenance Fund	47,996.17	57,868.05	47,065.23	58,798.99
Recorder Special Fund	137,548.47	52,332.50	24,292.04	165,588.93
Sheriff Revolving Fund	114,557.82	29,014.92	19,959.83	123,612.91
Local Emergency Planning Committee Fund	20,244.75	4,443.33	5,961.10	18,726.98
Domestic Violence Fund	2,882.28	4,490.74	7,173.02	200.00
Domestic Cannabis Eradication Fund	-	354,738.32	335,020.64	19,717.68
Law Enforcement Sales Tax Fund	264,505.25	2,321,398.04	2,138,382.87	447,520.42
General Revenue Reserve Fund	476,534.03	472,662.33	-	949,196.36
Senior Citizens Service Board Fund	139,231.00	227,262.00	275,170.00	91,323.00
Developmentally Disabled Board Fund	604,062.00	918,934.00	972,836.00	550,160.00
TOTAL	\$ 6,520,159.12	\$ 13,516,691.81	\$ 12,490,185.96	\$ 7,546,664.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 205,056.04	\$ 3,864,550.35	\$ 3,370,789.36	\$ 698,817.03
Special Road and Bridge Fund	483,393.21	2,840,622.87	2,732,187.27	591,828.81
Assessment Fund	809,751.33	415,741.25	455,261.32	770,231.26
Judicial Sales Tax Fund	1,626,577.09	401,723.24	638,643.73	1,389,656.60
Capital Improvements Fund	192,489.09	190,000.00	30,955.13	351,533.96
Common I Fund	375,097.41	472,367.88	460,035.49	387,429.80
Common II Fund	172,579.67	346,834.74	270,279.22	249,135.19
Prosecuting Attorney Admin Cost Handling Fund	4,559.45	11,209.13	13,141.08	2,627.50
Sheriff Special Fund	164,985.72	47,481.12	48,101.89	164,364.95
Law Enforcement Restitution Fund	29,854.91	21,727.72	27,567.53	24,015.10
Prosecuting Attorney Training Fund	722.71	792.72	1,078.37	437.06
Law Enforcement Training Fund	6,943.31	3,290.91	2,313.67	7,920.55
911 Emergency Fund	9,616.08	221,698.57	214,789.93	16,524.72
Inmate Security Fund	28,606.91	43,575.16	34,221.74	37,960.33
Election Services Fund	34,376.76	6,863.95	21,126.22	20,114.49
Collector's Tax Maintenance Fund	51,005.47	51,688.09	54,697.39	47,996.17
Recorder Special Fund	111,467.08	51,122.32	25,040.93	137,548.47
Sheriff Revolving Fund	120,966.61	15,502.60	21,911.39	114,557.82
Local Emergency Planning Committee Fund	23,484.85	4,322.97	7,563.07	20,244.75
Domestic Violence Fund	222.00	5,738.62	3,078.34	2,882.28
Domestic Cannabis Eradication Fund	-	236,907.66	236,907.66	-
Law Enforcement Sales Tax Fund	116,785.89	2,209,478.32	2,061,758.96	264,505.25
General Revenue Reserve Fund	-	476,534.03	-	476,534.03
Senior Citizens Service Board Fund	113,470.00	234,828.00	209,067.00	139,231.00
Developmentally Disabled Board Fund	512,163.00	927,515.00	835,616.00	604,062.00
TOTAL	<u>\$ 5,194,174.59</u>	<u>\$ 13,102,117.22</u>	<u>\$ 11,776,132.69</u>	<u>\$ 6,520,159.12</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 518,600.00	\$ 606,417.05	\$ 414,063.00	\$ 644,651.47
Sales Taxes	1,580,000.00	1,605,920.25	1,530,000.00	1,563,276.57
Intergovernmental	799,870.00	803,400.18	780,372.00	812,522.51
Charges for Services	707,300.00	753,246.07	712,675.00	770,576.77
Interest	6,540.00	21,007.79	12,600.00	13,899.29
Other	91,500.00	95,708.83	9,000.00	28,023.74
Transfers In	31,600.00	31,600.00	33,200.00	31,600.00
TOTAL RECEIPTS	3,735,410.00	3,917,300.17	3,491,910.00	3,864,550.35
DISBURSEMENTS				
County Commission	383,910.21	363,957.86	335,112.34	313,151.09
County Clerk	131,176.83	121,051.80	146,269.73	128,773.92
Elections	121,303.00	108,599.72	183,800.00	136,618.79
Buildings and Grounds	113,400.00	92,277.45	81,232.46	97,745.59
Employee Fringe Benefits	31,300.00	13,636.63	30,300.00	28,984.20
County Treasurer	67,306.17	65,688.88	65,924.16	64,781.66
Collector	124,926.17	118,973.03	118,831.44	112,916.98
Recorder of Deeds	129,656.17	118,066.27	126,877.74	110,378.78
Circuit Clerk	27,000.00	22,150.37	27,000.00	23,315.50
Court Administration	38,876.00	33,749.29	37,059.00	42,252.42
Public Administrator	112,911.17	109,851.59	95,694.95	95,021.58
Prosecuting Attorney	611,336.58	604,048.84	529,744.26	501,355.20
Juvenile Officer	142,113.00	142,565.03	133,455.40	133,103.82
Coroner	48,098.30	53,756.47	45,549.76	47,392.68
Child Support Enforcement Unit	275,858.96	253,752.34	273,553.97	249,146.01
Other General County Government	325,302.35	312,300.31	267,487.00	221,140.13
Public Health and Welfare Services	633,714.84	593,855.79	674,486.56	649,711.01
Transfers Out	525,000.00	525,000.00	415,000.00	415,000.00
TOTAL DISBURSEMENTS	3,843,189.75	3,653,281.67	3,587,378.77	3,370,789.36
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(107,779.75)	264,018.50	(95,468.77)	493,760.99
CASH AND INVESTMENT				
BALANCES, JANUARY 1	698,817.03	698,817.03	205,056.04	205,056.04
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 591,037.28	\$ 962,835.53	\$ 109,587.27	\$ 698,817.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 92,000.00	\$ 101,462.57	\$ 60,000.00	\$ 79,744.28	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,530,000.00	1,555,920.46	1,530,000.00	1,563,239.19	-	-	-	-
Intergovernmental	1,451,320.00	1,182,161.29	1,233,060.00	1,137,239.35	367,810.00	390,362.39	367,814.00	392,052.92
Charges for Services	-	-	-	-	18,000.00	17,108.72	18,000.00	19,863.48
Interest	-	10,216.59	-	400.05	4,000.00	9,507.86	4,000.00	3,824.85
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	60,000.00	60,000.00	-	-	-	-
TOTAL RECEIPTS	3,073,320.00	2,849,760.91	2,883,060.00	2,840,622.87	389,810.00	416,978.97	389,814.00	415,741.25
DISBURSEMENTS								
Supplies	10,500.00	10,085.15	10,500.00	9,095.43	40,000.00	25,106.43	40,000.00	24,288.14
Road and Bridge Construction	2,259,299.45	1,980,386.83	2,195,777.82	2,052,114.34	-	-	-	-
Salaries	16,704.00	16,529.12	13,980.00	9,745.00	271,516.17	255,092.59	262,692.72	242,573.87
Benefits	8,370.00	7,127.85	4,240.00	3,715.93	76,700.00	56,180.56	72,000.00	57,872.69
Equipment	-	-	-	-	90,200.00	38,593.01	90,200.00	59,756.66
Office	-	-	-	-	29,800.00	7,801.66	29,800.00	10,246.06
Other	-	289.42	-	120.00	-	-	-	-
Transfer to Agency Funds	-	-	-	-	62,000.00	-	62,000.00	60,523.90
Transfers Out	692,710.55	623,236.99	703,282.18	657,396.57	-	-	-	-
TOTAL DISBURSEMENTS	2,987,584.00	2,637,655.36	2,927,780.00	2,732,187.27	570,216.17	382,774.25	556,692.72	455,261.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	85,736.00	212,105.55	(44,720.00)	108,435.60	(180,406.17)	34,204.72	(166,878.72)	(39,520.07)
CASH AND INVESTMENT BALANCES, JANUARY 1	591,828.81	591,828.81	483,393.21	483,393.21	770,231.26	770,231.26	809,751.33	809,751.33
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 677,564.81	\$ 803,934.36	\$ 438,673.21	\$ 591,828.81	\$ 589,825.09	\$ 804,435.98	\$ 642,872.61	\$ 770,231.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	JUDICIAL SALES TAX FUND				CAPITAL IMPROVEMENTS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 388,867.00	\$ 389,453.55	\$ 387,000.00	\$ 391,080.58	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	7,028.50	-	3,403.14	-	-	-	-
Interest	5,000.00	13,978.77	7,000.00	6,008.04	-	2,811.89	-	-
Other	-	-	-	581.48	-	550.00	-	-
Transfers In	-	-	-	650.00	400,000.00	285,401.34	190,000.00	190,000.00
TOTAL RECEIPTS	396,867.00	410,460.82	394,000.00	401,723.24	400,000.00	288,763.23	190,000.00	190,000.00
DISBURSEMENTS								
Salaries	270,172.93	260,368.56	248,843.61	249,779.64	-	-	-	-
Benefits	70,190.00	54,719.18	44,932.09	60,907.92	-	-	-	-
Capital Improvements	-	-	-	-	342,150.00	186,355.60	135,000.00	30,955.13
Supplies and Services	20,000.00	8,897.89	20,000.00	18,926.72	-	-	-	-
Office	23,700.00	22,212.83	9,700.00	22,102.50	-	-	-	-
Repairs and Upkeep	305,000.00	196,217.78	424,000.00	201,993.15	-	-	-	-
911	-	-	84,933.80	84,933.80	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	689,062.93	542,416.24	832,409.50	638,643.73	342,150.00	186,355.60	135,000.00	30,955.13
RECEIPTS OVER (UNDER) DISBURSEMENTS	(292,195.93)	(131,955.42)	(438,409.50)	(236,920.49)	57,850.00	102,407.63	55,000.00	159,044.87
CASH AND INVESTMENT BALANCES, JANUARY 1	1,389,656.60	1,389,656.60	1,626,577.09	1,626,577.09	351,533.96	351,533.96	192,489.09	192,489.09
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,097,460.67	\$ 1,257,701.18	\$ 1,188,167.59	\$ 1,389,656.60	\$ 409,383.96	\$ 453,941.59	\$ 247,489.09	\$ 351,533.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COMMON I FUND				COMMON II FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 72,903.55	\$ 82,837.49	\$ 72,903.55	\$ 78,910.38	\$ 28,134.31	\$ 29,698.39	\$ 28,134.31	\$ 27,898.16
Intergovernmental	20,226.00	30,163.17	20,226.00	23,211.98	9,438.07	11,155.85	9,438.07	7,921.88
Interest	-	2,670.91	-	-	-	3,095.12	-	-
Other	-	368.43	-	7,805.40	-	17,198.56	95,000.00	46,058.25
Transfers In	354,286.42	342,706.49	354,286.42	362,440.12	258,995.76	250,530.50	258,995.76	264,956.45
TOTAL RECEIPTS	447,415.97	458,746.49	447,415.97	472,367.88	296,568.14	311,678.42	391,568.14	346,834.74
DISBURSEMENTS								
Salaries	130,000.00	98,872.75	100,000.00	93,481.00	75,000.00	68,691.00	71,000.00	61,663.50
Employee Fringe Benefits	39,250.00	33,220.46	31,100.00	36,041.93	26,010.00	20,769.20	22,500.00	22,122.56
Materials and Supplies	499,000.00	387,769.07	472,000.00	253,331.28	347,000.00	118,902.86	286,000.00	136,780.23
Equipment	85,000.00	31,282.62	80,000.00	54,791.05	62,000.00	42,642.36	51,750.70	28,820.08
Office	4,200.00	4,188.25	5,657.08	5,482.53	5,400.00	2,182.20	5,784.06	3,966.22
Insurance	17,300.00	17,266.88	16,200.00	16,907.70	6,500.00	5,337.80	6,500.00	5,728.18
Professional Services	7,000.00	-	7,000.00	-	5,000.00	10,902.55	2,000.00	11,198.45
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	781,750.00	572,600.03	711,957.08	460,035.49	526,910.00	269,427.97	445,534.76	270,279.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(334,334.03)	(113,853.54)	(264,541.11)	12,332.39	(230,341.86)	42,250.45	(53,966.62)	76,555.52
CASH AND INVESTMENT BALANCES, JANUARY 1	387,429.80	387,429.80	375,097.41	375,097.41	249,135.19	249,135.19	172,579.67	172,579.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 53,095.77</u>	<u>\$ 273,576.26</u>	<u>\$ 110,556.30</u>	<u>\$ 387,429.80</u>	<u>\$ 18,793.33</u>	<u>\$ 291,385.64</u>	<u>\$ 118,613.05</u>	<u>\$ 249,135.19</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY ADMIN COST HANDLING FUND				SHERIFF SPECIAL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ 2,305.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	6,500.00	7,089.00	10,000.00	10,170.08	50,000.00	33,944.20	50,000.00	35,162.04
Interest	150.00	19.13	150.00	12.34	500.00	1,721.43	600.00	688.77
Other	2,300.00	-	-	1,026.71	-	7,595.98	17,000.00	10,030.31
Transfers In	-	-	-	-	1,200.00	1,925.00	1,200.00	1,600.00
TOTAL RECEIPTS	8,950.00	9,413.89	10,150.00	11,209.13	51,700.00	45,186.61	68,800.00	47,481.12
DISBURSEMENTS								
Materials and Supplies	6,800.00	7,153.52	10,000.00	9,170.60	200,000.00	41,355.41	205,000.00	43,839.89
Services and Other	4,685.00	3,759.22	4,706.98	3,745.48	-	-	-	-
Transfers Out	-	-	-	225.00	-	-	-	4,262.00
TOTAL DISBURSEMENTS	11,485.00	10,912.74	14,706.98	13,141.08	200,000.00	41,355.41	205,000.00	48,101.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,535.00)	(1,498.85)	(4,556.98)	(1,931.95)	(148,300.00)	3,831.20	(136,200.00)	(620.77)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,627.50	2,627.50	4,559.45	4,559.45	164,364.95	164,364.95	164,985.72	164,985.72
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 92.50	\$ 1,128.65	\$ 2.47	\$ 2,627.50	\$ 16,064.95	\$ 168,196.15	\$ 28,785.72	\$ 164,364.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 20,000.00	\$ 25,012.35	\$ 18,000.00	\$ 21,727.72	\$ 800.00	\$ 804.51	\$ 800.00	\$ 567.72
Interest	-	203.80	-	-	-	5.00	-	-
Transfers In	-	-	-	-	-	-	-	225.00
TOTAL RECEIPTS	20,000.00	25,216.15	18,000.00	21,727.72	800.00	809.51	800.00	792.72
DISBURSEMENTS								
Office	3,500.00	4,065.67	3,500.00	2,562.99	-	-	-	-
Training	1,500.00	-	1,500.00	70.95	1,111.17	692.11	1,171.84	1,078.37
Services and Other	36,500.00	22,371.24	37,500.00	24,933.59	-	-	-	-
Transfers Out	2,000.00	-	2,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	43,500.00	26,436.91	44,500.00	27,567.53	1,111.17	692.11	1,171.84	1,078.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,500.00)	(1,220.76)	(26,500.00)	(5,839.81)	(311.17)	117.40	(371.84)	(285.65)
CASH AND INVESTMENT BALANCES, JANUARY 1	24,015.10	24,015.10	29,854.91	29,854.91	437.06	437.06	722.71	722.71
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 515.10	\$ 22,794.34	\$ 3,354.91	\$ 24,015.10	\$ 125.89	\$ 554.46	\$ 350.87	\$ 437.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT TRAINING FUND				911 EMERGENCY FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,500.00	\$ 970.03	\$ 1,500.00	\$ 1,090.91	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	1,520.04	3,000.00	2,200.00	160,000.00	137,977.73	208,000.00	181,698.57
Interest	-	78.50	-	-	-	560.77	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	150,000.00	150,000.00	40,000.00	40,000.00
TOTAL RECEIPTS	4,500.00	2,568.57	4,500.00	3,290.91	310,000.00	288,538.50	248,000.00	221,698.57
DISBURSEMENTS								
Training	5,500.00	2,692.87	5,500.00	2,313.67	-	-	-	-
Materials and Supplies	1,000.00	495.00	4,000.00	-	-	-	-	-
Service Contract with City of Monett	-	-	-	-	270,000.00	239,180.35	176,261.00	174,326.60
Telephone Network	-	-	-	-	42,000.00	30,481.53	41,000.00	40,463.33
Transfers Out	-	-	-	-	14,524.72	35,401.34	-	-
TOTAL DISBURSEMENTS	6,500.00	3,187.87	9,500.00	2,313.67	326,524.72	305,063.22	217,261.00	214,789.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000.00)	(619.30)	(5,000.00)	977.24	(16,524.72)	(16,524.72)	30,739.00	6,908.64
CASH AND INVESTMENT BALANCES, JANUARY 1	7,920.55	7,920.55	6,943.31	6,943.31	16,524.72	16,524.72	9,616.08	9,616.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,920.55	\$ 7,301.25	\$ 1,943.31	\$ 7,920.55	\$ -	\$ -	\$ 40,355.08	\$ 16,524.72

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THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	INMATE SECURITY FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 3,000.00	\$ 1,243.32	\$ 3,000.00	\$ 1,734.10	\$ 14,000.00	\$ 10,163.58	\$ 3,000.00	\$ 2,136.80
Charges for Services	38,000.00	33,980.93	40,000.00	41,841.06	4,000.00	2,054.51	4,000.00	4,618.42
Interest	-	341.62	-	-	100.00	299.13	100.00	108.73
Other	-	42.25	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	41,000.00	35,608.12	43,000.00	43,575.16	18,100.00	12,517.22	7,100.00	6,863.95
DISBURSEMENTS								
Materials and Supplies	15,000.00	11,455.24	2,000.00	13,800.49	10,000.00	781.58	20,000.00	10,500.00
Commissary	15,000.00	15,631.30	20,000.00	11,421.25	-	-	-	-
Phone Cards	15,000.00	2,080.95	20,000.00	9,000.00	-	-	-	-
Mileage and Training	-	-	-	-	6,000.00	2,216.78	8,000.00	1,124.91
Grants	-	-	-	-	12,000.00	-	13,000.00	9,501.31
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	45,000.00	29,167.49	42,000.00	34,221.74	28,000.00	2,998.36	41,000.00	21,126.22
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,000.00)	6,440.63	1,000.00	9,353.42	(9,900.00)	9,518.86	(33,900.00)	(14,262.27)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	37,960.33	37,960.33	28,606.91	28,606.91	20,114.49	20,114.49	34,376.76	34,376.76
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$ 33,960.33</u>	<u>\$ 44,400.96</u>	<u>\$ 29,606.91</u>	<u>\$ 37,960.33</u>	<u>\$ 10,214.49</u>	<u>\$ 29,633.35</u>	<u>\$ 476.76</u>	<u>\$ 20,114.49</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COLLECTOR'S TAX MAINTENANCE FUND				RECORDER SPECIAL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 49,000.00	\$ 57,159.11	\$ 49,000.00	\$ 51,688.09	\$ 30,000.00	\$ 49,635.00	\$ 20,000.00	\$ 50,600.35
Interest	-	708.94	-	-	500.00	1,612.50	500.00	521.97
Other	-	-	-	-	-	1,085.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	49,000.00	57,868.05	49,000.00	51,688.09	30,500.00	52,332.50	20,500.00	51,122.32
DISBURSEMENTS								
Office	54,250.00	15,494.84	65,000.00	17,274.70	30,500.00	20,140.94	26,500.00	20,280.39
Equipment	37,000.00	30,140.79	29,000.00	36,104.34	50,000.00	2,614.94	53,000.00	3,719.34
Mileage and Training	3,250.00	1,429.60	3,250.00	1,318.35	1,700.00	1,536.16	1,700.00	1,041.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	94,500.00	47,065.23	97,250.00	54,697.39	82,200.00	24,292.04	81,200.00	25,040.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,500.00)	10,802.82	(48,250.00)	(3,009.30)	(51,700.00)	28,040.46	(60,700.00)	26,081.39
CASH AND INVESTMENT BALANCES, JANUARY 1	47,996.17	47,996.17	51,005.47	51,005.47	137,548.47	137,548.47	111,467.08	111,467.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,496.17	\$ 58,798.99	\$ 2,755.47	\$ 47,996.17	\$ 85,848.47	\$ 165,588.93	\$ 50,767.08	\$ 137,548.47

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THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF REVOLVING FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00	\$ 4,256.38	\$ 4,700.00	\$ 4,322.97
Charges for Services	11,000.00	27,772.00	10,600.00	15,015.00	-	-	-	-
Interest	400.00	1,242.92	400.00	487.60	-	186.95	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,400.00	29,014.92	11,000.00	15,502.60	4,500.00	4,443.33	4,700.00	4,322.97
DISBURSEMENTS								
Salaries	6,000.00	6,000.00	10,000.00	7,633.80	1,800.00	-	1,800.00	-
Benefits	1,600.00	884.02	2,400.00	1,385.45	-	-	-	-
Conceal Carry Background	12,000.00	13,075.81	20,000.00	12,892.14	-	-	-	-
Supplies	100,000.00	-	99,523.00	-	1,325.00	5,458.16	2,325.00	6,897.96
Mileage and Meetings	-	-	-	-	7,800.00	502.94	6,300.00	665.11
Training	-	-	-	-	10,400.00	-	1,200.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	119,600.00	19,959.83	131,923.00	21,911.39	21,325.00	5,961.10	11,625.00	7,563.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	(108,200.00)	9,055.09	(120,923.00)	(6,408.79)	(16,825.00)	(1,517.77)	(6,925.00)	(3,240.10)
CASH AND INVESTMENT BALANCES, JANUARY 1	114,557.82	114,557.82	120,966.61	120,966.61	20,244.75	20,244.75	23,484.85	23,484.85
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 6,357.82</u>	<u>\$ 123,612.91</u>	<u>\$ 43.61</u>	<u>\$ 114,557.82</u>	<u>\$ 3,419.75</u>	<u>\$ 18,726.98</u>	<u>\$ 16,559.85</u>	<u>\$ 20,244.75</u>

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THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DOMESTIC VIOLENCE FUND				DOMESTIC CANNABIS ERADICATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 353,486.40	\$ 354,738.32	\$ 311,785.00	\$ 236,907.66
Charges for Services	8,000.00	4,490.74	8,000.00	5,738.62	-	-	-	-
Other	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,000.00	4,490.74	8,000.00	5,738.62	353,486.40	354,738.32	311,785.00	236,907.66
DISBURSEMENTS								
Lafayette House	10,882.28	7,173.02	8,000.00	3,078.34	-	-	-	-
Grant	-	-	-	-	75,300.00	58,019.71	75,300.00	104,525.22
Task Force Expenses	-	-	-	-	251,500.00	265,050.54	233,285.00	129,182.44
Forfeitures	-	-	-	-	23,486.40	5,754.00	-	-
Transfers Out	-	-	-	-	3,200.00	6,196.39	3,200.00	3,200.00
TOTAL DISBURSEMENTS	10,882.28	7,173.02	8,000.00	3,078.34	353,486.40	335,020.64	311,785.00	236,907.66
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,882.28)	(2,682.28)	-	2,660.28	-	19,717.68	-	-
CASH AND INVESTMENTS BALANCES, JANUARY 1	2,882.28	2,882.28	222.00	222.00	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 200.00	\$ 222.00	\$ 2,882.28	\$ -	\$ 19,717.68	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT SALES TAX FUND				GENERAL REVENUE RESERVE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 1,705,000.00	\$ 1,724,555.41	\$ 1,689,590.00	\$ 1,674,242.94	\$ 275,740.00	\$ 339,224.26	\$ 220,000.00	\$ 351,534.03
Intergovernmental	451,400.00	549,533.40	482,097.00	473,984.69	-	-	-	-
Charges for Services	34,500.00	33,176.17	40,500.00	38,921.39	-	-	-	-
Interest	950.00	7,969.17	800.00	994.63	-	8,438.07	-	-
Other	1,000.00	3,492.50	12,986.71	17,722.67	-	-	-	-
Transfers In	-	2,671.39	3,612.00	3,612.00	125,000.00	125,000.00	125,000.00	125,000.00
TOTAL RECEIPTS	2,192,850.00	2,321,398.04	2,229,585.71	2,209,478.32	400,740.00	472,662.33	345,000.00	476,534.03
DISBURSEMENTS								
Salaries	706,487.35	666,205.24	608,379.00	590,125.73	-	-	-	-
Benefits	357,575.00	288,144.07	268,415.79	316,298.24	-	-	-	-
Sheriff	286,460.00	245,373.50	243,517.00	250,662.85	-	-	-	-
Jail	1,057,150.52	938,660.06	905,143.86	900,119.67	-	-	-	-
Insurance	4,600.00	-	103,873.24	4,552.47	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,412,272.87	2,138,382.87	2,129,328.89	2,061,758.96	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(219,422.87)	183,015.17	100,256.82	147,719.36	400,740.00	472,662.33	345,000.00	476,534.03
CASH AND INVESTMENT BALANCES, JANUARY 1	264,505.25	264,505.25	116,785.89	116,785.89	476,534.03	476,534.03	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 45,082.38	\$ 447,520.42	\$ 217,042.71	\$ 264,505.25	\$ 877,274.03	\$ 949,196.36	\$ 345,000.00	\$ 476,534.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENIOR CITIZENS SERVICE BOARD FUND				DEVELOPMENTALLY DISABLED BOARD FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 234,000.00	\$ 226,903.00	\$ 228,500.00	\$ 234,081.00	\$ 437,500.00	\$ 422,342.00	\$ 416,000.00	\$ 436,256.00
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	99.00	500.00	453.00	480,500.00	491,441.00	448,400.00	480,006.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	300.00	260.00	150.00	294.00	2,400.00	3,650.00	600.00	2,445.00
Other	-	-	-	-	-	1,501.00	-	8,808.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	234,300.00	227,262.00	229,150.00	234,828.00	920,400.00	918,934.00	865,000.00	927,515.00
DISBURSEMENTS								
Grants	300,000.00	273,569.00	255,150.00	206,643.00	500,000.00	373,721.00	425,000.00	264,362.00
Administrative	3,000.00	1,298.00	4,000.00	2,424.00	183,000.00	171,836.00	180,000.00	152,907.00
Emergency	70,531.00	303.00	60,000.00	-	75,400.00	-	72,000.00	-
Targeted Case Management	-	-	-	-	468,000.00	427,279.00	468,000.00	418,347.00
Savings	-	-	-	-	298,062.00	-	88,096.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	373,531.00	275,170.00	319,150.00	209,067.00	1,524,462.00	972,836.00	1,233,096.00	835,616.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(139,231.00)	(47,908.00)	(90,000.00)	25,761.00	(604,062.00)	(53,902.00)	(368,096.00)	91,899.00
CASH AND INVESTMENT BALANCES, JANUARY 1	139,231.00	139,231.00	113,470.00	113,470.00	604,062.00	604,062.00	512,163.00	512,163.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 91,323.00	\$ 23,470.00	\$ 139,231.00	\$ -	\$ 550,160.00	\$ 144,067.00	\$ 604,062.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	Collector Funds	Prosecuting Attorney	Recorder of Deeds Funds	Sheriff Funds	CERF
ASSETS					
Cash and Cash Equivalents	\$ 12,492,485.59	\$ 200.08	\$ 21,489.10	\$ 15,426.26	\$ 0.49
Total Assets	12,492,485.59	200.08	21,489.10	15,426.26	0.49
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	12,492,485.59	200.08	21,489.10	15,426.26	0.49
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,492,485.59</u>	<u>\$ 200.08</u>	<u>\$ 21,489.10</u>	<u>\$ 15,426.26</u>	<u>\$ 0.49</u>
	Courthouse Employee Funds	School Fines	Other Tax Entities	Schools	Special Road District
ASSETS					
Cash and Cash Equivalents	\$ 5,592.53	\$ 10,035.56	\$ 15,514.71	\$ 9,184.88	\$ 691.77
Total Assets	5,592.53	10,035.56	15,514.71	9,184.88	691.77
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	5,592.53	10,035.56	15,514.71	9,184.88	691.77
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,592.53</u>	<u>\$ 10,035.56</u>	<u>\$ 15,514.71</u>	<u>\$ 9,184.88</u>	<u>\$ 691.77</u>
	Tax Sales Surplus	Unclaimed Fees	Woodsland Cemetery	Grand Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 27,015.16	\$ 469.31	\$ 14,052.86	\$ 12,612,158.30	
Total Assets	27,015.16	469.31	14,052.86	12,612,158.30	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	27,015.16	469.31	14,052.86	12,612,158.30	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,015.16</u>	<u>\$ 469.31</u>	<u>\$ 14,052.86</u>	<u>\$ 12,612,158.30</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Collector Funds	Prosecuting Attorney	Recorder of Deeds Funds	Sheriff Funds	CERF
ASSETS					
Cash and Cash Equivalents	\$ 10,611,832.83	\$ 6,588.39	\$ 17,303.60	\$ 9,814.82	\$ 0.12
Total Assets	10,611,832.83	6,588.39	17,303.60	9,814.82	0.12
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	10,611,832.83	6,588.39	17,303.60	9,814.82	0.12
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,611,832.83</u>	<u>\$ 6,588.39</u>	<u>\$ 17,303.60</u>	<u>\$ 9,814.82</u>	<u>\$ 0.12</u>
	Courthouse Employee Funds	School Fines	Other Tax Entities	Schools	Special Road District
ASSETS					
Cash and Cash Equivalents	\$ 5,334.22	\$ 5,983.39	\$ 1,602.04	\$ 7,263.95	\$ 540.29
Total Assets	5,334.22	5,983.39	1,602.04	7,263.95	540.29
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	5,334.22	5,983.39	1,602.04	7,263.95	540.29
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,334.22</u>	<u>\$ 5,983.39</u>	<u>\$ 1,602.04</u>	<u>\$ 7,263.95</u>	<u>\$ 540.29</u>
	Tax Sales Surplus	Unclaimed Fees	Woodsland Cemetery	Grand Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 40,137.81	\$ 363.16	\$ 13,365.78	\$ 10,720,130.40	
Total Assets	40,137.81	363.16	13,365.78	10,720,130.40	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	40,137.81	363.16	13,365.78	10,720,130.40	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,137.81</u>	<u>\$ 363.16</u>	<u>\$ 13,365.78</u>	<u>\$ 10,720,130.40</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Lawrence, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

The financial statements referred to above include only the County of Lawrence County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and 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.

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

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

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget 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 adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 324,491,160	\$ 323,276,200
Personal Property	114,791,847	112,396,611
Railroad and Utilities	65,360,325	53,218,545
	<u>\$ 504,643,332</u>	<u>\$ 488,891,356</u>

During 2019 and 2018, the County Commission approved a \$.7826 and \$.7857, respectively, tax levy per \$100 of assessed valuation of tangible taxable, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.1249	\$ 0.1205
Special Road and Bridge Fund	0.1000	0.1000
Common I Fund	0.2178	0.2196
Common II Fund	0.2055	0.2112
Senior Citizens Service Board Fund	0.0477	0.0477
Developmentally Disabled Board Fund	0.0867	0.0867
	<u>\$ 0.7826</u>	<u>\$ 0.7857</u>

F. Cash Deposits and Investments

Cash 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 such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any 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, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. 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 balances are presented in Note II.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash balances are separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amounts of the County's deposits and investments were \$7,546,664.97 and \$6,520,159.12, respectively, and the bank balances were \$20,341,839.09 and \$17,379,074.11, respectively. As of December 31, 2019, and 2018, the County's deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and
Investment Balances – Governmental Funds:

Deposits	\$ 7,546,664.97
Investments	<u>-</u>
Total Governmental Funds	7,546,664.97

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits and cash equivalents	<u>12,612,158.30</u>
Total Agency Funds	<u>12,612,158.30</u>
Total Deposits and Investments as of December 31, 2019	\$ <u><u>20,158,823.27</u></u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS (concluded)

The carrying values of deposits at December 31, 2018, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash
and Investment Balances – Governmental Funds:

Deposits	\$ 6,319,660.48
Investments	200,498.64
Total Governmental Funds	<u>6,520,159.12</u>

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits and cash equivalents	<u>10,720,130.40</u>
Total Agency Funds	<u>10,720,130.40</u>

Total Deposits and Investments as of December 31, 2018	\$ <u><u>17,240,289.52</u></u>
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Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

CAPITAL LEASES:

On August 20, 2015, the County entered into a lease purchase agreement to finance the purchase of a tractor at a total cost of \$100,770 with 3.0% interest. The agreement requires annual payments of \$21,751 through 2019. The lease was paid off during the 2019 fiscal year.

The following is a schedule of payments made under the agreement as of December 31, 2019.

<u>Description</u>	<u>Balance</u>		<u>Retirements</u>	<u>Balance</u>	
	<u>12/31/2018</u>	<u>Additions</u>		<u>12/31/2019</u>	<u>Interest Paid</u>
John Deere Tractor	\$ 21,109.61	\$ -	\$ 21,109.61	\$ -	\$ 642.09
TOTAL	\$ 21,109.61	\$ -	\$ 21,109.61	\$ -	\$ 642.09

The following is a schedule of payments made under the agreement as of December 31, 2018.

<u>Description</u>	<u>Balance</u>		<u>Retirements</u>	<u>Balance</u>	
	<u>12/31/2017</u>	<u>Additions</u>		<u>12/31/2018</u>	<u>Interest Paid</u>
John Deere Tractor	\$ 41,595.15	\$ -	\$ 20,485.54	\$ 21,109.61	\$ 1,265.16
TOTAL	\$ 41,595.15	\$ -	\$ 20,485.54	\$ 21,109.61	\$ 1,265.16

2018 AMORTIZATIONS

<u>YEARS</u> <u>ENDING</u> <u>DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 21,109.61	\$ 642.09	\$ 21,751.70
	\$ 21,109.61	\$ 642.09	\$ 21,751.70

OPERATING LEASES:

On January 1, 2016 the County entered into a lease maintenance agreement with Federal Protection, Inc for security services. The agreement begins January 1, 2016 and terminates on December 31, 2020. Payments are to be made quarterly in the amount of \$138.00.

On January 1, 2016 the County entered into a monitoring services agreement with Federal Protection, Inc. The agreement begins January 1, 2016 and terminates on December 31, 2020. Payments are to be made quarterly in the amount of \$88.50.

On August 21, 2016, the County entered into a lease of office space for the Public Defender. The lease is shared between Lawrence, Barry and Stone counties. The agreement begins October 1, 2016 and terminates September 30, 2019, in which monthly payments will be made in the amount of \$504.

On August 28, 2019, the County entered into a lease of office space for the Public Defender. The lease is shared between Lawrence, Barry and Stone counties. The agreement begins October 1, 2019 and terminates September 30, 2022, in which monthly payments will be made in the amount of \$504.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT (concluded)

OPERATING LEASES: (concluded)

On January 4, 2018, The County entered into an operating lease with Cott Systems. The lease is effective for 60 months from July 1, 2018 through June 30, 2023. Payments will be made monthly in the amount of \$1,100.

The County entered into a lease of office space for the Prosecuting Attorney's child support division. Monthly payments are to be made in the amount of \$650. The agreement is renewed annually and will expire on July 31, 2020.

The County entered into a lease of office space for the Women, Infant and Children administration. The County is to make monthly payments of \$700. The lease is renewed annually and will expire on November 30, 2020.

2019 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2020	\$ 29,654.00	\$ 29,654.00
2021	19,248.00	19,248.00
2022	17,736.00	17,736.00
2023	6,600.00	6,600.00
	<u>\$ 73,238.00</u>	<u>\$ 73,238.00</u>

2018 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2019	\$ 37,004.00	\$ 37,004.00
2020	29,654.00	29,654.00
2021	19,248.00	19,248.00
2022	17,736.00	17,736.00
2023	6,600.00	6,600.00
	<u>\$ 110,242.00</u>	<u>\$ 110,242.00</u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 31,600.00	\$ 525,000.00	\$ 31,600.00	\$ 415,000.00
Special Road and Bridge Fund	-	623,236.99	60,000.00	657,396.57
Assessment Fund	-	-	-	60,523.90
Judicial Sales Tax Fund	-	-	650.00	-
Capital Improvements Fund	285,401.34	-	190,000.00	-
Common I Fund	342,706.49	-	362,440.12	-
Common II Fund	250,530.50	-	264,956.45	-
Prosecuting Attorney Admin Cost Handling Fund	-	-	-	225.00
Sheriff Special Fund	1,925.00	-	1,600.00	4,262.00
Prosecuting Attorney Training Fund	-	-	225.00	-
911 Emergency Fund	150,000.00	35,401.34	40,000.00	-
Domestic Cannabis Eradication Fund	-	6,196.39	-	3,200.00
Law Enforcement Sales Tax Fund	2,671.39	-	3,612.00	-
General Revenue Reserve Fund	125,000.00	-	125,000.00	-
Agency Funds	-	-	60,523.90	-
TOTAL	\$ 1,189,834.72	\$ 1,189,834.72	\$ 1,140,607.47	\$ 1,140,607.47

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Lawrence County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Lawrence County 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 Sections 70.600-70.755 RSMo. 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.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. 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 then in effect for their political subdivision. 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. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

2019 Valuation

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, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	46	19
Inactive employees entitled to but not yet receiving benefits	20	15
Active employees	<u>52</u>	<u>26</u>
	<u>118</u>	<u>60</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 5.6% (General) and 1.8% (Police) of annual covered payroll for 2019.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

2018 Valuation

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, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	41	17
Inactive employees entitled to but not yet receiving benefits	18	15
Active employees	55	25
	<u>114</u>	<u>57</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 5.5% (General) and 1.5% (Police) of annual covered payroll for 2018.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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 actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. 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 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.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 181,908	\$ 86,627
2 Interest on Total Pension Liability	487,101	172,567
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	72,012	(33,642)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(356,920)	(115,259)
7 Net change in total pension liability	384,101	110,293
8 Total pension liability - beginning	6,804,612	2,394,305
9 Total pension liability - ending	<u>\$ 7,188,713</u>	<u>\$ 2,504,598</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 107,128	\$ 19,995
2 Contributions - employee	77,209	39,404
3 Net investment income	503,925	199,168
4 Benefit payments, including refunds of employee contributions	(356,920)	(115,259)
5 Pension plan administrative expense	(13,280)	(6,762)
6 Other (net transfer)	43,746	4,626
7 Net change in plan fiduciary net position	361,808	141,172
8 Plan fiduciary net position - beginning	7,632,472	3,035,775
9 Plan fiduciary net position - ending	<u>\$ 7,994,280</u>	<u>\$ 3,176,947</u>
C. Net Pension Liability / (Asset)	<u>\$ (805,567)</u>	<u>\$ (672,349)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.21%	126.84%
E. Covered-Employee Payroll	\$ 1,801,700	\$ 960,265
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-44.71%	-70.02%

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 8,139,135	\$ 7,188,713	\$ 6,400,636
Plan Fiduciary Net Position	7,994,280	7,994,280	7,994,280
Net Pension Liability / (Asset) (NPL)	\$ 144,855	\$ (805,567)	\$ (1,593,644)
Police Division:			
Total Pension Liability (TPL)	\$ 2,929,123	\$ 2,504,598	\$ 2,160,092
Plan Fiduciary Net Position	3,176,947	3,176,947	3,176,947
Net Pension Liability / (Asset) (NPL)	\$ (247,824)	\$ (672,349)	\$ (1,016,855)

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

For the year ended June 30, 2019, the employer recognized pension expense of \$134,850 (General) and \$5,442 (Police). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 54,406	\$ (7,455)	\$ -	\$ (96,220)
Changes in assumptions	48,737	-	21,745	-
Net difference between projected and actual earnings on pension plan investments	-	(195,757)	-	(72,403)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 103,143</u>	<u>\$ (203,212)</u>	<u>\$ 21,745</u>	<u>\$ (168,623)</u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

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

*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 June 30, 2019.

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

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	\$ 34,011	\$ (24,512)
2021	(102,512)	(66,147)
2022	(42,028)	(49,595)
2023	10,460	(5,277)
2024	-	(1,347)
Thereafter	-	-
Total	<u>\$ (100,069)</u>	<u>\$ (146,878)</u>

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2019 and 2018, the County collected and remitted to CERF, employee contributions of approximately \$58,510.30 and \$72,773.39, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019, and 2018.

VIII. 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. There were two participants at December 31, 2019 and December 31, 2018, with contributions of \$10,502.56 and \$7,775.07.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

Each full-time regular employee shall accrue vacation leave credit as follows: One week vacation after one year of service. Two weeks' vacation after two years of service. Three weeks' vacation after ten years of service. Comp time must be depleted before vacation time is used. All Part-time employees shall be subject to all the provisions of this section, except that vacation shall be credited at the same rate shown for full-time employees, based on percentage of days worked. Vacation time not taken will be forfeited. Employees may not accrue vacation leave unless they have prior permission from the Department head and the County Commission. No vacation leave will accumulate while an employee is taking paid or unpaid sick leave but may be added to their account after returning to normal duties. 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. To be eligible for such compensation, employees resigning from the County service must comply with the provisions of Article 12 of these rules governing resignations. In the event of separation due to death of the employee, compensation shall be made to the employee's beneficiary. No accrual shall occur after the date of termination.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. 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 participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

XI. PRIOR PERIOD ADJUSTMENT

The prior audit cash balances at December 31, 2017, has been adjusted to \$5,194,174.59 for a net adjustment of (\$14,703.41). The details of the cash adjustments to the funds are as follows:

General Revenue Fund	\$ (14,705.96)
Rounding of Other Funds	<u>2.55</u>
	<u><u>\$ (14,703.41)</u></u>

XII. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2019 and December 31, 2018.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'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*

Independent Auditor's Report

To the County Commission
The County of Lawrence, 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 the County of Lawrence ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001 and 2019-002]

Compliance and Other Matters

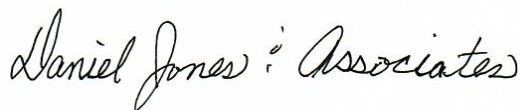
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To The County Commission
The County of Lawrence, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Lawrence's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2019, and 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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 years ended December 31, 2019, and 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004, that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020

**THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019 AND 2018**

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	DECEMBER 31, 2019 FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS	DECEMBER 31, 2018 FEDERAL EXPENDITURES	TOTAL FEDERAL EXPENDITURES
U.S. Department of Agriculture							
Passed Through Missouri Department of Health and Senior Services							
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04518040	\$ -	\$ -	\$ -	\$ 134,591.97	\$ 134,591.97
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04519051	-	142,904.33	-	42,253.37	185,157.70
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04520051	-	43,733.23	-	-	43,733.23
Total CFDA# 10.557			-	186,637.56	-	176,845.34	363,482.90
Summer Food Service Program for Children	10.559	ERS219-18551	-	-	-	125.00	125.00
Summer Food Service Program for Children	10.559	ERS219-19055	-	215.00	-	-	215.00
Total CFDA# 10.559			-	215.00	-	125.00	340.00
Total U.S. Department of Agriculture			-	186,852.56	-	176,970.34	363,822.90
U.S. Department of Justice							
Direct Program:							
Domestic Cannabis Eradication/Suppression Program	16.000	2018-75	-	-	-	80,000.00	80,000.00
Domestic Cannabis Eradication/Suppression Program	16.000	2019-79	-	59,572.64	-	-	59,572.64
Total CFDA# 16.000			-	59,572.64	-	80,000.00	139,572.64
Equitable Sharing of Seized and Forfeited Property	16.922		-	20,232.40	-	-	20,232.40
Passed Through Missouri Association of Prosecuting Attorneys							
Crime Victim Assistance	16.575	ER130200072	-	37,734.86	-	33,467.86	71,202.72
Passed Through Missouri Department of Public Safety							
Crime Victim Assistance	16.575	2016-VA-GX-4056	-	-	-	13,626.43	13,626.43
Crime Victim Assistance	16.575	2017-VA-GX-0079	-	27,640.66	-	13,993.78	41,634.44
Total CFDA# 16.575			-	65,375.52	-	61,088.07	126,463.59
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-JAG-023	-	-	-	90,405.47	90,405.47
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JAG-012	-	115,688.83	-	115,810.64	231,499.47
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-JAG-012	-	105,483.85	-	-	105,483.85
Total CFDA# 16.738			-	221,172.68	-	206,216.11	427,388.79
Total U.S. Department of Justice			-	366,353.24	-	347,304.18	713,657.42
U.S. Department of Transportation							
Passed Through Missouri Highway and Transportation Commission							
Highway Planning and Construction	20.205	BRO-B055(27)	-	31,729.86	-	18,941.24	50,671.10
Highway Planning and Construction	20.205	BRO-B055(28)	-	10,588.75	-	-	10,588.75
Total CFDA# 20.205			-	42,318.61	-	18,941.24	61,259.85
Passed Through Missouri Department of Transportation							
Alcohol Open Container Requirements	20.607	18-154AL-062	-	-	-	5,378.83	5,378.83
Alcohol Open Container Requirements	20.607	19-154-AL-060	-	6,257.52	-	-	6,257.52
Passed Through University of Central Missouri							
Alcohol Open Container Requirements	20.607	18-154-AL-154	-	-	-	4,383.08	4,383.08
Alcohol Open Container Requirements	20.607	19-154-AL-019	-	957.34	-	-	957.34
Total CFDA# 20.607			-	7,214.86	-	9,761.91	16,976.77
Highway Safety Cluster:							
Passed Through Missouri Department of Transportation							
State and Community Highway Safety	20.600	18-PT-02-121	-	-	-	4,128.85	4,128.85
State and Community Highway Safety	20.600	19-PT-02-056	-	3,541.29	-	630.14	4,171.43
Passed Through University of Central Missouri							
State and Community Highway Safety	20.600	19-PT-02-067	-	1,830.04	-	-	1,830.04
Total CFDA# 20.600			-	5,371.33	-	4,758.99	10,130.32
Passed Through the University of Central Missouri							
National Priority Safety Programs	20.616	18-M20P-05-020	-	-	-	1,724.14	1,724.14
Total Highway Safety Cluster			-	5,371.33	-	6,483.13	11,854.46
Total U.S. Department of Transportation			-	54,904.80	-	35,186.28	90,091.08
U.S. Department of Health and Human Services							
Passed Through Missouri Department of Health and Senior Services							
Public Health Emergency Preparedness	93.069		-	33,968.51	-	32,325.31	66,293.82
Cancer Prevention and Control Programs	93.898	ERS16118058	-	-	-	2,489.89	2,489.89
Cancer Prevention and Control Programs	93.898	ERS16119042	-	1,299.24	-	2,350.40	3,649.64
Cancer Prevention and Control Programs	93.898	ERS16120035	-	3,788.41	-	-	3,788.41
Total CFDA# 93.898			-	5,087.65	-	4,840.29	9,927.94
Child Care and Development Block Grant	93.575	ERS220-11056	-	2,480.00	-	2,835.00	5,315.00
Child Care and Development Block Grant	93.575	DH190013066	-	6,090.58	-	3,670.05	9,760.63
Child Care and Development Block Grant	93.575	DH200048139	-	5,788.14	-	-	5,788.14
Child Care and Development Block Grant	93.575	ERS22020056	-	240.00	-	-	240.00
Total CFDA# 93.575			-	14,598.72	-	6,505.05	21,103.77
Children's Health Insurance Program	93.767		-	79,911.00	-	83,114.31	163,025.31
Maternal and Child Health Services Block Grant to States	93.994	1804MC32553-01	-	20,628.26	-	8,119.55	28,747.81
Maternal and Child Health Services Block Grant to States	93.994	1804MC31498-01	-	-	-	19,512.83	19,512.83
Maternal and Child Health Services Block Grant to States	93.994	DH180015055	-	-	-	2,902.97	2,902.97
Maternal and Child Health Services Block Grant to States	93.994	1804MC33849-01	-	9,107.06	-	-	9,107.06
Total CFDA# 93.994			-	29,735.32	-	30,535.35	60,270.67
Passed Through Missouri Department of Social Services							
Medical Assistance Program	93.778		-	1,817.62	-	1,939.69	3,757.31
Child Support Enforcement Program	93.563		-	173,622.24	-	169,200.24	342,822.48
Total U.S. Department of Health and Human Services			-	338,741.06	-	328,460.24	667,201.30
U.S. Department of Homeland Security							
Passed through the State Department of Public Safety							
Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	97.036	Falcon Road	-	75,781.50	-	-	75,781.50
Emergency Management Performance Grants	97.042	EMK-2019-EP-00001-063	-	18,131.89	-	-	18,131.89
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-060	-	-	-	18,904.03	18,904.03
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-SL09	-	3,691.00	-	-	3,691.00
Total CFDA# 97.042			-	21,822.89	-	18,904.03	40,726.92
Total U.S. Department of Homeland Security			-	97,604.39	-	18,904.03	116,508.42
TOTAL FEDERAL EXPENDITURES			\$ -	\$ 1,044,456.05	\$ -	\$ 906,825.07	\$ 1,951,281.12

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Lawrence under programs of the federal government for the years ended December 31, 2019, and 2018. 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). Because the Schedule presents only a selected portion of the operations of the County of Lawrence, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Lawrence.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory 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.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended of December 31, 2019, and 2018.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
2018 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☒ Yes ☐ No
2018 ☒ Yes ☐ No

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal program:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019/2018	93.563	Child Support Enforcement Program
2019/2018	16.738	Edward Byrne Memorial Justice Assistance Grant
2019	16.922	Equitable Sharing of Seized and Forfeited Property

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

6. Auditee qualified as low-risk auditee? 2019 Yes X No

2018 Yes X No

II. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation. This is a repeat finding of 2016-001/2017-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-001 Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (417) 466-3666.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

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

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of 2016-002/2017-002.

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

Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2019-003	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass- Through Entity	
	Identification Number:	All
	Award Year:	2019 and 2018
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over federal awards, regulation and the terms and conditions of the federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document risk assessment over each federal award.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019 and 2018 audit years.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (concluded)

2019-004	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All except 10.559 and 20.616
	Program Title:	All except Summer Food Service Program for Children and National Priority Safety Programs
	Pass-Through Entity Identifying Number:	All except 18-M2OP-05-020
	Award year	2019 and 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by Governmental Accounting and Financial Reporting Standards.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Section II – Financial Statement Findings

2016-001

2017-001

Condition: Documentation of the County's internal controls has not been prepared for the County.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Cause: The County did not prepare the required documentation.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

County Response: Lawrence County will work on developing the required documentation of internal controls in the offices of the County. The County Clerk is Gary Emerson, and his office phone number is (417) 466-4348.

Status: This finding is repeated in the current audit period as 2019-001.

2016-002

2017-002

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

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

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

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

2016-002
2017-002 (continued)

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

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

County Response: Lawrence County will work on developing the required risk assessments of the offices of the County. The County Clerk is Gary Emerson, and his office phone number is (417) 466-4348.

Status: This finding is repeated in the current audit period as 2019-002.

2016-003
2017-003

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in the report.

County Response: Lawrence County will continue to monitor the separation of duties with the limited resources available to the County.

Status: This finding has been resolved in the current audit period.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year federal award findings or questioned costs reported.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 14, 2020

To the County Commission
The County of Lawrence, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Lawrence (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiencies.

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. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in the County's internal control to be a significant deficiency as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiency Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- 2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: During discussions with management, we noted that internal control documentation has not been prepared.
- Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation. This is a repeat finding of 2016-001/2017-001.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (417) 466-3666.
- 2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Condition: During our audit, we noted there is no formal fraud risk assessment in place.
- Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.
- Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of 2016-002/2017-002.
- Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
- Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (417) 466-3666.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-003 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All
Program Title: All
Pass- Through Entity
Identification Number: All
Award Year: 2019 and 2018
Type of Finding: Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over federal awards, regulation and the terms and conditions of the federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document risk assessment over each federal award.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019 and 2018 audit years.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (417) 466-3666.

2019-004 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All except 10.559 and 20.616
Program Title: All except Summer Food Service Program for Children and
National Priority Safety Programs
Pass-Through Entity
Identifying Number: All except 18-M2OP-05-020
Award year 2019 and 2018
Type of Finding Other Information – Significant Deficiency

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-004 Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (417) 466-3666.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *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 April 1, 2020. 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 the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the County during the years 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.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of 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 August 14, 2020.

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 the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (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 the regulatory basis of accounting, 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.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

LAWRENCE COUNTY
LAWRENCE COUNTY COURTHOUSE
1 E. COURTHOUSE SQ
MT. VERNON MO 65712

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
12/31/2019 AND 12/31/2018

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office.	12/31/2020	COUNTY COMMISSION
2019-002	The County will address fraud risk assessment and work on preparing in all of the offices.	12/31/2020	COUNTY COMMISSION
2019-003	The Federal Program Directors are in the process of preparing the risk assessment over federal awards.	12/31/2020	COUNTY COMMISSION
2019-004	The County will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward.	12/31/2020	COUNTY COMMISSION